ANNUAL FINANCIAL REPORT JEFFERSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT JEFFERSON COUNTY, TENNESSEE FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT

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

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Summary of Audit Findings

Annual Financial Report Jefferson County, Tennessee For the Year Ended June 30, 2018

Scope

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2018.

Results

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

Our audit resulted in two 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:

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, 2018

Officials

Alan Palmieri, County Mayor

Charles Tipton, Road Superintendent

Sherry Finchum, 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

Robert Tucker, Chairman Todd Kesterson Randy Bales John McGraw

Randy Baxley Rita Musick

Robert Beeler John Neal Scarlett

Robert Blevins David Seal Jimmy Carmichael Tim Seals

Terry Dockery
Steve Douglas
Ralph Eslinger
David Gaut

Barbara Jean Sheets
Sammy Solomon
Donnie Tabor
Russell Turner

Katy Fox Huffaker

Board of Education

Jim Vines, Chairman
Randall Bradley
Dusty Cox
Bill Jarnigan
Anne Marie Potts
Maurice Solomon

Denise Fair

Highway Commission

Joe Simpson, ChairmanConard LangstonCondon BatsonJoel SmithDavid CateJohn Turner

Wayne Elmore

Jefferson County Officials (Cont.)

Financial Management Committee

John McGraw, Chairman Katy Fox Huffaker David Seal Rita Musick Alan Palmieri, County Mayor Sherry Finchum, Director of Schools Charles Tipton, Road Superintendent

Audit Committee

Garry Jett, Chairman Phyllis Best Jimmy Carmichael John McGraw John Neal Scarlett

FINANCIAL SECTION



Justin P. Wilson Comptroller

Jason E. Mumpower Deputy Comptroller

<u>Independent Auditor's Report</u>

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, 2018, 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. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jefferson County Nursing Home, is based solely on the report of the other auditors. We were unable to determine Jefferson County Nursing Home's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Jefferson County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.C., Jefferson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements increasing the beginning Governmental Activities net position of the primary government by \$171,128, reducing the beginning Business-type Activities net position of the primary government by \$35,635, and reducing the beginning net position of the discretely presented Jefferson County School Department by \$3,275,780, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The discretely presented Jefferson County Nursing Home also reports a restatement to correct the presentation of net pension assets in Note VI.A.18. That restatement reduced the beginning net position of the discretely presented Jefferson County Nursing Home by \$4,595. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-31 and the schedules of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total other postemployment benefits liability and related ratios on pages 156-166 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Jefferson County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 27, 2019, on our consideration of Jefferson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jefferson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jefferson County's internal control over financial reporting and compliance.

Very truly yours,

Justin P. Wilson

Comptroller of the Treasury

ush Phile

Nashville, Tennessee

February 27, 2019

JPW/tg



JEFFERSON COUNTY

P.O. Box 710 Dandridge, Tennessee 37725 Telephone: (865) 397-3800

JEFFERSON COUNTY, TENNESSEE MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2018

As management for Jefferson County, Tennessee, we offer readers of the financial statements of Jefferson County, Tennessee, this narrative overview and analysis of the financial activities of Jefferson County Government for the fiscal year ended June 30, 2018. In addition, this discussion and analysis includes an overview of the discretely presented Component Unit Jefferson County School Department. A separate set of financial statements is not issued for the Jefferson County School Department. The intent of this discussion and analysis is to look at Jefferson County and the discretely presented Jefferson County School Department's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with the basic financial statements and notes to the financial statements to enhance their understanding of Jefferson County's financial performance, as well as, the discretely presented Jefferson County School Department's financial performance.

The Jefferson County Nursing Home is also a discretely presented component unit of the county. Although the nursing home's financial statements are included in this report, readers should also review the separately issued financial statements and management's discussion and analysis for this discretely presented component unit.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Jefferson County Primary Government exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$64.2 million (net position). It should be noted that the financial statements of Jefferson County included debt totaling approximately \$56.9 million attributed to the Jefferson County Board of Education. The discretely presented Jefferson County School Department's assets and deferred outflows exceeded its liabilities and deferred inflows of resources by approximately \$65.3 million at June 30, 2018.
- The primary government's total net position increased by approximately \$6 million. The discretely presented Jefferson County School Department's net position decreased by approximately \$1.1 million. The increase in the primary government's total net position was primarily due to the retirement of debt. The decrease of the discretely presented Jefferson County School Department's total net position was attributed to Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB).

- As of the close of the fiscal year, Jefferson County's Governmental funds reported approximately \$27.5 million in total combined fund balances; this is an approximate increase of \$1.0 million from the previous period. Of this amount, approximately \$5.9 million represents funds that are available for spending (assigned and unassigned). The discretely presented Jefferson County School Department's governmental funds reported approximately \$8 million in total combined fund balances; an approximate decrease of \$0.5 million from the previous year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$5.8 million or 26.2 percent of the General Fund's annual budgetary expenditures (excluding other uses). The unassigned fund balance of the discretely presented Jefferson County School Department's General Purpose School Fund was approximately \$4.1 million or 7.5 percent of the fund's annual budgetary expenditures (excluding other uses).
- The total debt (bonds and other loans) of Jefferson County, Tennessee, decreased by approximately \$5.5 million or 7.2 percent during the current fiscal year due to the retirement of outstanding obligations.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Jefferson County and the discretely presented Jefferson County School Department's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements were created to give readers a broad overview, in a manner similar to a private-sector business, of the county's and school's finances. The government-wide financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of Jefferson County's and its discretely presented component units' assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county and its discretely presented component units is improving or deteriorating.

The Statement of Activities presents information showing how Jefferson County's and its discretely presented component units' net position changed during the current fiscal year. All changes in net position are reported on the accrual basis of accounting as soon as the underlying events giving rise to changes occur. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

These government-wide financial statements of Jefferson County Primary Government and the discretely presented Jefferson County School Department distinguish between major functions that are principally supported by taxes and intra-governmental revenues from functions that are intended to recover all, or a significant portion of, their costs from user fees and/or charges — business type activities. The governmental activities of Jefferson County include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways; education; and interest on long-term debt. The business-type activity of Jefferson County consists of the operation of the Landfill. The discretely presented Jefferson County School Department has no business-type activities.

The government-wide financial statements include not only Jefferson County Government itself (known as the primary government), but also a legally separate school system for which the Jefferson County Government is financially accountable.

The government-wide financial statements can be found in Exhibits A and B.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jefferson County and the discretely presented Jefferson County School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Jefferson County and the discretely presented Jefferson County School Department can be divided into three broad categories: governmental, proprietary and fiduciary funds.

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

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

Jefferson County maintains ten governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, Other Special Revenue, Highway, and General Debt Service funds; all of which are considered major funds. Financial data from the remaining governmental funds are combined into a single, aggregated amount with detail provided in the combining and individual fund financial statements and schedules.

The discretely presented Jefferson County School Department maintains four individual governmental funds. The General Purpose School Fund is considered a major fund.

Jefferson County adopts an annual budget for its General Fund, all special revenue funds (except the Constitutional Officers – Fees Fund), the General Debt Service Fund, and the General Capital Projects Fund. The discretely presented Jefferson County School Department, with the approval of the county, adopts an annual budget for its General Purpose School Fund and all special revenue funds. Budgetary comparisons have been provided for these funds to demonstrate budgetary compliance.

Governmental fund financial statements can be found in the table of contents.

Proprietary Funds. Jefferson County maintains two types of proprietary funds, an Internal Service Fund, and an Enterprise Fund. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The county has an enterprise fund to account for the county's landfill operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among Jefferson County's various functions. Jefferson County uses an internal service fund to account for the county's self-insured employee dental and vision insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found in Exhibits D-1 through D-3.

The discretely presented Jefferson County School Department maintains an Internal Service Fund. The discretely presented Jefferson County School Department uses the internal service fund to account for the School Department's self-insured employee dental and vision insurance program.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Jefferson County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (economic resources measurement) except agency funds, which have no measurement focus. The basic fiduciary fund financial statements can be found in Exhibit E-1.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located in the table of contents.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning Jefferson County's and the discretely presented Jefferson County School Department's obligation to provide pension and OPEB benefits to its employees. A table of contents has been provided to locate this information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. Jefferson County's assets and deferred outflows exceeded its resources liabilities and deferred inflows of resources at June 30, 2018, by \$64,174,985. The Constitution for the State of Tennessee allows only the local legislative body to issue debt. Therefore, whenever the Jefferson County Board of Education requires the issuance of debt to fund major capital projects or equipment purchases, the related debt must be issued by the Jefferson County Government. At the end of the current fiscal year, Jefferson County had outstanding debt related to the Jefferson County Board of Education of \$56,937,110. The related assets for this debt are reported on the Statement of Net Position under component units in the column "Jefferson County School Department". The discretely presented Jefferson County School Department's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2018, by \$65,324,894.

Jefferson County's and the Discretely Presented Jefferson County School Department's Net Position

	Jefferson County Primary Governmen Governmental Activities			
		2017		2018
Current and Other Assets Capital Assets	\$	53,618,231 99,227,154	\$	56,828,372 98,326,595
Total Assets	\$	152,845,385	\$	155,154,967
Total Deferred Outflows of Resources	\$	2,720,118	- φ \$	2,258,043
Long-term Liabilities Outstanding	<u>Ψ</u> \$	73,066,156	- Ψ \$	68,530,653
Other Liabilities	Ψ	5,640,119	Ψ	5,558,869
Total Liabilities	\$	78,706,275	\$	74,089,522
Total Deferred Inflows of Resources	\$	17,468,343	\$	18,221,150
Total Deferred lilliows of Resources	Ψ	17,400,545	ψ	10,221,100
Net Position:				
Net Investment in Capital Assets	\$	91,024,899	\$	91,107,766
Restricted		6,285,404		8,074,820
Unrestricted		(37,919,418)		(34,080,248)
Total Net Position	\$	59,390,885	\$	65,102,338
	Je	fferson County S		_
	Je	Government		tivities
	Je	-		_
Current and Other Assets	Je \$	Government		tivities
Capital Assets		Government 2017	al Act	2018 25,056,208 71,291,309
Capital Assets Total Assets	\$	Government 2017 22,408,019	al Act	2018 25,056,208
Capital Assets	\$	Government 2017 22,408,019 70,454,521	\$ \$ \$	2018 25,056,208 71,291,309
Capital Assets Total Assets	\$	Government 2017 22,408,019 70,454,521 92,862,540	al Act	25,056,208 71,291,309 96,347,517
Capital Assets Total Assets Other Deferred Outflows	\$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386	\$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862	\$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities	\$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659	\$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities Total Liabilities Total Deferred Inflows of Resources	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659 20,062,521	\$ \$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592 21,691,973
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities Total Liabilities Total Deferred Inflows of Resources Net Position:	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659 20,062,521 15,380,187	\$ \$ \$ \$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592 21,691,973 16,013,883
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities Total Liabilities Total Deferred Inflows of Resources Net Position: Net Investment in Capital Assets	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659 20,062,521 15,380,187 70,454,521	\$ \$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592 21,691,973 16,013,883 71,291,309
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities Total Liabilities Total Deferred Inflows of Resources Net Position: Net Investment in Capital Assets Restricted	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659 20,062,521 15,380,187 70,454,521 1,675,475	\$ \$ \$ \$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592 21,691,973 16,013,883 71,291,309 3,040,533
Capital Assets Total Assets Other Deferred Outflows Long-term Liabilities Outstanding Other Liabilities Total Liabilities Total Deferred Inflows of Resources Net Position: Net Investment in Capital Assets	\$ \$ \$ \$	Government 2017 22,408,019 70,454,521 92,862,540 9,011,386 16,949,862 3,112,659 20,062,521 15,380,187 70,454,521	\$ \$ \$ \$ \$ \$ \$ \$ \$	25,056,208 71,291,309 96,347,517 6,683,233 16,804,381 4,887,592 21,691,973 16,013,883 71,291,309

Jefferson County's and the Discretely Presented Jefferson County School Department's Net Position (Cont.)

	Jefferson County Primary Government Business Type Activities				
	2017			2018	
Current and Other Assets	\$	1,262,366	\$	1,111,422	
Capital Assets	-	2,146,412		2,750,020	
Total Assets	\$	3,408,778	\$	3,861,442	
Total Deferred Outflows of Resources	\$	104,059	\$	78,859	
Long-term Liabilities Outstanding	\$	4,607,267	\$	4,688,772	
Other Liabilities		137,383		144,279	
Total Liabilities	\$	4,744,650	\$	4,833,051	
Total Deferred Inflows of Resources	\$	20,708	\$	34,603	
Net Position:					
Net Investment in Capital Assets	\$	2,146,412	\$	2,750,020	
Restricted		5,314		63,137	
Unrestricted		(3,404,247)		(3,740,510)	
Total Net Position	\$	(1,252,521)	\$	(927,353)	

By far, the largest portion of Jefferson County's Governmental Activities and the discretely presented Jefferson County School Department's net position is \$91,107,766 and \$71,291,309, respectively, reflecting their investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. Jefferson County Governmental Activities and the discretely presented Jefferson County School Department use these capital assets to provide services to its citizenry; therefore, these assets are not available to meet any obligations. Although Jefferson County's Governmental Activities investment in capital assets is reported net of related debt, resources needed to repay this debt must come from outside resources because the capital assets themselves cannot be liquidated to pay these liabilities.

An additional portion of Jefferson County's Governmental Activities and the discretely presented Jefferson County School Department's net position is \$8,074,820 and \$3,040,533, respectively, which are subject to external restrictions on how they may be used.

Jefferson County's Governmental Activities unrestricted net position is a negative \$34,080,248. This negative balance represents all unrestricted non-capital related assets net of Jefferson County's Government Activities debt of \$9,006,948.

Jefferson County's and the Discretely Presented Jefferson County School Department's Net Position

Jefferson	County	Pri	m	a	ry	Government
0			1			

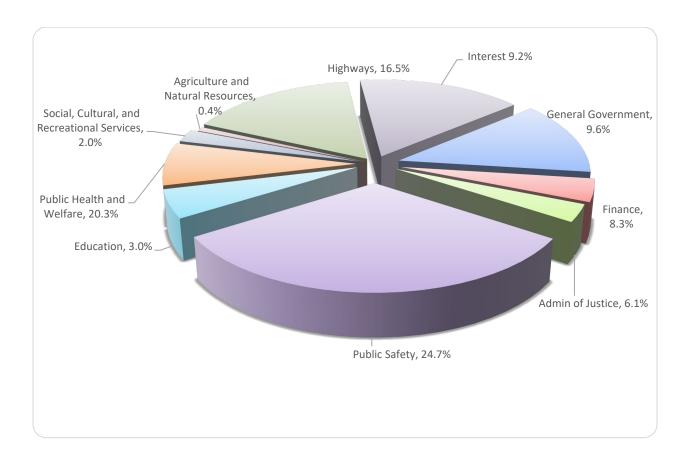
	Governmental Activities			
		2017		2018
Revenues:	·			
Program Revenues:				
Charges for Services	\$	9,950,174	\$	11,189,165
Operating Grants and Contributions		2,323,777		3,167,856
Capital Grants and Contributions		1,588,825		164,900
General Revenues:				
Property Taxes		17,774,468		18,091,990
Sales Taxes		2,152,046		2,227,598
Other Taxes		3,882,814		3,995,575
Grants and Contributions Not Restricted				
to Specific Programs		1,014,783		1,066,062
Unrestricted Investment Income		185,803		367,909
Miscellaneous		81,604		9,961
Insurance Recovery		78,248		0
Total Revenues	\$	39,032,542	\$	40,281,016
Expenses:				
General Government		3,933,202		3,337,576
Finance		2,025,587		2,868,720
Administration of Justice		1,980,479		2,104,268
Public Safety		7,762,319		8,583,189
Public Health and Welfare		7,010,573		7,060,067
Social, Cultural, and Recreational Services		702,499		687,227
Agriculture and Natural Resources		139,095		153,407
Highways		5,600,274		5,716,557
Education		0		1,025,940
Interest on Long-term Debt		3,505,691		3,203,740
Total Expenses	\$	32,659,719	\$	34,740,691
Increase (Decrease) in Net Position		6,372,823		5,540,325
Net Position, July 1		53,018,062		59,390,885
Restatement - Pension Liability		0		171,128
Net Position, June 30	\$	59,390,885	\$	65,102,338

Jefferson County's and the Discretely Presented Jefferson County School Department's Changes in Net Position (Cont.)

Jefferson County School Department				
Governmental Activities				
	2017		2018	
\$	1,178,950	\$	1,153,402	
	7,039,051		7,200,031	
	0		1,062,422	
	10,397,347		10,630,870	
	5,123,366		5,287,707	
	39,960		32,904	
	38,873,939		39,600,288	
	4,829		7,198	
	29,259		10,119	
\$	62,686,701	\$	64,984,941	
\$	63.119.437	\$	62,815,485	
\$	63,119,437	\$	62,815,485	
\$	(432.736)	\$	2,169,456	
Ψ	, , ,	Ψ	66,431,218	
			(3,275,780)	
\$		\$	65,324,894	
	\$	Government 2017 \$ 1,178,950	Governmental Ad 2017 \$ 1,178,950 \$ 7,039,051 0 10,397,347 5,123,366 39,960 38,873,939 4,829 29,259 \$ 62,686,701 \$ \$ 63,119,437 \$ \$ 63,119,437 \$ \$ (432,736) \$ 66,863,954 0	

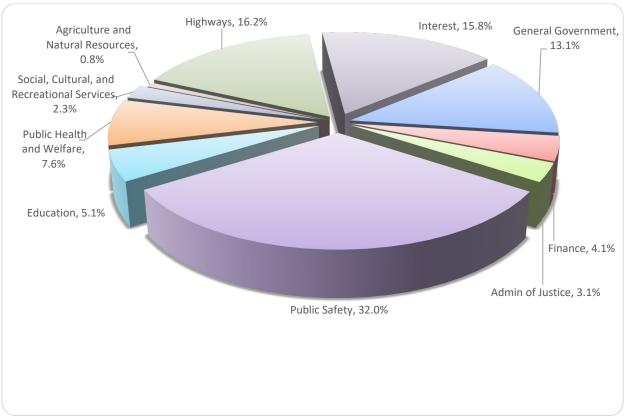
Governmental Activities Program Expenses

Public Safety expenses of \$8,583,189, Public Health of \$7,060,067, and Highways expenses of \$5,716,557 are the largest expenses of Jefferson County, which when combined, total \$21,359,813 and are 61.5% percent of total expenses. For additional details, see illustrations below. Note that amounts are rounded to one decimal place in the following chart.



Net Expenses by Governmental Activities

The following illustration shows the "net (expenses)" from Exhibit B as a percentage of the total. Unlike the preceding illustration, this one not only shows the percentage of total costs, it shows the impact the program had on the local citizens' tax base, as a percentage. Net expense is all program expenses less all program revenues. Note all amounts are recorded to one decimal place in the following chart.

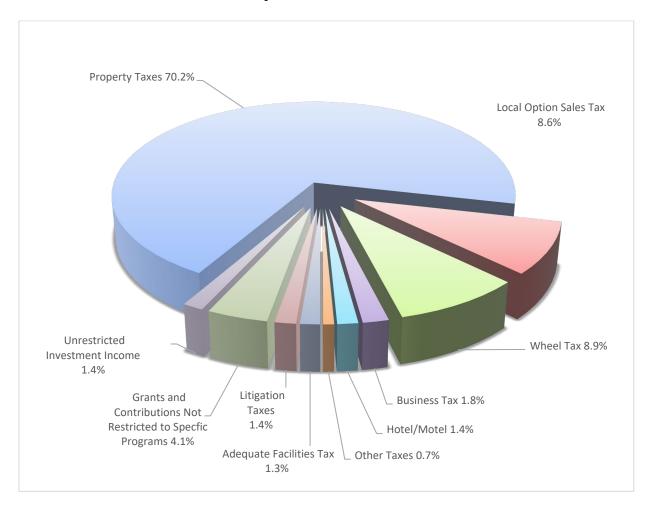


Revenues on the government-wide Statement of Activities are broken into two major categories, program and general revenues.

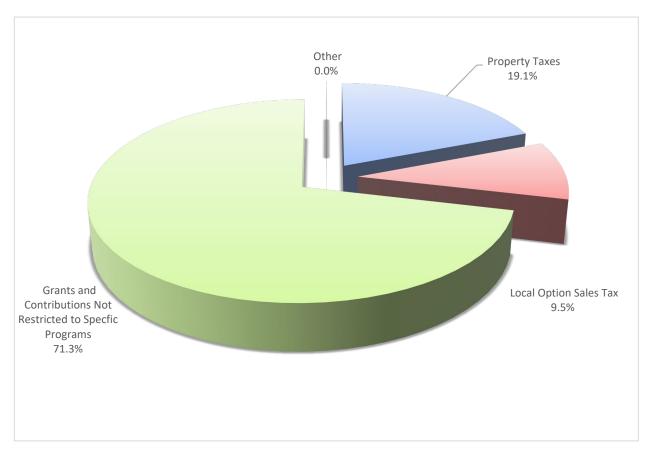
Program revenues are three types: charges for services (arise from charges to customers), operating grants and contributions (restricted for a specific purpose), and capital grants and contributions (restricted for a specific purpose).

General revenues are all revenues that do not qualify as program revenues and by far are the largest revenue source. The largest single revenue sources within this major category are property taxes for the county and grants and contributions not restricted to specific programs for the discretely presented Jefferson County School Department. Note all amounts are rounded to one decimal place in the following charts.

Primary Government General Revenues by Source – Governmental Activities



Jefferson County School Department General Revenues by Source – Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Jefferson County and the discretely presented Jefferson County School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Jefferson County's and the discretely presented Jefferson County School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jefferson County's and the discretely presented Jefferson County School Department's financing requirements.

In 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, restricted, committed, assigned, or unassigned.

• Nonspendable Fund Balance – Jefferson County's and the discretely presented Jefferson County School Department's governmental funds did not reflect any

nonspendable fund balances as of June 30, 2018. Nonspendable funds are funds 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 The restricted fund balance reflected in Jefferson County's and the discretely presented Jefferson County School Department's governmental funds totaling \$6,122,811 and \$1,715,482, respectively, 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 The committed fund balance reflected in Jefferson County's and the discretely presented Jefferson County School Department's governmental funds totaling \$15,453,695 and \$1,716,027, respectively, 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 decisionmaking authority.
- Assigned Fund Balance The assigned fund balance reflected in Jefferson County's and the discretely presented Jefferson County School Department's governmental funds totaling \$175,934 and \$400,164, respectively, includes amounts that are constrained by the intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission or the finance director is authorized to make assignments.
- Unassigned Fund Balance The unassigned fund balance reflected in Jefferson County's and the discretely presented Jefferson County School Department's governmental funds totaling \$5,782,044 and \$4,133,420, respectively, 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. This is the residual classification for the General and General Purpose School funds.

As of the end of the current fiscal year, Jefferson County's governmental funds reported fund balances totaling \$27,534,484 an increase of \$964,302. The discretely presented Jefferson County School Department's governmental funds reported fund balances totaling \$7,965,093, a decrease of \$471,602.

The General Fund is the chief operating fund of Jefferson County. At the end of the current fiscal year, unassigned fund balance was \$5,782,044, while total fund balance reached \$8,417,091. Total fund balance for the General Fund decreased \$348,913. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 26.1 percent of total General Fund expenditures, while total fund balance represents 38.0 percent of that same amount.

The Other Special Revenue Fund had a fund balance of \$6,190,169 at June 30, 2018, an increase of \$748,541. The Highway Public Works Fund had a fund balance of \$2,690,870 at

June 30, 2018, an increase of \$448,865. The General Debt Service Fund had a total fund balance of \$8,224,505 at June 30, 2018, an increase of \$688,837.

The General Purpose School Fund is the chief operating fund of the discretely presented Jefferson County School Department. At the end of the current fiscal year, unassigned fund balance was \$4,133,420, while total fund balance increased to \$5,081,330. Total fund balance for the General Purpose School Fund increased \$216,412. As a measure of the General Purpose School Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 7.5 percent of total General Purpose School Fund expenditures, while total fund balance represents 9.3 percent of that same amount.

BUDGETARY HIGHLIGHTS

General Fund Budgetary Highlights

During the fiscal year, appropriations from the original budget were increased. These differences are summarized in the following table:

			Increase
	Original	Amended	(Decrease)
Appropriations:			
General Government	\$ 2,730,818 \$	2,812,746 \$	81,928
Finance	2,212,383	2,227,369	14,986
Administration of Justice	1,700,891	1,731,091	30,200
Public Safety	8,146,477	8,471,125	324,648
Public Health and Welfare	5,339,533	5,637,749	298,216
Social, Cultural, and Recreational Services	676,707	750,678	73,971
Agriculture and Natural Resources	151,296	152,285	989
Other Operations	 1,151,070	1,311,405	160,335
Total Appropriations	\$ 22,109,175 \$	23,094,448 \$	985,273

At the close of the fiscal year, actual expenditures were \$1,069,524 less than budgetary estimates.

Discretely Presented Jefferson County School Department - General Purpose Fund Budgetary Highlights

The differences in the original and the final budget's appropriations increased by \$1,087,634 compared to the original budget of \$54,925,887. At the close of the fiscal year, actual expenditures were \$1,048,162 less than budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Jefferson County's investment in capital assets for its governmental activities, net of accumulated depreciation, as of June 30, 2018, totaled \$98,326,595. This investment in capital assets includes land, buildings and improvements, other capital assets (includes vehicles and equipment), and infrastructure (includes roads, highways, and bridges).

Asset	Historical Value	Accumulated Depreciation	Net Value 6-30-18
Land	\$ 1,672,777	\$ 0	\$ 1,672,777
Construction in Progress	671,021	0	671,021
Buildings and Improvements	23,340,665	(7,346,569)	15,994,096
Other Capital Assets	11,196,330	(7,715,754)	3,480,576
Infrastucture	117,116,242	(40,608,117)	76,508,125
Total	\$ 153,997,035	\$ (55,670,440)	\$ 98,326,595

The discretely presented Jefferson County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2018, totaled \$71,291,309. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and other capital assets.

Asset]	Historical Value	Accumulated Depreciation	Net Value 6-30-18
Land	\$	1,492,550	\$ 0	\$ 1,492,550
Construction in Progress		3,378,906	0	3,378,906
Buildings and Improvements		93,994,016	(30,764,519)	63,229,497
Machinery and Equipment		2,844,755	(2,177,013)	667,742
Other Capital Assets		6,453,730	 (3,931,116)	 2,522,614
Total	\$	108,163,957	\$ (36,872,648)	\$ 71,291,309

Additional details about Jefferson County's and the discretely presented Jefferson County School Department's capital assets can be found in the notes to the financial statements Note IV.B. A table of contents has been provided with the specific page number.

Long-term Debt

At the end of the current fiscal year, Jefferson County had long-term debt obligations outstanding of \$70,727,110. Jefferson County made debt payments totaling \$4,557,895 during the year. All of this debt is backed by the full faith and credit of the county. Jefferson County maintains a rating of "Aa3" from Moody's and "A+" from Standard and Poor's for general obligation debt. The county did not have any capital outlay notes outstanding at June 30, 2018.

Additional information on Jefferson County Government's long-term debt can be found in Exhibit K-1, Exhibit K-2, and Note IV.D of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On June 28, 2018, Jefferson County adopted a budget for the fiscal year ending June 30, 2019.

The distribution of the 2019 property tax rate is shown below:

Fund	Tax Rate	
Conorol	Ф 0.90	
General	\$ 0.89	
Solid Waste/Sanitation	0.15	
Highway	0.20	
General Capital Projects	0.02	
General Purpose School	0.87	
General Debt Service	0.22_	
Total	\$ 2.35	

The unemployment rate for the county as of June 30, 2018, was 4.3 percent. This can be attributed to the economic activity in the form of expansions by current manufacturing companies and several new retail developments. The state's average unemployment rate as of June 30, 2018, was 3.5 percent and the national average was 4.0 percent.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Jefferson County Government, PO Box 1749, Dandridge, Tennessee 37725.

BASIC FINANCIAL STATEMENTS

Jefferson County, Tennessee Statement of Net Position June 30, 2018

				Component Units			
						Jefferson	Jefferson
		Prim	ary Government			County	County
	(Business-type			School	Nursing
		Activities	Activities	Total		Department	Home
<u>ASSETS</u>							
Cash and Cash Equivalents	\$	186,772 \$	25 \$	186,797	\$	35,009 \$	1,889,823
Equity in Pooled Cash and Investments	Ψ	26,095,207	1,422,100	27,517,307	Ψ	9,930,802	0
Inventories		0	0	0		0	28,249
Accounts Receivable		4,727,718	$152,\!226$	4,879,944		32,685	1,558,634
Allowance for Uncollectibles		(1,931,781)	(5,000)	(1,936,781)		0	(162,776)
Due from Other Governments		1,261,675	1,990	1,263,665		3,188,111	0
Due from Primary Government		0	0	0		38,773	0
Due from Component Units		6,405,000	0	6,405,000		00,110	0
Internal Balances		523,056	(523,056)	0,400,000		0	0
Property Taxes Receivable		18,652,520	0	18,652,520		10,964,657	0
Allowance for Uncollectible Property Taxes		(780,624)	0	(780,624)		(458,880)	0
Prepaid Expenses		(100,024)	0	(780,024)		(450,000)	$20{,}105$
Restricted Assets:		U	O	U		U	20,100
Other Restricted Assets		0	0	0		0	14,784
Net Pension Asset - Public Employee Legacy Pension Plan		1,678,851	62,507	1,741,358		1,000,483	616,613
Net Pension Asset - Public Employee Legacy Pension Plan Net Pension Asset - Public Employee Hybrid Retirement Plan		9,978	630	10,608		1,000,483	17,152
Net Pension Asset - Tublic Employee Hybrid Retirement Plan Net Pension Asset - Teacher Hybrid Retirement Plan		9,910	0	10,008		99,692	17,132
·		0	0	0		· ·	0
Net Pension Asset - Teacher Legacy Pension Plan		U	U	Ü		$224,\!876$	U
Capital Assets:							
Assets Not Depreciated:		1 050 555	F10 490	0.100.007		1 400 550	7 101
Land		1,672,777	510,430	2,183,207		1,492,550	7,181
Construction in Progress		$671,\!021$	332,026	1,003,047		3,378,906	0
Assets Net of Accumulated Depreciation:			40.000	40.000			
Landfill Facilities and Development		0	48,992	48,992		0	0
Buildings and Improvements		15,994,096	67,527	16,061,623		63,229,497	6,302,781
Machinery and Equipment		0	1,791,045	1,791,045		667,742	552,917
Other Capital Assets		3,480,576	0	3,480,576		$2,\!522,\!614$	4,700
Infrastructure	_	76,508,125	0	76,508,125	_	0	0
Total Assets	\$	155,154,967 \$	3,861,442 \$	159,016,409	\$	96,347,517 \$	10,850,163
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Charge on Refunding	\$	179,199 \$	0 \$	179,199	\$	0	0
Pension Changes in Experience	,	19,810	738	20,548	,	150,870	0
Pension Changes in Assumptions		727,831	27,099	754,930		2,347,064	0
Pension Changes in Investment Earnings		0	0	0		34,136	0
Pension Other Deferrals		0	0	0		280,123	0
Pension Contributions After Measurement Date		1,316,368	$50,\!272$	1,366,640		3,106,959	810,739
OPEB Contributions After Measurement Date		14,835	750	15,585		764,081	0
Total Deferred Outflows of Resources	\$	2,258,043 \$	78,859 \$	2,336,902	\$	6,683,233	810,739
<u>LIABILITIES</u>							
A	Φ.	200 *22 *	40.404 A	010.00=	Φ.	00× 400 *	005 006
Accounts Payable	\$	299,566 \$	13,421 \$	312,987	\$	225,468 \$	287,383
Accrued Payroll		46,777	10,206	56,983		348,504	91,532
Payroll Deductions Payable		187,782	0	187,782		3,962,656	14,331

(Continued)

<u>Jefferson County, Tennessee</u> <u>Statement of Net Position (Cont.)</u>

				Component Units Jefferson Jefferson			
	-						Jefferson
		Prin		County	County		
	G		Business-type	m . 1		School	Nursing
		Activities	Activities	Total		Department	Home
<u>LIABILITIES (CONT.)</u>							
Accrued Leave - Current	\$	0 \$	0 \$	0	\$	0	151,620
Contracts Payable		0	0	0		73,624	0
Claims and Judgments Payable		59,732	0	59,732		0	0
Accrued Interest Payable		215,019	0	215,019		0	12,688
Due to Primary Government		0	0	0		0	6,405,000
Due to Component Units		38,773	0	38,773		0	0
Due to the State of Tennessee		24,306	300	24,606		0	0
Estimated Third-party Payor Settlements		0	0	0		0	64,328
Other Current Liabilities		0	0	0		0	$70,\!650$
Noncurrent Liabilities:							
Due Within One Year		4,686,914	$120,\!352$	$4,\!807,\!266$		277,340	0
Due in More Than One Year		68,530,653	4,688,772	73,219,425		16,804,381	0
Total Liabilities	\$	74,089,522 \$	4,833,051 \$	78,922,573	\$	21,691,973 \$	7,097,532
DEFERRED INFLOWS OF RESOURCES							
Defermed Comment Brown outer Torres	¢.	17 204 255 @	O	17 204 255	Ф	10 170 155	0
Deferred Current Property Taxes Panaion Changes in Evneriones	\$	17,304,355 \$ 871,570	0 \$	17,304,355	\$	10,172,155	990 119
Pension Changes in Experience Pension Changes in Investment Earnings		10,679	$32{,}450 \\ 407$	904,020 $11,086$		5,169,524 $11,520$	320,112
Pension Other Deferrals		0	0	11,000		94	$4,394 \\ 0$
OPEB Changes in Assumptions		34,546	1,746	36,292		660,590	0
Total Deferred Inflows of Resources	\$	18,221,150 \$	34,603 \$	18,255,753	\$	16,013,883	324,506
	<u>Ψ</u>	10,221,100 ψ	51,000 ψ	10,200,100	Ψ	10,010,000	021,000
NET POSITION							
Net Investment in Capital Assets	\$	91,107,766 \$	2,750,020 \$	93,857,786	\$	71,291,309 \$	$457,\!879$
Restricted for:							
General Government		645,285	0	645,285		0	0
Finance		174,233	0	174,233		0	0
Administration of Justice		646,908	0	646,908		0	0
Public Safety		191,904	0	191,904		0	0
Public Health and Welfare		450,321	0	450,321		0	0
Social, Cultural, and Recreational Services		78,526	0	78,526		0	0
Highway/Public Works		2,842,814	0	2,842,814		0	0
Debt Service		56,424	0	56,424		U 1 715 400	U
Education Conital Projects		1 200 576	U	1 200 576		1,715,482	U
Capital Projects Other Propess		1,299,576	0	1,299,576		0	U 14794
Other Purposes Pancions		1 688 890	O .	•		•	14,784
Pensions Unrestricted		1,688,829 (34,080,248)	63,137 (3,740,510)	1,751,966 (37,820,758)		1,325,051 $(9,006,948)$	633,765 $3,132,436$
O I II G SUI I C I C U		(04,000,440)	(0,740,010)	(01,040,100)	_	(3,000,340)	0,104,400
Total Net Position	\$	65,102,338 \$	(927,353) \$	64,174,985	\$	65,324,894 \$	4,238,864

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

Jefferson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2018

								Net (Expense) Revenue and Changes in Net Position								
												Units				
		_	Program Revenues									Jefferson	Jefferson			
					Operating	Capital	Primary Government			County		County				
			Charges for		Grants and		Grants and		Governmental	Business-type			School	Nursing		
Functions/Programs		Expenses	Services		Contributions		Contributions		Activities	Activities	Total		Department	Home		
Primary Government:																
Governmental Activities:																
General Government	\$	3,337,576	\$ 660,357	\$	23,265	\$	1,403	\$	(2,652,551) \$	0 \$	(2,652,551)	\$	0 \$	0		
Finance		2,868,720	2,048,497		750		0		(819,473)	0	(819,473)	·	0	0		
Administration of Justice		2,104,268	1,393,141		83,436		0		(627,691)	0	(627,691)		0	0		
Public Safety		8,583,189	1,970,743		148,039		0		(6,464,407)	0	(6,464,407)		0	0		
Public Health and Welfare		7,060,067	4,797,875		564,671		163,497		(1,534,024)	0	(1,534,024)		0	0		
Social, Cultural, and																
Recreational Services		687,227	76,895		155,362		0		(454,970)	0	(454,970)		0	0		
Agriculture and Natural																
Resources		153,407	0		0		0		(153,407)	0	(153,407)		0	0		
Highways		5,716,557	241,657		2,192,333		0		(3,282,567)	0	(3,282,567)		0	0		
Education		1,025,940	0		0		0		(1,025,940)	0	(1,025,940)		0	0		
Interest on Long-term Debt		3,203,740	0		0		0		(3,203,740)	0	(3,203,740)		0	0		
Total Governmental Activities	\$	34,740,691	\$ 11,189,165	\$	3,167,856	\$	164,900	\$	(20,218,770) \$	0 \$	(20,218,770)	\$	0 \$	0		
Business-type Activities:																
Solid Waste Disposal	¢	1,672,295	\$ 1,972,438	Ф	44,734	Q	0	\$	0 \$	344,877 \$	344,877	\$	0 \$	0		
Total Business-type Activities	<u>Ψ</u>	1,672,295			44,734	_	0	\$	0 \$		344,877	\$	0 \$	0		
Total Business-type Activities	Ψ	1,072,233	φ 1,372,430	ψ	44,704	Ψ	0	ψ	Οψ	544,077 φ	044,011	Ψ	Ο φ			
Total Primary Government	\$	36,412,986	\$ 13,161,603	\$	3,212,590	\$	164,900	\$	(20,218,770) \$	344,877 \$	(19,873,893)	\$	0 \$	0		
Component Units:																
Jefferson County School																
Department	\$	62,815,485	\$ 1,153,402	P	7,200,031	œ	1,062,422	\$	0 \$	0 \$	0	\$	(53,399,630) \$	0		
Jefferson County Nursing Home	Ψ	12,632,620	13,374,993		0	Ψ	1,002,422	ψ	0 φ 0	0	0	ψ	θο,οοο,οοο) φ	742,373		
ocherson county nursing nome		12,002,020	10,074,000		0		0		U	0	<u> </u>		U	174,010		
Total Component Units	\$	75,448,105	\$ 14,528,395	\$	7,200,031	\$	1,062,422	\$	0 \$	0 \$	0	\$	(53,399,630) \$	742,373		

(Continued)

Exhibit B

<u>Jefferson County, Tennessee</u> <u>Statement of Activities (Cont.)</u>

Net (Expense) Revenue and Changes in Net Position Component Units Program Revenues Jefferson Jefferson Operating Capital Primary Government County County Charges for Grants and Grants and Governmental Business-type School Nursing Functions/Programs Services Contributions Contributions Activities Activities Total Home Expenses Department General Revenues: Taxes: Property Taxes Levied for General Purposes \$ 15,402,639 \$ 0 \$ 15,402,639 10,630,870 \$ 0 2,689,351 0 Property Taxes Levied for Debt Service 2,689,351 0 Local Option Sales Taxes 2,227,598 2,227,598 5,287,707 0 0 Hotel/Motel Tax 362,996 362,996 0 0 Wheel Tax 2,281,356 0 2,281,356 0 0 Litigation Tax - General 130,302 130,302 0 Litigation Tax - Special Purpose 16,357 16,357 0 0 0 0 Litigation Tax - Jail, Workhouse, or Courthouse 0 224,846 224,846 Business Tax 455,108 455,108 Mixed Drink Tax 0 32,904 0 Adequate Facilities Tax 343,737 0 343,737 0 Wholesale Beer Tax 180,873 0 180,873 0 39,600,288 Grants and Contributions Not Restricted to Specific Programs 1,066,062 0 1,066,062 0 Unrestricted Investment Income 367,909 0 367,909 7,198 1,560 Gain on Sale of Equipment 0 15,022 15,022 0 Miscellaneous 9,961 0 9,961 10,119 0 Insurance Recovery 904 904 0 **Total General Revenues** 25,759,095 \$ 15,926 \$ 25,775,021 55,569,086 \$ 1,560 Change in Net Position 743,933 5,540,325 \$ 360,803 \$ 5,901,128 2,169,456 \$ 59,390,885 Net Position, July 1, 2017 (1,252,521)58,138,364 66,431,218 3,499,526 Restatement - See Notes I.D.9 and VI.A.18 (35,635)171,128 135,493 (3,275,780)(4,595)Net Position, June 30, 2018 65,102,338 \$ (927,353) \$ 64,174,985\$ 65,324,894 \$ 4,238,864

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

Jefferson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2018

			Major F	'unds		Nonmajor Funds	
ASSETS	_	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern-	Total Governmental Funds
ASSETS							
Cash Equity in Pooled Cash and Investments Accounts Receivable	\$	22,066 \$ 7,894,439 4,700,189	0 \$ 6,185,483 4,686	$0 $ 2,566,641 \\ 7,499$	$ \begin{array}{r} 0 & \$ \\ 7,473,292 \\ 14,467 \end{array} $	164,706 \$ 1,895,440 877	$186,772 \\ 26,015,295 \\ 4,727,718$
Allowance for Uncollectibles		(1,931,781)	0	0	0	0	(1,931,781)
Due from Other Governments		639,827	0	364,367	257,481	0	1,261,675
Due from Other Funds		1,420	0	0	586,151	0	587,571
Property Taxes Receivable		11,158,406	0	2,520,611	2,772,672	2,200,831	18,652,520
Allowance for Uncollectible Property Taxes		(445,630)	0	(105,490)	(116,039)	(113,465)	(780,624)
Total Assets	\$	22,038,936 \$	6,190,169 \$	5,353,628 \$	10,988,024 \$	4,148,389 \$	48,719,146
<u>LIABILITIES</u>							
Accounts Payable	\$	215,857 \$	0 \$	70,604 \$	0 \$	7,712 \$	294,173
Accrued Payroll	Ψ	0	0	37,550	0	9,227	46,777
Payroll Deductions Payable		187,782	0	0	0	0	187,782
Claims and Judgments Payable		59,732	0	0	0	0	59,732
Due to Other Funds		0	0	0	0	64,515	64,515
Due to State of Tennessee		23,430	0	136	0	740	24,306
Total Liabilities	\$	486,801 \$	0 \$	108,290 \$	0 \$	82,194 \$	677,285
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$	10,405,997 \$	0 \$	2,338,426 \$	2,572,269 \$	1,987,663 \$	17,304,355
Deferred Delinquent Property Taxes	7	205,177	0	51,295	56,424	66,683	379,579
Other Deferred/Unavailable Revenue		2,523,870	0	164,747	134,826	0	2,823,443
Total Deferred Inflows of Resources	\$	13,135,044 \$	0 \$	2,554,468 \$	2,763,519 \$	2,054,346 \$	20,507,377

(Continued)

Exhibit C-1

<u>Jefferson County, Tennessee</u> <u>Balance Sheet</u> <u>Governmental Funds (Cont.)</u>

		Major F		Nonmajor Funds		
FUND BALANCES	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Restricted: Restricted for General Government \$	588,150 \$	0 \$	0 \$	0 \$	57,135 \$	645,285
Restricted for Finance	10,677	О Ф О	0 0	О Ф О	163,556	174,233
Restricted for Administration of Justice	635,997	0	0	0	10,911	646,908
Restricted for Public Safety	136,919	0	0	0	54,985	191,904
Restricted for Public Health and Welfare	7,583	0	0	0	416,138	423,721
Restricted for Social, Cultural, and Recreational Services	78,526	0	0	0	0	78,526
Restricted for Highways/Public Works	0	0	2,690,870	0	0	2,690,870
Restricted for Capital Projects	0	0	0	0	1,271,364	1,271,364
Committed:	O	O	O	O	1,211,004	1,271,004
Committed for General Government	1,000,000	0	0	0	0	1,000,000
Committed for Public Health and Welfare	0	0	0	0	37,760	37,760
Committed for Other Operations	0	6,190,169	0	0	0	6,190,169
Committed for Debt Service	0	0	0	8,224,505	0	8,224,505
Committed for Other Purposes	1,261	0	0	0	0	1,261
Assigned:	_,	•	•	•	_	-,
Assigned for General Government	27,000	0	0	0	0	27,000
Assigned for Finance	13,173	0	0	0	0	13,173
Assigned for Administration of Justice	12,530	0	0	0	0	12,530
Assigned for Public Safety	13,231	0	0	0	0	13,231
Assigned for Public Health and Welfare	110,000	0	0	0	0	110,000
Unassigned	5,782,044	0	0	0	0	5,782,044
Total Fund Balances \$	8,417,091 \$	6,190,169 \$	2,690,870 \$	8,224,505 \$	2,011,849 \$	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances\$	22,038,936 \$	6,190,169 \$	5,353,628 \$	10,988,024 \$	4,148,389 \$	48,719,146

Jefferson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

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) (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Add: land	01 11	et position (Exhibit A) are different because.		
the governmental funds. Add: land Add: construction in progress Add: construction in progress Add: oblidings and improvements net of accumulated depreciation Add: infrastructure net of accumulated depreciation Add: obertal net infrastructure net of accumulated ingovernmental funds. Less: other loans payable Add: bonds to be paid by Nursing Home for the primary government Add: deferred ange on refunding Less: unamortized premium on debt Add: deferred obertal net obertal net of the primary government Add: deferred obertal net obertal net of the primary government Add: deferred obertal net obertal net of the primary government Add: deferred obertal net obertal net of the primary government Add: deferred obertal net obertal net of the primary government Add: deferred obertal net obertal net obertal net of the primary government Add: deferred obertal net obertal net obertal net of the primary government Add: deferred obertal net oberta	Tota	al fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 27,534,484
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. 35,746 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 Less: bonds payable Add: bonds to be paid by Nursing Home for the primary government Add: deferred charge on refunding Less: unamortized premium on debt Less: compensated absences payable Less: compensated absences payable Less: other postemployment benefits liability (36,030,000) Less: compensated absences payable Less: other postemployment benefits liability (746,314) (66,848,387) (4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB expense in future years. Add: deferred outflows of resources related to pensions Less: deferred inflows of resources related to pensions Add: deferred outflows of resources related to OPEB Less: deferred inflows of resources related to OPEB 14,835 Less: deferred inflows of resources related to OPEB (5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. Add: net pension asset - public employee legacy pension plan Add: net pension asset - public employee hybrid retirement plan 3,203,022 (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	(1)	financial resources and therefore are not reported in the governmental funds. Add: land Add: construction in progress Add: buildings and improvements net of accumulated depreciation Add: other capital assets net of accumulated depreciation	\$ 671,021 15,994,096 3,480,576	98,326,595
period and therefore are not reported in the governmental funds. Less: other loans payable Less: bonds payable Add: bonds to be paid by Nursing Home for the primary government Add: deferred charge on refunding Less: unamortized premium on debt Less: accrued interest on bonds and other loans Less: compensated absences payable Less: other postemployment benefits liability (369,696) Less: other postemployment benefits liability (4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. Add: deferred outflows of resources related to pensions Add: deferred outflows of resources related to pensions (882,249) Add: deferred outflows of resources related to OPEB 14,835 Less: deferred inflows of resources related to OPEB 14,835 Less: deferred inflows of resources related to OPEB 15. Net pension assets are not current financial resources and therefore are not reported in the governmental funds. Add: net pension asset - public employee legacy pension plan Add: net pension asset - public employee legacy pension plan Add: net pension asset are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	(2)	employee dental and vision programs to individual funds. The assets and liabilities of the internal service fund are included in governmental		35,746
inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. Add: deferred outflows of resources related to pensions \$2,064,009\$ Less: deferred inflows of resources related to pensions (882,249) Add: deferred outflows of resources related to OPEB 14,835 Less: deferred inflows of resources related to OPEB (34,546) 1,162,049 (5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. Add: net pension asset - public employee legacy pension plan \$1,678,851 Add: net pension asset - public employee hybrid retirement plan 9,978 1,688,829 (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. 3,203,022	(3)	period and therefore are not reported in the governmental funds. Less: other loans payable Less: bonds payable Add: bonds to be paid by Nursing Home for the primary government Add: deferred charge on refunding Less: unamortized premium on debt Less: accrued interest on bonds and other loans Less: compensated absences payable	\$ (56,030,000) 6,405,000 179,199 (1,374,447) (215,019) (369,696)	(66,848,387)
therefore are not reported in the governmental funds. Add: net pension asset - public employee legacy pension plan Add: net pension asset - public employee hybrid retirement plan \$ 1,678,851 9,978 1,688,829 (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. 3,203,022	(4)	inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. Add: deferred outflows of resources related to pensions Less: deferred inflows of resources related to pensions Add: deferred outflows of resources related to OPEB	\$ (882,249) 14,835	1,162,049
current-period expenditures and therefore are deferred in the governmental funds. 3,203,022	(5)	therefore are not reported in the governmental funds. Add: net pension asset - public employee legacy pension plan	\$	1,688,829
Net position of governmental activities (Exhibit A) \$\\\$65,102,338\$	(6)	current-period expenditures and therefore are deferred		3,203,022
	Net	position of governmental activities (Exhibit A)		\$ 65,102,338

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

1 or the Year Bhaca Gane Go, 2010	_		Major I		Nonmajor Funds		
		General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Revenues							
Local Taxes	\$	12,013,747 \$	0 \$	2,463,928 \$	6,690,656 \$	3,283,562	\$ 24,451,893
Licenses and Permits	,	476,784	0	0	0	0	476,784
Fines, Forfeitures, and Penalties		471,395	0	0	0	40,636	512,031
Charges for Current Services		3,488,321	0	236,094	0	741,146	4,465,561
Other Local Revenues		692,216	756,686	74	776,438	14,058	2,239,472
Fees Received From County Officials		2,068,874	0	0	0	0	2,068,874
State of Tennessee		2,028,501	0	2,192,333	0	0	4,220,834
Federal Government		896,746	0	0	445,518	43,988	1,386,252
Other Governments and Citizens Groups		144,200	0	0	0	0	144,200
Total Revenues	\$	22,280,784 \$	756,686 \$	4,892,429 \$	7,912,612 \$	4,123,390	\$ 39,965,901
Expenditures							
Current:							
General Government	\$	2,647,438 \$	0 \$	0 \$	0 \$	587	\$ 2,648,025
Finance	Ψ	2,076,498	8,145	0	0	757,754	2,842,397
Administration of Justice		1,653,978	0	0	0	95	1,654,073
Public Safety		8,205,341	0	0	0	90,625	8,295,966
Public Health and Welfare		5,441,281	0	0	0	1,961,206	7,402,487
Social, Cultural, and Recreational Services		697,815	0	0	0	0	697,815
Agriculture and Natural Resources		151,628	0	0	0	0	151,628
Other Operations		1,282,543	0	0	0	0	1,282,543
Highways		0	0	4,443,564	0	0	4,443,564
Debt Service:				•			
Principal on Debt		0	0	0	4,557,895	0	4,557,895
Interest on Debt		0	0	0	3,104,784	0	3,104,784
Other Debt Service		0	0	0	234,846	0	234,846

(Continued)

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

			Major F		Nonmajor Funds		
	_	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Expenditures (Cont.)							
Capital Projects	\$	0 \$	0 \$	· · · · · · · · · · · · · · · · · · ·	0 \$	1,961,977 \$	1,961,977
Total Expenditures	\$	22,156,522 \$	8,145 \$	4,443,564 \$	7,897,525 \$	4,772,244 \$	39,278,000
Excess (Deficiency) of Revenues							
Over Expenditures	\$	124,262 \$	748,541 \$	448,865 \$	15,087 \$	(648,854) \$	687,901
Other Financing Sources (Uses)							
Refunding Debt Issued	\$	0 \$	0 \$	0 \$	8,725,000 \$	0 \$	8,725,000
Premiums on Debt Sold		0	0	0	1,139,167	0	1,139,167
Insurance Recovery		151,626	0	0	0	0	151,626
Transfers In		0	0	0	548,975	145,826	694,801
Transfers Out		(624,801)	0	0	0	(70,000)	(694,801)
Payments to Refunded Debt Escrow Agent		0	0	0	(9,739,392)	0	(9,739,392)
Total Other Financing Sources (Uses)	\$	(473,175) \$	0 \$	0 \$	673,750 \$	75,826 \$	276,401
Net Change in Fund Balances	\$	(348,913) \$	748,541 \$	448,865 \$	688,837 \$	(573,028) \$	964,302
Fund Balance, July 1, 2017	· .	8,766,004	5,441,628	2,242,005	7,535,668	2,584,877	26,570,182
Fund Balance, June 30, 2018	\$	8,417,091 \$	6,190,169 \$	2,690,870 \$	8,224,505 \$	2,011,849 \$	27,534,484

<u>Jefferson County, Tennessee</u>

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, 2018

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

of don't life (Exhibit B) are different because.		
Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 964,302
(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 Less: current-year depreciation expense	\$ 2,044,304 (2,829,480)	(785,176)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position. Less: book value of assets disposed		(115,383)
(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, 2018 Less: deferred delinquent property taxes and other deferred June 30, 2017	\$ 3,203,022 (2,632,907)	570,115
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items: Less: change in unamortized premium on debt issues Add: principal payments on bonds Add: principal payments on other loans Add: bond principal refunded Less: bond refunding proceeds Add: change in deferred amounts on refunding debt Less: contributions from Nursing Home for bond	\$ (972,282) 1,165,000 3,392,895 9,650,000 (8,725,000) 76,962 (255,000)	4,332,575
(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 Change in compensated absences payable Change in net OPEB liability (net of restatement) Change in net pension assets - agent legacy plan Change in net pension assets - agent hybrid plan Change in deferred outflows related to pensions Change in deferred inflows related to OPEB (net of restatement) Change in deferred inflows related to OPEB	\$ (18,565) 49,300 (30,420) 1,552,624 9,978 (553,872) (390,391) 3,995 (34,546)	588,103

(Continued)

Exhibit C-4

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

(6) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.

\$ (14,211)

Change in net position of governmental activities (Exhibit B)

\$ 5,540,325

<u>Jefferson County, Tennessee</u> <u>Statement of Revenues, Expenditures, and Changes</u> in Fund Balance - Actual (Budgetary Basis) and Budget

General Fund

For the Year Ended June 30, 2018

		Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Original	Amounts Final	Variance with Final Budget - Positive (Negative)
D.								
Revenues	ф	10.010.545	Φ	Φ 0 Φ	10.010.545. #	10 001 075 4	11 001 085 /	b 000,000
Local Taxes	\$	12,013,747)) · · · · · · · · · · · · · · · ·	12,681,357 \$		
Licenses and Permits		476,784	0	0	476,784	350,493	350,493	126,291
Fines, Forfeitures, and Penalties		471,395	0	0	471,395	347,194	347,194	124,201
Charges for Current Services		3,488,321	0	0	3,488,321	3,535,820	3,535,820	(47,499)
Other Local Revenues		692,216	0	0	692,216	582,715	661,781	30,435
Fees Received From County Officials		2,068,874	0	0	2,068,874	1,698,000	1,698,000	370,874
State of Tennessee		2,028,501	0	0	2,028,501	2,258,217	2,243,452	(214,951)
Federal Government		896,746	0	0	896,746	618,303	807,030	89,716
Other Governments and Citizens Groups	Φ.	144,200	0	0	144,200	162,300	162,300	(18,100)
Total Revenues	\$	22,280,784	\$ 0	\$ 0 \$	22,280,784 \$	22,234,399 \$	21,487,427	\$ 793,357
Expenditures General Government								
County Commission	\$	314,959		\$ 0 \$		278,189 \$		
Board of Equalization		96	0	0	96	2,000	2,000	1,904
County Mayor/Executive		241,247	0	0	241,247	263,558	259,403	18,156
Election Commission		284,768	0	0	284,768	315,736	317,504	32,736
Register of Deeds		310,933	0	0	310,933	316,219	319,256	8,323
Codes Compliance		117,713	0	0	117,713	117,158	119,076	1,363
County Buildings		1,033,386	(8,541)	2,000	1,026,845	1,023,660	1,044,596	17,751
Other Facilities		335,518	(12,514)	0	323,004	401,998	404,633	81,629
Other General Administration		0	0	0	0	2,500	2,500	2,500
Preservation of Records		8,818	0	0	8,818	9,800	9,800	982
<u>Finance</u>								
Accounting and Budgeting		708,364	0	0	708,364	718,575	729,457	21,093
Property Assessor's Office		510,850	0	0	510,850	535,902	541,497	30,647
County Trustee's Office		69,995	0	0	69,995	68,364	73,030	3,035
County Clerk's Office		122,651	0	0	122,651	127,962	131,962	9,311
Data Processing		116,543	(7,294)	173	109,422	149,914	138,267	28,845
Other Finance		548,095	0	0	548,095	611,666	613,156	65,061

(Continued)

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

		Actual	Less: Encumbrances	Add: Encumbrances	Actual Revenues/ Expenditures	D. J. d. d. d		Variance with Final Budget -
		(GAAP			(Budgetary	Budgeted A		Positive
		Basis)	7/1/2017	6/30/2018	Basis)	Original	Final	(Negative)
Expenditures (Cont.)								
Administration of Justice								
Circuit Court	\$	750,049	\$ 0	\$ 0 \$	750,049 \$	752,621 \$	773,831 \$	23,782
General Sessions Court	т	288,471	0	0	288,471	295,495	296,427	7,956
Drug Court		38,425	0	0	38,425	31,000	31,000	(7,425)
Chancery Court		225,594	0	0	225,594	236,599	238,443	12,849
Juvenile Court		263,879	0	0	263,879	272,001	275,715	11,836
Other Administration of Justice		4,005	0	0	4,005	2,000	4,500	495
Victim Assistance Programs		83,555	0	0	83,555	111,175	111,175	27,620
Public Safety					,	,	,	•
Sheriff's Department		4,325,921	(59,005)	3,231	4,270,147	4,177,057	4,461,504	191,357
Wheel Tax Officer		14,898	0	0	14,898	18,880	18,880	3,982
Administration of the Sexual Offender Registry		11,613	0	0	11,613	20,000	20,000	8,387
Jail		2,816,305	(32,883)	0	2,783,422	2,835,865	2,859,287	75,865
Workhouse		340,627	0	0	340,627	385,747	388,097	47,470
Inspection and Regulation		74,187	0	0	74,187	81,488	82,567	8,380
Public Safety Grants Program		13,500	0	0	13,500	32,500	32,500	19,000
Other Public Safety		608,290	0	0	608,290	594,940	608,290	0
Public Health and Welfare								
Local Health Center		301,159	(17)	0	301,142	342,841	362,919	61,777
Rabies and Animal Control		121,152	(3,579)	0	117,573	130,246	131,381	13,808
Ambulance/Emergency Medical Services		4,841,999	(9,132)	0	4,832,867	4,688,980	4,948,995	116,128
Sanitation Education/Information		69,566	(4,037)	0	65,529	64,532	79,873	14,344
Other Public Health and Welfare		107,405	0	0	107,405	112,934	114,581	7,176
Social, Cultural, and Recreational Services								
Senior Citizens Assistance		274,916	0	0	274,916	223,444	283,847	8,931
Libraries		422,899	0	0	422,899	453,263	466,831	43,932
Agriculture and Natural Resources								
Agricultural Extension Service		111,750	0	0	111,750	112,092	112,092	342
Soil Conservation		39,878	0	0	39,878	39,204	40,193	315

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted A Original	Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.) Other Operations Veterans' Services	\$ 43,279	\$ 0	\$ 0 5		52,070 \$	52,141 \$	8,862
Contributions to Other Agencies	 1,239,264	0	0	1,239,264	1,099,000	1,259,264	20,000
Total Expenditures	\$ 22,156,522	\$ (137,002)	\$ 5,404 \$	\$ 22,024,924 \$	22,109,175 \$	23,094,448 \$	1,069,524
Excess (Deficiency) of Revenues Over Expenditures	\$ 124,262	\$ 137,002	\$ (5,404) \$	\$ 255,860 \$	125,224 \$	(1,607,021) \$	1,862,881
Other Financing Sources (Uses) Insurance Recovery Transfers In Transfers Out Total Other Financing Sources	\$ 151,626 0 (624,801) (473,175)	0 0	\$ 0 8 0 0 \$ 0 8	0 (624,801)	0 \$ 316,426 (793,712) (477,286) \$	150,246 \$ 0 (622,489) (472,243) \$	1,380 0 (2,312) (932)
Net Change in Fund Balance Fund Balance, July 1, 2017	\$ (348,913) 8,766,004		-		(352,062) \$ 6,300,522	(2,079,264) \$ 6,300,522	1,861,949 2,328,480
Fund Balance, June 30, 2018	\$ 8,417,091	\$ 0	\$ (5,404) 8	8,411,687 \$	5,948,460 \$	4,221,258 \$	4,190,429

Exhibit C-6

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2018

		Actual	_	Budgeted A	mounts Final	_	Variance with Final Budget - Positive (Negative)
Revenues							
Other Local Revenues	\$	756,686	\$	754,000 \$	754,000	\$	2,686
Total Revenues	\$		\$	754,000 \$	754,000		2,686
Expenditures Finance Other Finance	\$	8,145	\$	7,600 \$	7,600	\$	(545)
Total Expenditures	<u>\$</u> \$	8,145	\$	7,600 \$	7,600		(545)
Excess (Deficiency) of Revenues Over Expenditures	\$	748,541	\$	746,400 \$	746,400	\$	2,141
Other Financing Sources (Uses) Transfers Out	\$	0		(316,426) \$	0		0
Total Other Financing Sources	\$	0	\$	(316,426) \$	0	\$	0
Net Change in Fund Balance Fund Balance, July 1, 2017	\$	748,541 5,441,628	\$	429,974 \$ 5,439,993	746,400 5,439,993	\$	2,141 1,635
Fund Balance, June 30, 2018	\$	6,190,169	\$	5,869,967 \$	6,186,393	\$	3,776

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, 2018

		Actual (GAAP	E	Less:	Add: Encumbrances	Actual Revenues/ Expenditures (Budgetary	Budgeted A		Variance with Final Budget - Positive
		Basis)		7/1/2017	6/30/2018	Basis)	Original	Final	(Negative)
Revenues									
Local Taxes	\$	2,463,928	\$	0 8	0 \$	2,463,928 \$	2,398,600 \$	2,398,600 \$	65,328
Charges for Current Services		236,094		0	0	236,094	55,000	55,000	181,094
Other Local Revenues		74		0	0	74	0	0	74
State of Tennessee		2,192,333		0	0	2,192,333	1,982,308	1,982,308	210,025
Federal Government		0		0	0	0	61,858	61,858	(61,858)
Total Revenues	\$	4,892,429	\$	0 8	0 \$	4,892,429 \$	4,497,766 \$	4,497,766 \$	394,663
Expenditures									
Highways									
Administration	\$	275,740	\$	0 8	0 \$	275,740 \$	292,673 \$	294,568 \$	18,828
Highway and Bridge Maintenance		2,378,458		(19,117)	0	2,359,341	2,351,260	2,417,116	57,775
Operation and Maintenance of Equipment		836,324		0	0	836,324	874,024	913,692	77,368
Quarry Operations		691,557		0	16,083	707,640	783,731	770,062	62,422
Asphalt Plant Operations		29,223		0	0	29,223	32,600	32,600	3,377
Other Charges		94,999		0	0	94,999	104,052	99,952	4,953
Employee Benefits		137,263		0	0	137,263	133,164	137,264	1
Capital Outlay		0		0	0	0	91,662	91,662	91,662
Total Expenditures	\$	4,443,564	\$	(19,117) §	3 16,083 \$	4,440,530 \$	4,663,166 \$	4,756,916 \$	316,386
Excess (Deficiency) of Revenues									
Over Expenditures	\$	448,865	\$	19,117	(16,083) \$	451,899 \$	(165,400) \$	(259,150) \$	711,049
Net Change in Fund Balance	\$	448,865	¢	19,117	3 (16,083) \$	451,899 \$	(165,400) \$	(259,150) \$	711,049
Fund Balance, July 1, 2017	φ	2,242,005	φ	(19,117)	0 (10,003) ¢	2,222,888	1,600,282	1,600,282	622,606
runa Dalance, buly 1, 2017		4,444,000		(13,117)	U	4,444,000	1,000,404	1,000,202	022,000
Fund Balance, June 30, 2018	\$	2,690,870	\$	0 8	(16,083) \$	2,674,787 \$	1,434,882 \$	1,341,132 \$	1,333,655

Jefferson County, Tennessee Statement of Net Position Proprietary Funds June 30, 2018

AGGTTMA	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
<u>ASSETS</u>		
Current Assets: Cash Equity in Pooled Cash and Investments Accounts Receivable Allowance for Uncollectibles Due from Other Governments Due from Other Funds Total Current Assets	$\begin{array}{c} \$ & 25 \\ 1,422,100 \\ 152,226 \\ (5,000) \\ 1,990 \\ \underline{63,095} \\ \$ & 1,634,436 \end{array}$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
Noncurrent Assets: Net Pension Asset - Public Employee Legacy Pension Plan Net Pension Asset - Public Employee Hybrid Retirement Plan Capital Assets: Assets Not Depreciated:	\$ 62,507 630	\$ 0 0
Land Construction in Progress Assets Net of Accumulated Depreciation: Landfill Facilities and Development Buildings and Improvements Machinery and Equipment Total Noncurrent Assets Total Assets	510,430 $332,026$ $48,992$ $67,527$ $1,791,045$ $$2,813,157$ $$4,447,593$	$ \begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ \hline $
	Ψ 1,111,000	φ (0,012
DEFERRED OUTFLOWS OF RESOURCES Pension Changes in Experience Pension Changes in Assumptions Pension Contributions After Measurement Date OPEB Contributions After Measurement Date Total Deferred Outflows of Resources	$ \begin{array}{r} $	\$ 0 0 0 0 0 \$ 0
	ψ 10,000	. υ
Current Liabilities: Accounts Payable Claims Payable Accrued Payroll Due to Other Funds Due to Component Units Due to the State of Tennessee Current Portion of Long-term Liabilities Total Current Liabilities	\$ 13,421 0 10,206 586,151 0 300 120,352 \$ 730,430	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$

(Continued)

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

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund	
LIABILITIES (CONT.)			
Noncurrent Liabilities: Due in More Than One Year Total Noncurrent Liabilities Total Liabilities	\$ 4,688,772 \$ 4,688,772 \$ 5,419,202	\$ 0 \$ 0 \$ 44,166	
DEFERRED INFLOWS OF RESOURCES			
Pension Changes in Experience Pension Changes in Investment Earnings OPEB Changes in Assumptions Total Deferred Inflows of Resources	$\begin{array}{c} \$ & 32,450 \\ & 407 \\ \hline & 1,746 \\ \$ & 34,603 \end{array}$	\$ 0 0 0 \$ 0	
NET POSITION			
Net Investment in Capital Assets Net Position - Restricted for Pensions Net Position - Unrestricted	$ \begin{array}{r} & 2,750,020 \\ & 63,137 \\ & (3,740,510) \end{array} $	$\begin{array}{c} \$ & 0 \\ 0 \\ 35,746 \end{array}$	
Total Net Position	\$ (927,353)	\$ 35,746	

<u>Jefferson County, Tennessee</u>

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2018

		Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund		Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund	
Operating Revenues	Ф	1 001 500	ф	0	
Tipping Fees	\$	1,621,793	\$	0	
Sale of Recycled Materials		301,702		0	
Miscellaneous Refunds		48,943		0	
State of Tennessee Self-Insurance Premiums/Contributions		44,734		101 500	
	ф.	0	161,539		
Total Operating Revenues	\$	2,017,172	\$	161,539	
Operating Expenses Cost of Sales and Services		22.122	•		
Supervisor/Director	\$	32,122	\$	0	
Accountants/Bookkeepers		37,266		0	
Part-time Personnel		9,579		0	
Longevity Pay Overtime		7,300		0	
		43,835		0	
Bonus Payments Laborers		8,769		0	
Board and Committee Members Fees		340,910		0	
Social Security		4,320 $28,733$		$0 \\ 0$	
Pensions		34,010		0	
Life Insurance		967			
Medical Insurance		114,822		$0 \\ 0$	
Dental Insurance		1,605		0	
Unemployment Compensation		2,180		0	
Employer Medicare		6,720		0	
Other Fringe Benefits		114		0	
Data Processing Services		6,001		0	
Engineering Services		67,766		0	
Evaluation and Testing		41,180		0	
Legal Services		50		0	
Maintenance Agreements		662		0	
Maintenance and Repair Services - Equipment		92,494		0	
Postal Charges		150		0	
Rentals		2,821		0	
Travel		1,489		0	
Contracts for Development Costs		68,257		0	
Other Contracted Services		30,990		0	
Crushed Stone		23,627		0	
Diesel Fuel		168,915		0	
Fertilizer, Lime, and Seed		196		0	
Gasoline		19,734		0	
Lubricants		12,299		0	

(Continued)

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

Operating Expenses (Cont.) Cost of Sales and Services (Cont.) 3.312 \$ 0 Pipe 12,934 0 Small Tools 1,500 0 Tires and Tubes 3,764 0 Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Other Supplies and Materials 1,795 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Workers' Compensation Insurance 35,118 0 Depreciation 187,833 0 Surcharge 35,118 0 Compensation Insurance 23,435 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0		Ac E1	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund		Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund	
Office Supplies \$ 3,312 \$ 0 Pipe 12,934 0 Small Tools 1,500 0 Tires and Tubes 3,764 0 Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Building and Contents Insurance 899 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 172,19 Other Self-Insured Claims						
Pipe 12,934 0 Small Tools 1,500 0 Tires and Tubes 3,764 0 Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 15,853 Total Operating Expenses \$ 1,668,895 175,750 Operating Income (Loss) <t< td=""><td>· · ·</td><td>ф</td><td>0.010</td><td>Φ.</td><td>0</td></t<>	· · ·	ф	0.010	Φ.	0	
Small Tools 1,500 0 Tires and Tubes 3,764 0 Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Surcharge 35,118 0 Chardill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expen		\$	*	\$	_	
Tires and Tubes 3,764 0 Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Workers' Compensation Insurance 23,435 0 Surcharge 35,118 0 Surcharge 35,118 0 Surcharge 35,118 0 Surcharge 7,304 0 Solid Waste Equipment 76,034 0 Handling Closure/Postclosure Care Costs 0 17,219 Other Solf-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) <td>-</td> <td></td> <td></td> <td></td> <td>_</td>	-				_	
Uniforms 4,864 0 Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,495 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904			,		_	
Utilities 9,872 0 Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$1,668,895 \$175,750 Operating Income (Loss) \$348,277 \$14,211 Nonoperating Revenues (Expenses) \$15,022 \$0 Insurance Recovery 904 0 Insurance Recovery 904			,		_	
Chemicals 453 0 Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan 3,400 0 Total Nonoperating Revenues (Expe						
Other Supplies and Materials 21,858 0 Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 0 <						
Building and Contents Insurance 1,795 0 Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Insurance Recovery 904 0 Insurance Recovery 904 0 Total Nonoperating Revenues (Expenses) \$ 12,526 0 Change in Net Positio					_	
Liability Insurance 899 0 Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 0 Change in Net Position \$ 360,803 \$ (14,211) Net Po			,			
Trustee's Commission 15,970 0 Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0						
Vehicle and Equipment Insurance 10,358 0 Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 0 0	•				0	
Workers' Compensation Insurance 23,435 0 Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0			,		0	
Depreciation 187,833 0 Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0					0	
Surcharge 35,118 0 Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	-				0	
Landfill Closure/Postclosure Care Costs 41,709 0 Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	-		187,833		0	
Other Charges 7,304 0 Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Surcharge		35,118		0	
Solid Waste Equipment 76,034 0 Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Landfill Closure/Postclosure Care Costs		41,709		0	
Handling Charges and Administrative Costs 0 17,219 Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Other Charges		7,304		0	
Other Self-Insured Claims 0 158,531 Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Solid Waste Equipment		76,034		0	
Total Operating Expenses \$ 1,668,895 \$ 175,750 Operating Income (Loss) \$ 348,277 \$ (14,211) Nonoperating Revenues (Expenses) \$ 15,022 \$ 0 Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Handling Charges and Administrative Costs		0		17,219	
Nonoperating Revenues (Expenses) \$ 348,277 \$ (14,211) Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Other Self-Insured Claims		0		158,531	
Nonoperating Revenues (Expenses) Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Total Operating Expenses	\$	1,668,895	\$	175,750	
Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Operating Income (Loss)	\$	348,277	\$	(14,211)	
Gain on Sale of Capital Assets \$ 15,022 \$ 0 Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Nonoperating Revenues (Expenses)					
Insurance Recovery 904 0 Interest on Internal Loan (3,400) 0 Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Gain on Sale of Capital Assets	\$	15,022	\$	0	
Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	_		904		0	
Total Nonoperating Revenues (Expenses) \$ 12,526 \$ 0 Change in Net Position \$ 360,803 \$ (14,211) Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Interest on Internal Loan		(3,400)		0	
Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Total Nonoperating Revenues (Expenses)	\$		\$		
Net Position, July 1, 2017 (1,252,521) 49,957 Restatement - See Note I.D.9 (35,635) 0	Change in Net Position	\$	360,803	\$	(14,211)	
Restatement - See Note I.D.9 (35,635) 0	•			-		
Net Position, June 30, 2018 <u>\$ (927,353)</u> <u>\$ 35,746</u>	· · · · · · · · · · · · · · · · · · ·					
	Net Position, June 30, 2018	\$	(927,353)	\$	35,746	

Exhibit D-3

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	P	usiness-type Activities - Major Enterprise Fund Solid Waste Disposal Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$	1,561,318	\$ 0
Receipts from Recycled Materials		301,702	0
Receipts from Other State Revenues		44,734	0
Receipts for Self-Insurance Premiums		0	161,539
Payments to Employees and Board Members		(479,784)	0
Payments for Fringe Benefits		(212,209)	0
Payments to Suppliers		(441,248)	0
Payments to Others		(313,783)	0
Payments for Claims		0	(118,820)
Payments for Administrative Costs		0	(17,219)
Net Cash Provided By (Used In) Operating Activities	\$	460,730	\$ 25,500
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	\$	(930,746)	\$ 0
Proceeds from Sale of Capital Assets		154,327	0
Insurance Recovery		904	0
Proceeds from Internal Loan		710,200	0
Principal Paid on Internal Loan		(174,049)	0
Interest Paid on Internal Loan		(3,400)	 0
Net Cash Provided By (Used In) Capital and Related			
Financing Activities	\$	(242,764)	\$ 0
Increase (Decrease) in Cash	\$	217,966	\$ 25,500
Cash, July 1, 2017		1,204,159	 54,412
Cash, June 30, 2018	\$	1,422,125	\$ 79,912

(Continued)

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

		Activities - Major Enterprise Fund Solid Waste Disposal Fund		Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
Reconciliation of Net Operating Income (Loss)				
to Net Cash Provided By (Used In) Operating Activities	Ф	249.977	ው	(1 4 911)
Operating Income (Loss)	\$	348,277	\$	(14,211)
Adjustments to Reconcile Net Operating Income (Loss)				
to Net Cash Provided By (Used In) Operating Activities: Depreciation		107 099		0
Changes in Deferred Outflows for Pensions		187,833 $25,949$		0
Changes in Deferred Inflows for Pensions Changes in Deferred Inflows for Pensions		12,150		0
Changes in Deferred Outflows for OPEB		(202)		0
Changes in Deferred Inflows for OPEB		1,746		0
Changes in Assets and Liabilities:		1,740		U
(Increase) Decrease in Net Pension Asset/Liability		(57,823)		0
(Increase) Decrease in Accounts Receivable		(37,323) $(44,333)$		0
(Increase) Decrease in Due to Component Units		(44,555)		38,773
(Increase) Decrease in Due from Other Governments		(1,990)		0
(Increase) Decrease in Due from Other Funds		(63,095)		0
Increase (Decrease) in Operating Accounts Payable		11,270		0
Increase (Decrease) in Claims Payable		0		938
Increase (Decrease) in Accrued Payroll		576		0
Increase (Decrease) in Payroll Deductions Payable		(6,415)		0
Increase (Decrease) in Due to State of Tennessee		(200)		0
Increase (Decrease) in Landfill Closure/Postclosure Care Cost		41,709		0
Increase (Decrease) in Compensated Absences		3,741		0
Increase (Decrease) in OPEB Liability		1,537		0
in the state of the state of		,		
Net Cash Provided By (Used In) Operating Activities	\$	460,730	\$	25,500
Reconciliation of Cash With Statement of Net Position				
Cash Per Net Position	\$	25	\$	0
Equity in Pooled Cash and Investments Per Net Position		1,422,100		79,912
Cash, June 30, 2018	\$	1,422,125	\$	79,912

Exhibit E-1

<u>Jefferson County, Tennessee</u> <u>Statement of Fiduciary Assets and Liabilities</u> <u>Fiduciary Funds</u> <u>June 30, 2018</u>

	 Agency Funds
<u>ASSETS</u>	
Cash	\$ 2,147,154
Equity in Pooled Cash and Investments	15,898
Accounts Receivable	41,532
Due from Other Governments	1,000,268
Property Taxes Receivable	1,236,674
Allowance for Uncollectible Property Taxes	(39,905)
Total Assets	\$ 4,401,621
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,212,935
Due to Litigants, Heirs, and Others	 2,188,686
Total Liabilities	\$ 4,401,621

JEFFERSON COUNTY, TENNESSEE Index of Notes to the Financial Statements

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JEFFERSON COUNTY, TENNESSEE NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

most debt instruments, the district must obtain the county commission's approval. The financial statements of the Jefferson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Jefferson County issues all debt for the discretely presented Jefferson County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2018.

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. <u>Measurement Focus, Basis of Accounting, and Financial Statement</u> 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.

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

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

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

Jefferson County reports the following major proprietary fund:

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

Additionally, Jefferson County reports the following fund types:

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

Internal Service Fund – The Employee Insurance - Dental and Vision Fund is used to account for the 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 fund:

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

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

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for transactions related to capital projects and to account for the receipt of debt issued by Jefferson County and contributed to the School Department for building construction and renovations.

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.

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. <u>Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance</u>

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 Fund. Jefferson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. The ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.2 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 yearend 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.

3. <u>Capital Assets</u>

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

4. 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 changes in assumptions, pension changes in investment earnings, pension contributions after the measurement date, pension other deferrals, and OPEB contributions after the measurement date.

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

5. 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 2017-18 year, 11 employees received this incentive. The financial statements of this report reflect expenditures of \$15,025 in the General Purpose School Fund for the accumulated sick leave incentive payments.

6. <u>Long-term Obligations</u>

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, termination benefits,

other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

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

As of June 30, 2018, Jefferson County had \$63,342,110 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 or the Finance Director makes assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the primary government's General Fund consists of an assignment to purchase an ambulance (\$110,000) and various assignments for smaller amounts totaling \$65,934. Assigned fund balance in the School Department's General Purpose School Fund consists primarily of amounts assigned for encumbrances (\$107,041) and textbooks (\$290,000).

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.

8. <u>Minimum Fund Balance Policy</u>

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.

9. Restatement

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Jefferson County has adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Restatements increasing the beginning net position of the Governmental Activities of the primary government by \$171,128, reducing the beginning net position of the Business-type Activities of the primary government by \$35,635, and reducing the beginning net position of the discretely presented Jefferson County School Department by \$3,275,780, have been recognized to account for the transitional requirements.

As discussed in Note VI.A.18, a restatement decreasing beginning net position of the discretely presented Jefferson County Nursing Home in the amount of \$4,595 was made to correct the Nursing Home's portion of the net pension asset.

E. <u>Pension Plans</u>

Primary Government

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

Discretely Presented Jefferson County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary

net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Jefferson County School Department

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

II. <u>RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL</u> 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.

<u>Discretely Presented Jefferson County School Department</u>

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.

<u>Discretely Presented Jefferson County School Department</u>

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.

At June 30, 2018, Jefferson County and the discretely presented School Department reported significant encumbrances in the following budgeted funds:

Funds	A	<u>Amount</u>
Primary Government:		
General	\$	5,404
Highway/Public Works		16,083
Nonmajor governmental		807,906
Jefferson County School Department:		
General Purpose School		107,041

B. <u>Net Position Deficit</u>

The county's Solid Waste Disposal Fund had a deficit of \$927,353 in total net position and a deficit of \$3,740,510 in unrestricted net position at June 30, 2018. Further details related to liabilities recorded in this fund are disclosed in Note V.F. Landfill Closure/Postclosure Care Costs.

C. <u>Expenditures Exceeded Appropriations</u>

Expenditures exceeded total appropriations by \$545 in the Other Special Revenue Fund. Expenditures exceeded appropriations in major appropriation categories (the legal level of control) of the following funds:

	A	ackslashmount
Fund/Major Appropriation Category	0.	verspent
Primary Government:		
General Fund:		
Drug Court	\$	7,425
Transfers Out		2,312
General Debt Service:		
Principal on Debt - Education		15,000
School Department:		
General Purpose School Fund:		
Regular Capital Outlay		6,910

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

IV. <u>DETAILED NOTES ON ALL FUNDS</u>

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 deposits must required to secure these public equal 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.

<u>Investments</u>

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, 2018, Jefferson County had the following investment carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Jefferson County and the discretely presented Jefferson County School Department since both pool their deposits and investments through the county trustee.

	Weighted	
	Average	Amortized
Investment	Maturities (days)	Cost
State Treasurer's Investment Pool	2 to 113	\$ 1,729,514

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, 2018, Jefferson County's investment in the State Treasurer's Investment Pool was unrated.

B. <u>Capital Assets</u>

Capital assets activity for the year ended June 30, 2018, was as follows:

Primary Government

Governmental Activities:

		Balance				Balance
		7-1-17		Increases	Decreases	6-30-18
Capital Assets Not Depreciated:						
Land	\$	1,647,216	\$	25,561 \$	0 \$	1,672,777
Construction in Progress		0		671,021	0	671,021
Total Capital Assets						_
Not Depreciated	\$	1,647,216	\$	696,582 \$	0 \$	2,343,798
Capital Assets Depreciated:						
Buildings and Improvements	\$	23,314,765	\$	25,900 \$	0 \$	23,340,665
Other Capital Assets		10,249,257		1,321,822	(374,749)	11,196,330
Infrastructure		117,116,242		0	0	117,116,242
Total Capital Assets						
Depreciated	\$	150,680,264	\$	1,347,722 \$	(374,749) \$	151,653,237
Less Accumulated Depreciation For:						
Buildings and Improvements	\$	6,610,340	\$	736,229 \$	0 \$	7,346,569
Other Capital Assets		7,260,869		714,251	(259,366)	7,715,754
Infrastructure		39,229,117		1,379,000	0	40,608,117
Total Accumulated						
Depreciation	\$	53,100,326	\$	2,829,480 \$	(259,366) \$	55,670,440
m + 1.0 : 1.4 +						
Total Capital Assets	Ф	05 450 000	Ф	(1 401 550) @	(11×000) A	0× 000 5 05
Depreciated, Net	\$	97,579,938	\$	(1,481,758) \$	(115,383) \$	95,982,797
Governmental Activities						
Capital Assets, Net	\$	99,227,154	\$	(785,176) \$	(115,383) \$	98,326,595

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

Governmental Activities:

General Government Finance	\$ 256,312 15,942
Administration of Justice Public Safety Public Health and Walface	505,378 265,688
Public Health and Welfare Social, Cultural, and Recreational Services	344,185 921
Agriculture and Natural Resources Highways/Public Works	6,653 1,434,401
Total Depreciation Expense - Governmental Activities	\$ 2,829,480

Business-type Activities:

_	Balance 7-1-17		*Reclassification		Increases		Decreases	Balance 6-30-18
	510.430	\$	0	\$	0	\$	0 \$	510,430
,	332,026	,	0	,	0	,	0	332,026
\$	842,456	\$	0	\$	0	\$	0 \$	842,456
\$	458,228	\$	(316,204)	\$	0	\$	0 \$	142,024
	367,166		224,897		0		0	592,063
_	3,622,286		91,307		930,746		(286,386)	4,357,953
Ф	4 445 000		0	Φ	000 = 10	Φ	(200,000) 4	* 000 0 10
\$	4,447,680		0	\$	930,746	\$	(286,386) \$	5,092,040
\$	390,331	\$	(300,978)	\$	3,679	\$	0 \$	93,032
	294,361		224,283		5,892		0	524,536
_	2,459,032		76,695		178,262		(147,081)	2,566,908
\$	3,143,724	\$	0	\$	187,833	\$	(147,081) \$	3,184,476
\$	1,303,956	\$	0	\$	742,913	\$	(139,305) \$	1,907,564
\$	2,146,412		0	\$	742,913	\$	(139,305) \$	2,750,020
	\$	\$ 510,430 332,026 \$ 842,456 \$ 458,228 367,166 3,622,286 \$ 4,447,680 \$ 390,331 294,361 2,459,032 \$ 3,143,724 \$ 1,303,956	\$ 510,430 \$ 332,026 \$ 842,456 \$ \$ 458,228 \$ 367,166 \$ 3,622,286 \$ 4,447,680 \$ \$ 390,331 \$ 294,361 \$ 2,459,032 \$ 3,143,724 \$ \$ \$ 1,303,956 \$	\$ 510,430 \$ 0 332,026 0 \$ 842,456 \$ 0 \$ 458,228 \$ (316,204) 367,166 224,897 3,622,286 91,307 \$ 4,447,680 0 \$ 390,331 \$ (300,978) 294,361 224,283 2,459,032 76,695 \$ 3,143,724 \$ 0 \$ 1,303,956 \$ 0	\$ 510,430 \$ 0 \$ 332,026 0 \$ 842,456 \$ 0 \$ \$ 458,228 \$ (316,204) \$ 367,166 224,897 3,622,286 91,307 \$ 4,447,680 0 \$ \$ 390,331 \$ (300,978) \$ 294,361 224,283 2,459,032 76,695 \$ 3,143,724 \$ 0 \$ \$ 1,303,956 \$ 0 \$	\$ 510,430 \$ 0 \$ 0 332,026 0 0 \$ 842,456 \$ 0 \$ 0 \$ 458,228 \$ (316,204) \$ 0 367,166 224,897 0 3,622,286 91,307 930,746 \$ 4,447,680 0 \$ 930,746 \$ 4,447,680 0 \$ 930,746 \$ 390,331 \$ (300,978) \$ 3,679 294,361 224,283 5,892 2,459,032 76,695 178,262 \$ 3,143,724 \$ 0 \$ 187,833 \$ 1,303,956 \$ 0 \$ 742,913	\$ 510,430 \$ 0 \$ 0 \$ 332,026 0 0 0 \$ \$ 842,456 \$ 0 \$ 0 \$ 0 \$ \$ \$ \$ 458,228 \$ (316,204) \$ 0 \$ 367,166 224,897 0 3,622,286 91,307 930,746 \$ \$ 4,447,680 0 \$ 930,746 \$ \$ 4,447,680 0 \$ 930,746 \$ \$ \$ 294,361 224,283 5,892 2,459,032 76,695 178,262 \$ \$ 3,143,724 \$ 0 \$ 187,833 \$ \$ \$ 1,303,956 \$ 0 \$ 742,913 \$	\$ 510,430 \$ 0 \$ 0 \$ 0 \$ 0 \$ 332,026

* During the year, Jefferson County changed to a new capital asset software program. During the conversion process, management reclassified several assets to different categories.

Depreciation expense totaling \$187,833 was charged to the Solid Waste Disposal Fund.

<u>Discretely Presented Jefferson County School Department</u>

Governmental Activities:

		Balance					Balance
		7-1-17		Increases		Decreases	6-30-18
Capital Assets Not							
Depreciated:	\$	1 400 550	Ф	0	Ф	Ο Φ	1 400 550
Land	Ф	1,492,550	Ф		\$	0 \$	1,492,550
Construction in Progress Total Capital Assets		1,174,583		2,204,323		U	3,378,906
Not Depreciated	\$	2,667,133	\$	2,204,323	\$	0 \$	4,871,456
Capital Assets							
Depreciated:							
Buildings and Improvements	\$	93,417,604	\$	576,412	\$	0 \$	93,994,016
Machinery and Equipment		2,844,755		0		0	2,844,755
Other Capital Assets	_	6,295,574		244,434		(86,278)	6,453,730
Total Capital Assets							
Depreciated	\$	102,557,933	\$	820,846	\$	(86,278) \$	103,292,501
Less Accumulated							
Depreciation For:	\$	22 000 757	Ф	1 057 700	Ф	0 0	20.704.510
Buildings and Improvements Machinery and Equipment	Ф	28,906,757	Ф	1,857,762	Ф	0 \$	30,764,519
		2,095,521		81,492		•	2,177,013
Other Capital Assets	_	3,768,267		249,127		(86,278)	3,931,116
Total Accumulated							
Depreciation	\$	34,770,545	\$	2,188,381	\$	(86,278) \$	36,872,648
P		- ,,.		,,	1	()/ +	/ /
Total Capital Assets							
Depreciated, Net	\$	67,787,388	\$	(1,367,535)	\$	0 \$	66,419,853
Governmental Activities							
Capital Assets, Net	\$	70,454,521	\$	836,788	\$	0 \$	71,291,309

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

Governmental Activities:

Instruction	\$ 1,887,135
Support Services	249,127
Operation of Non-instructional Services	52,119
Total Depreciation Expense -	
Governmental Activities	\$ 2,188,381

C. <u>Interfund Receivables, Payables, and Transfers</u>

The composition of interfund balances as of June 30, 2018, was as follows:

Due to/from Other Funds:

Receivable Fund Payable Fund		A	Amount
Primary Government:		ф	1 400
General	Nonmajor governmental	\$	1,420
General Debt Service	Solid Waste Disposal (enterpirse)		586,151
Solid Waste Disposal (enterprise)	Nonmajor governmental		63,095
Discretely Presented School Depart	ment:		
Nonmajor governmental	General Purpose School		207

The amount due to the General Service Fund from the Solid Waste Disposal Fund represents the balance of an interfund loan totaling \$710,200. Due to early payments having been made on the loan, none of the balance is due within one year.

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	A	mount
Component Unit:			
School Department:	Primary Government:		
Internal Service	Internal Service	\$	38,773

The amount reflected as due to the discretely presented School Department's Internal Service Fund from the primary povernment's Internal Service Fund represents premiums paid to the wrong fund. The entire balance was repaid subsequent to the fiscal year end.

The government-wide Statement of Net Position also reports \$6,405,000 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, 2018, consisted of the following amounts:

Primary Government:

	Transfers In				
		General	Nonmajor		
	-	Debt Service	Governmental		
Transfers Out		Fund	Funds		
General Fund	\$	478,975 \$	145,826		
Nonmajor governmental funds		70,000	0		
			_		
Total	\$	548,975 \$	145,826		

Transfers to the General Debt Service Fund represent interest rebates for the QSCB bond (\$478,975) and litigation tax appropriated for payment of Justice Center debt (\$70,000). Transfers from the General Fund to the nonmajor governmental funds (\$145,826) represent litigation tax appropriated for capital expenditures.

Discretely Presented Jefferson County School Department:

	Transfers In				
		General		Nonmajor	
		Purpose		Governmental	
Transfers Out		School Fund		Funds	
Nonmajor governmental funds General Purpose School Fund	\$	56,621 0	\$	0 884,410	
Total	\$	56,621	\$	884,410	

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.

The General Purpose School Fund transferred \$884,410 to the Education Capital Projects Fund for the White Pine School renovations. The School Federal Projects Fund transferred \$56,621 to the General Purpose School Fund for the payment of indirect costs.

D. <u>Long-term Obligations</u>

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, 2018. 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, 2018, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2018, for governmental activities are as follows:

			Original	
	Interest	Final	Amount	Balance
Type	Rate	Maturity	of Issue	6-30-18
General Obligation Bonds	2.54 to 2.9 %	6-1-36	\$ 26,685,000	\$ 24,510,000
General Obligation Refunding				
Bonds	1 to 5	6-1-37	17,225,000	15,520,000
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	6,985,000
Other Loans - Refunding	4 to 5	6-1-19	13,740,000	340,000
Other Loans - Qualified School				
Construction Bonds	0 ((1) 8-1-27	10,595,000	6,077,407
Other Loans - Energy Efficient				
Schools Initiative	2.5	3 - 1 - 24	2,506,325	1,294,703

(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, 2018:

	Original Amount of Loan	Outstanding Principal	Interest	Interest Rates as of		Other Fees on Variable
Description	Agreement	6-30-18	Type	6-30-18	R	ate Debt
Sevier County Public Building Authority Local Government Public Improvement Bond - Refunding (V-G-1) Total	\$ 13,740,000	\$ 340,000 340,000	Fixed	4 to 5	%	N/A
Blount County Public Building Authority Local Government Public Improvement Bond - Refunding (E-3-D) Total	13,305,000	\$ 6,985,000 6,985,000	Variable	1.34		.28%
Total		\$ 7,325,000	1			

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, 2018, including interest payments and other loan fees, are presented in the following tables:

Year Ending				Bonds	
June 30		Principal		Interest	Total
2019		\$ 2,385,000	\$	2,290,942	\$ 4,675,942
2020		2,875,000		2,207,592	5,082,592
2021		2,985,000		2,087,742	$5,\!072,\!742$
2022		2,995,000		1,973,742	4,968,742
2023		3,105,000		1,856,542	4,961,542
2024-2028		8,010,000		8,352,935	16,362,935
2029-2033		10,155,000		7,278,751	17,433,751
2034-2038		14,745,000		5,578,889	20,323,889
2039-2040		8,775,000		876,157	9,651,157
Total		\$ 56,030,000	\$	32,503,292	\$ 88,533,292
Year Ending		Other	Loa	ins	
June 30	 Principal	Interest		Other Fees	Total
2019	\$ 2,043,127	\$ 698,901	\$	27,966	\$ 2,769,994
2020	1,733,491	660,103		25,650	2,419,244
2021	1,788,988	637,678		23,264	2,449,930
2022	1,844,628	614,118		20,739	2,479,485
2023	1,900,400	589,437		18,075	2,507,912
2024-2028	 5,386,476	2,188,014		47,438	7,621,928
Total	\$ 14,697,110	\$ 5,388,251	\$	163,132	\$ 20,248,493

There is \$8,224,505 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,090, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,403 based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

		Bonds	Other Loans
Balance, July 1, 2017 Additions	\$	58,120,000 \$ 8,725,000	18,090,005 0
Reductions	Ф	(10,815,000)	(3,392,895)
Balance, June 30, 2018	\$	56,030,000 \$	14,697,110
Balance Due Within One Year	\$	2,385,000 \$	2,043,127
	Po	*Other ostemployement Benefits	Compensated Absences
Balance, July 1, 2017 Additions Reductions	\$	715,894 \$ 64,966 (34,546)	418,996 511,476 (560,776)
Balance, June 30, 2018	\$	746,314 \$	369,696
Balance Due Within One Year			

^{*} Restated to comply with GASB Statement No.75. See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 71,843,120
Less: Balance Due Within One Year	(4,686,914)
Add: Unamortized Premium on Debt	1,374,447_
Noncurrent Liabilities - Due in	
More Than One Year - Exhibit A	\$ 68,530,653

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

Advance Refunding

On October 27, 2017, Jefferson County advance refunded the outstanding balance of the School Refunding Series 2009 Bonds (\$9,650,000) with the issuance of \$8,725,000 of general obligation refunding bonds. Proceeds of the

refunding bonds, along with issuance premiums received of \$1,139,167 and \$160,766 contributed from the General Debt Service Fund, were used to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. The outstanding refunded bonds were called and retired June 1. 2018. Because of the advance refunding, total debt service payments over the next five years will be reduced by \$484,666, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$456,135 was obtained.

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, 2018, was as follows:

Business-type Activities:

				Closure/
			*Other	Postclosure
	(Compensated	Postemployment	Care
		Absences	Absences	Costs
Balance, July 1, 2017 Additions Reductions	\$	12,253 \$ 14,960 (11,219)	36,183 \$ 3,283 (1,746)	4,713,701 116,037 (74,328)
Balance, June 30, 2018	\$	15,994 \$, , , , , , , , , , , , , , , , , , ,
Balance Due Within One Year	\$	3,281 \$	0 \$	117,071

^{*} Restated to comply with GASB Statement No. 75. See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 4,809,124
Less: Balance Due Within One Year	(120, 352)
Noncurrent Liabilities - Due in	
More Than One Year - Exhibit A	\$ 4,688,772

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, 2018, was as follows:

Governmental Activities:

	Compensated Absences			Termination Benefits
Balance, July 1, 2017 Additions Reductions	\$	663,561 145,861 (139,675)	\$	143,534 258,360 (129,180)
Balance, June 30, 2018	\$	669,747	\$	272,714
Balance Due Within One Year	\$	137,395	\$	139,945
		Net Pension Liability Teacher Legacy	Ρ	*Other ostemployement Benefits
Balance, July 1, 2017 Additions Reductions	\$	4,220,496 0 (4,220,496)	\$	16,104,197 695,653 (660,590)
Balance, June 30, 2018	\$	0	\$	16,139,260
Balance Due Within One Year	\$	0	\$	0

^{*} Restated to comply with GASB Statement No.75. See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 17,081,721
Less: Balance Due Within One Year	(277,340)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 16,804,381

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.

E. 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 \$56,937,110 at June 30, 2018. That debt carries the general obligation pledge of the government in addition to the specific pledge of the one-half cent sales tax revenue.

F. On-Behalf Payments - Discretely Presented Jefferson County School Department

The State of Tennessee pays health insurance premiums for retired teachers onbehalf of the Jefferson County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2018, were \$285,507. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Internal Financing

In-lieu-of issuing debt with financial institutions, Jefferson County chose to internally finance various projects with idle county funds. During the prior year, the county loaned \$100,000 of idle funds under Capital Outlay Note, Series 2016 from the General Debt Service Fund to the Solid Waste Disposal Fund to purchase equipment. The balance of \$50,000 was paid in the current year. During the current year, the county loaned \$710,200 of idle funds under Capital Outlay Note, Series 2018 from the General Debt Service Fund to the Solid Waste Disposal Fund to purchase equipment. The balance of \$586,151 due on the Capital Outlay Note, Series 2018 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
Due to General Debt Se Fund from Solid Waste Disposal Fund							
Capital Outlay Note - Series 2016 (Landfill)	\$	100,000	0.75	%	8-25-16		10-17-17
Capital Outlay Note - Series 2018 (Landfill)	\$	710,200	1.00	%	12-15-17		6-01-21
	0	utstanding 7-1-17	Issued During Period	-	Paid and/or Matured During Period	(Outstanding 6-30-18
Due to General Debt Se Fund from Solid Waste Disposal Fund							
Capital Outlay Note - Series 2016 (Landfill)	\$	50,000	\$ 0	\$	(50,000)	\$	0
Capital Outlay Note - Series 2018 (Landfill)	\$	0 :	\$ 710,200	\$	(124,049)	\$	586,151
Total	\$	50,000	\$ 710,200	\$	(174,049)	\$	586,151

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:

	Beginning of Fiscal Year Liability	Current-Year Claims and Estimates	Payments	Balance at Fiscal Year-end
Primary Government				
2016-2017 2017-2018	\$ 6,383 S 4,455	\$ 151,797 \$ 158,531	153,725 \$ 157,593	4,455 5,393
Discretely Presented School Department				
2016-2017 2017-2018	28,560 37,233	463,712 453,648	455,039 448,655	37,233 42,226

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, 2018, Jefferson County has an outstanding assessment of \$59,732, which was due June 30, 2012. Jefferson County has recorded a liability for this amount in the General Fund. However, Jefferson County disputes the claim and has not yet paid the assessment.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions; Statement No. 81, Irrevocable Split-Interest Agreements; Statement No. 85, Omnibus 2017; and Statement No. 86, Certain Debt Extinguishment Issues became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are

required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

D. 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.

E. Changes in Administration

On December 31, 2017, Dr. Charles Edmonds left the Office of Director of Schools and was succeeded by Interim Director of Schools, Sherry Finchum.

F. <u>Landfill Closure/Postclosure Care Costs</u>

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 \$4,755,410 reported as landfill closure and postclosure care liability at June 30, 2018, represents the cumulative amount reported to date based on the use of 50 percent of the estimated capacity of the operating Patterson Landfill site (\$3,801,984) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$953,426). The amounts reported as closure/postclosure liability at June 30, 2018, are based on what it would cost to perform all closure and postclosure care costs in 2018. 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.

G. <u>Joint Ventures</u>

Primary Government

The county, along with Jefferson City, participated in the operation of Jefferson Memorial Hospital, a health facility. Effective April 1, 1997, the county and city entered into an agreement to lease the hospital, including all assets and all outstanding liabilities, to a nonprofit corporation, Jefferson Memorial Hospital, Inc. (JMH, Inc.), of which obligations are guaranteed by St. Mary's Health Systems, Inc. Effective October 1, 2011, this lease was assigned by St. Mary's Health Systems, Inc., to Jefferson County HMA, LLC, of which, obligations are guaranteed by Knoxville HMA Holdings, LLC. The county and the city created a seven-member oversight board comprising the hospital's chief of staff, three appointees from the county, and three from the city. The board is responsible for administration of the lease and the hospital in the event of lease termination. The county reflects its share of any net revenues from the lease in the Other Special Revenue Fund. Currently, the county receives \$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 multijurisdictional 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, 2018, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

Discretely Presented School Department

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

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

Administrative Office:

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

H. Jointly Governed Organizations

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

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

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS prior to July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS prior to July 1, 2017, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. The primary government employees comprise 51.85 percent, the non-certified employees of the discretely presented School Department comprise 29.79 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 18.36 percent of the plan based on contribution data. Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS after July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS after July 1, 2017, are provided with pensions through a legally separate plan, referred to as the Public Employee Hybrid Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 38.21 percent, the non-certified employees of the discretely presented School Department comprise zero percent, and

employees of the discretely presented Jefferson County Nursing Home comprise 61.79 percent of the hybrid plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.state.tn.us/tcrs.

Public Employee Legacy Pension Plan

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for nonservice related disability eligibility. The service related and 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	447
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	475
Active Employees	705
Total	1,627

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Jefferson County employees are noncontributory. Jefferson County makes employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for Jefferson County was \$2,525,890 based on a rate of 12.63 percent of covered payroll. The rate established by the Board of Trustees was 8.54 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Jefferson County's net pension liability (asset) was measured as of June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.5%

Salary Increases Graded Salary Ranges from 8.72%

to 3.46% Based on Age, Including

Inflation, Averaging 4%

Investment Rate of Return 7.25%, Net of Pension Plan

Investment Expenses, Including

Inflation

Cost of Living Adjustment 2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25

percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)					
		Total		Plan		Net Pension
		Pension		Fiduciary		Liability
		Liability		Net Position		(Asset)
		(a)		(b)		(a)-(b)
Balance, July 1, 2016	\$	70,537,756	\$	70,784,922	\$	(247,166)
Changes for the Year:						
Service Cost	\$	1,721,279	\$	0	\$	1,721,279
Interest		5,305,216		0		5,305,216
Differences Between Expected						
and Actual Experience		(1,215,221)		0		(1,215,221)
Changes in Assumptions		1,747,186		0		1,747,186
Contributions-Employer		0		2,725,637		(2,725,637)
Contributions-Employees		0		0		0
Net Investment Income		0		8,002,705		(8,002,705)
Benefit Payments, Including						
Refunds of Employee						
Contributions		(3,045,640)		(3,045,640)		0
Administrative Expense		0		(58,595)		58,595
Other Changes		0		0		0
Net Changes	\$	4,512,820	\$	7,624,107	\$	(3,111,287)
Balance, June 30, 2017	\$	75,050,576	\$	78,409,029	\$	(3,358,453)

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

		Total	Plan Fiduciary	Net Pension
		Pension	Net	Liability
		Liability	Position	(Asset)
Primary Government School Department Nursing Home	51.85% 29.79% 18.36%	\$ 38,913,724 \$ 22,357,567 13,779,286	40,655,082 \$ 23,358,050 14,395,898	(1,741,358) (1,000,483) (616,612)
Total		\$ 75,050,576 \$	78,409,029 \$	(3,358,453)

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

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

Net Pension Liability \$ 6,599,908 \$ (3,358,453) \$ (11,634,493)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Jefferson County recognized pension expense of \$1,353,275.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows	Inflows
	of	of
	 Resources	Resources
Difference Between Expected and		
Actual Experience	\$ 39,628	\$ 1,743,531
Net Difference Between Projected and		
Actual Earnings on Pension Plan		
Investments	0	20,665
Changes in Assumptions	1,455,988	0
Contributions Subsequent to the		
Measurement Date of June 30, 2017 (1)	 2,525,890	N/A
Total	\$ 4,021,506	\$ 1,764,196

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2017," 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	Deferred
	Outflows of	Inflows of
	Resources	Resources
Primary Government	\$ 2,090,287 \$	914,735
School Department	1,219,458	525,554
Nursing Home	711,761	323,907
Total	\$ 4,021,506 \$	1,764,196

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
2019	\$ (437,143)
2020	586,120
2021	(19,207)
2022	(487,011)
2023	88,661
Thereafter	0

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

Public Employee Hybrid Retirement Plan

Plan Description. As noted above under the primary government, Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS after July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS after July 1, 2017, are provided with pensions through a legally separate plan, referred to as the Public Employee Hybrid Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 38.21 percent, the non-certified employees of the discretely presented School Department comprise zero percent, and employees of the discretely presented Jefferson County Nursing Home comprise 61.79 percent of the hybrid plan based on contribution data.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80 in which the member's age and service credits total 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for 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. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	93
Total	93

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Jefferson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of Jefferson County if the required employer contributions are not remitted. contributions for the year ended June 30, 2018, to the Retirement Plan were \$164,223, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). Jefferson County's net pension liability (asset) was measured at June 30, 2017, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.5%

Salary Increases Graded Salary Ranges from 8.72%

to 3.46% Based on Age, Including

Inflation, Averaging 4%

Investment Rate of Return 7.25%, Net of Pension Plan

Investment Expenses, Including

Inflation

Cost of Living Adjustment 2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)					
		Total		Plan		Net Pension
		Pension		Fiduciary		Liability
		Liability		Net Position		(Asset)
		(a)		(b)		(a)-(b)
Balance, July 1, 2016	\$	0	\$	0	\$	0
Changes for the Year:						
Service Cost	\$	0	\$	0	\$	0
Interest		0		0		0
Changes in BenefitTerms		39,240		0		39,240
Differences Between Expected						
and Actual Experience		0		0		0
Changes in Assumptions		0		0		0
Contributions-Employer		0		30,158		(30,158)
Contributions-Employees		0		37,698		(37,698)
Net Investment Income		0		3,592		(3,592)
Benefit Payments, Including						
Refunds of Employee						
Contributions		0		0		0
Administrative Expense		0		(4,448)		4,448
Other Changes		0		0		0
Net Changes	\$	39,240	\$	67,000	\$	(27,760)
Balance, June 30, 2017	\$	39,240	\$	67,000	\$	(27,760)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government School Department Nursing Home	38.21% 0.00% 61.79%	\$ 14,994 \$ 0 24,246	25,601 \$ 0 41,399	(10,607) 0 (17,153)
Total		\$ 39,240 \$	67,000 \$	(27,760)

Changes in Benefit Terms. The June 30, 2017, valuation is the first

valuation for the plan. Changes of benefit terms reflect the initial establishment of the plan's benefit terms.

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

		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ (14,984) \$	(27,760) \$	(36,725)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Jefferson County recognized pension expense of \$3,369.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows	Inflows
	\mathbf{of}	of
	 Resources	Resources
Difference Between Expected and		
Actual Experience	\$ 0	\$ 0
Net Difference Between Projected and		
Actual Earnings on Pension Plan		
Investments	0	971
Changes in Assumptions	0	0
Contributions Subsequent to the		
Measurement Date of June 30, 2017 (1)	 164,223	N/A
Total	\$ 164,223	\$ 971

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2017," 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

	1	Deferred Outflows of	Deferred Inflows of
		Resources	Resources
Primary Government	\$	51,830 \$	371
Nursing Home		98,978	600
School Department		13,415	0
Total	\$	164,223 \$	971

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	A	Mount
2019	\$	(243)
2020		(243)
2021		(243)
2022		(243)
2023		0
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. Teachers of the Jefferson County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute

under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.state.tn.us/tcrs.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Jefferson County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.state.tn.us/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 with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for 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. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were \$152,657, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$99,692) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .377859 percent. The proportion as of June 30, 2016, was .377012 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$45,433.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred		Deferred	
		Outflows		Inflows
		of		of
		Resources		Resources
Difference Between Expected and				
Actual Experience	\$	3,494	\$	7,498
Net Difference Between Projected and				
Actual Earnings on Pension Plan				
Investments		0		5,364
Changes in Assumptions		8,758		0
Changes in Proportion of Net Pension				
Liability (Asset)		2,949		94
LEA's Contributions Subsequent to the				
Measurement Date of June 30, 2017 (1)		152,657		N/A
Total	\$	167,858	\$	12,956

The School Department's employer contributions of \$152,657, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2019	\$ (262)
2020	(262)
2021	(569)
2022	(1,949)
2023	580
Thereafter	4,708

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.5%

Salary Increases Graded Salary Ranges from 8.72%

to 3.46% Based on Age, Including

Inflation, Averaging 4%

Investment Rate of Return 7.25%, Net of Pension Plan

Investment Expenses, Including

Inflation

Cost of Living Adjustment 2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%
			_
Net Pension Liability	\$ 19,890 \$	(99,692) \$	(187,408)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Jefferson County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$2,166,973, which is 9.08 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$224,876) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was

measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .6873309 percent. The proportion measured at June 30, 2016, was .675339 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$98,462.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows	Inflows
	of	of
	 Resources	Resources
Difference Between Expected and		
Actual Experience	\$ 135,571	\$ 4,642,628
Changes in Assumptions	1,904,567	0
Net Difference Between Projected and		
Actual Earnings on Pension Plan		
Investments	34,136	0
Changes in Proportion of Net Pension		
Liability (Asset)	277,174	0
LEA's Contributions Subsequent to the		
Measurement Date of June 30, 2017	 2,166,973	N/A
Total	\$ 4,518,421	\$ 4,642,628

The School Department's employer contributions of \$2,166,973 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2019	\$ (1,513,239)
2020	787,283
2021	(483,673)
2022	(1,081,551)
2023	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2.5%
Graded Salary Ranges from 8.72%
to 3.46% Based on Age, Including
Inflation, Averaging 4%
7.25%, Net of Pension Plan
Investment Expenses, Including
Inflation
2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

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

periods of projected benefit payments to determine the total pension liability.

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

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

Net Pension Liability \$ 20,177,769 \$ (224,876) \$ (17,089,006)

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. <u>Deferred Compensation</u>

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

Teachers hired by the School Department after July 1, 2014, employees of the primary government hired after July 1, 2016, and non-certified employees of the School Department hired after July 1, 2017, are required to participate in hybrid pension plans consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the employers contribute five percent of each eligible employee's salary into their deferred compensation plan. In addition, employees are required to contribute a minimum of two

percent of their salaries into these deferred compensation plans, unless they opt out of the employee portion. During the year the primary government contributed \$64,787 and the School Department contributed \$190,233 to these deferred compensation plans.

J. Other Postemployment Benefits (OPEB)

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

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

The total OPEB liability for each plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method Entry Age Normal

Inflation 2.25%

Salary Increases Salary increases used in the July 1, 2107

TCRS actuarial valuation; 3.44% to 8.72%, including inflation

Discount Rate 3.56%

Healthcare Cost Trend Based on the Getzen Model, with trend

Rates

starting at 7.5% for the 2018 calendar year, and gradually decreasing 33-year period to an ultimate trend of rate of 3.53 percent with .18% added to approximate the effect

of the excise tax

Retirees Share of Benefit

Related Cost Discussed under each plan

The discount rate was 3.56%, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Changes in Assumptions. The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

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

Plan Description. Employees of the primary government and the Jefferson County Nursing Home who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government

Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	Primary	
	Government	
Inactive Employees or		
Beneficiaries Currently		
Receiving Benefits	3	
Inactive Employees		
Entitled to But Not		
Yet Receiving Benefits	0	
Active Employees	385	
Total	388	

Employees of Jefferson County primary government comprise 74.62 percent of the plan and employees of the discretely presented Jefferson County Nursing Home comprise 25.38 percent of the plan. An insurance committee, created in accordance with *TCA* 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish

premium rates. For the fiscal year ended June 30, 2018, the county paid \$20,886 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	$\operatorname{Jefferson}$			
	County			
		Primary	Nursing	
		Government	Home	Total
Balance July 1, 2016	\$	752,077 \$	255,799 \$	1,007,876
Changes for the Year:				
Service Cost	\$	60,554 \$	20,596 \$	81,150
Interest		23,563	8,014	31,577
Changes in				
Benefit Terms		0	0	0
Difference between				
Expected and Actuarial				
Experience		0	0	0
Changes in Assumption				
and Other Inputs		(40,772)	(13,868)	(54,640)
Benefit Payments		(11,388)	(3,873)	(15,261)
Net Changes	\$	31,957 \$	10,869 \$	42,826
Balance June 30, 2017	\$	784,034 \$	266,668 \$	1,050,702

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the county recognized OPEB expense of \$106,723. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

	Deferred		Deferred	
	(Outflows	Inflows	
		of	of	
	R	esources	Resources	
Difference Between Expected and				
Actual Experience	\$	0 8	\$ 0	
Changes of Assumptions/Inputs		0	36,292	
Net Difference Between Projected and				
Actual Investment Earnings		0	0	
Benefits Paid After the Measurement Date		15,585	0	
Total	\$	15,585	\$ 36,292	
			·	

Jefferson County Nursing Home:

	Deferred Def		Deferred	
	Outflows		Inflows	
	of		of	
	Resources		}	Resources
Difference Between Expected and				
Actual Experience	\$	0	\$	0
Changes of Assumptions/Inputs		0		12,344
Net Difference Between Projected and				
Actual Investment Earnings		0		0
Benefits Paid After the Measurement Date		5,301		0
Total	\$	5,301	\$	12,344

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

			Jefferson
			County
Year Ending		Primary	Nursing
June 30	Government		Home
2019	\$	(4,480) \$	(1,524)
2020		(4,480)	(1,524)
2021		(4,480)	(1,524)
2022		(4,480)	(1,524)
2023		(4,480)	(1,524)
Thereafter		(13,892)	(4,724)

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

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

	1% Decrease 2.56%	Current Discount Rates 3.56%	1% Increase 4.56%
Primary Government \$ Jefferson County Nursing Home	848,504 288,596	\$ 784,034 \$ 266,668	723,072 245,933
Total OPEB Liability \$	1,137,100	\$ 1,050,702 \$	969,005

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

		Current	
	1%	Trend	1%
	Decrease	Rate	Increase
	6 to 3.77%	7 to 4.77%	8 to 5.77%
Primary Government \$	688,719	\$ 784,034	896,734
Jefferson County Nursing Home_	234,249	266,668	305,000
_			
Total OPEB Liability <u>\$</u>	922,968	\$ 1,050,702	\$ 1,201,734

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

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

Benefits Provided. The Jefferson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA* 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of

choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Jefferson County School Department provides a direct subsidy for retirees with at least 10 consecutive years of service with Jefferson County and who also have a minimum of 30 years of service in TCRS or that are at least age 60. The subsidy ranges from \$211 to \$585 per month depending on years of service, classification, and the coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	School
	Department
Inactive Employees or	
Beneficiaries Currently	
Receiving Benefits	75
Inactive Employees	
Entitled to But Not	
Yet Receiving Benefits	0
Active Employees	782
Total	857

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$764,081 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability					
	Jef	ferson County		State of	='	
	Sch_{0}	ool Departmen	\mathbf{t}	TN		Total OPEB
		78.0921%		21.9079%		Liability
Balance July 1, 2016	\$	16,104,197	\$	4,517,859	\$	20,622,056
Changes for the Year:						
Service Cost	\$	955,855	\$	268,155	\$	1,224,010
Interest		488,309		136,990		$625,\!299$
Changes in						
Benefit Terms		0		0		0
Difference between						
Expected and Actuarial						
Experience		0		0		0
Changes in Assumption						
and Other Inputs		(734,814)		(206, 144)		(940,958)
Benefit Payments		(674,287)		(189, 164)		(863,451)
Net Changes	\$	35,063	\$	9,837	\$	44,900
Balance June 30, 2017	\$	16,139,260	\$	4,527,696	\$	20,666,956

The Jefferson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Jefferson County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$384,322 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Jefferson County School Department's proportionate share of the collective OPEB liability was 78.0921% and the State of Tennessee's share was 21.9079%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$1,754,263, which includes expenses funded by subsidies provided by the state. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of			Deferred Inflows of
	_]	Resources	I	Resources
Difference Between Expected and				
Actual Experience	\$	0	\$	0
Changes of Assumptions/Inputs		0		660,590
Changes in Proportion and Differences Between				
Amounts Paid as Benefits Came Due and				
Proportionate Share Amounts Paid by the				
Employee and Nonemployer Contributors				
As Benefits Came Due		0		0
Benefits Paid After the Measurement Date		764,081		0
Total	\$	764,081	\$	660,590

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

Year Ending	School			
June 30	Department			
2019	\$	(74,223)		
2020		(74,223)		
2021		(74,223)		
2022		(74,223)		
2023		(74,223)		
Thereafter		(289,475)		

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

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

Discount Rate		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability

\$ 17,296,821 \$ 16,139,260 \$ 15,037,414

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

Healthcare Cost Trend Rate

1%	Curent	1%
Decrease	Rates	Increase
6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB

Liability \$ 14,368,267 \$ 16,139,260 \$ 18,230,270

K. Termination Benefits

The School Department offers an early retirement incentive program in accordance with contract provisions. From March 1, 2013, through February 28, 2016, the plan was available to employees who retired from the school system between the ages of 57 and 62, and had a minimum of ten years employment in the Jefferson County School System. Currently the plan is available to employees who have earned 21 years of verified teaching experience and have a minimum of ten years employment in the Jefferson County School System. From March 1, 2013, through February 28, 2016, the plan gave teachers who had 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. Currently, the plan gives teachers who meet the above requirements \$10,000 divided into three equal payments. During the 2017-18 year, 49 employees participated in the program. The financial statements of this report reflect expenditures of \$129,180 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$272,714 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$139,945 is due within one year.

L. Office of Central Accounting, Budgeting, and Purchasing

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

M. Purchasing Law

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

N. Subsequent Events

On July 1, 2018, Sherry Finchum left the Office of Director of Schools and was succeeded by Dr. Shane Johnston.

On August 31, 2018, Alan Palmieri left the Office of County Mayor and was succeeded by Mark Potts.

On August 31, 2018, Ginger Franklin left the Office of Trustee and was succeeded by Jennifer Hall.

On August 31, 2018, Bud McCoig left the Office of Sheriff and was succeeded by Jeff Coffey.

On August 31, 2018, Penny Murphy left the Office of Circuit/General Sessions Courts Clerk and was succeeded by Kevin Poe.

On September 5, 2018, Jefferson County received a payment from their insurance carrier in the amount of \$737,509. The payment was awarded in court for a loss that occurred from the collapse of the roof of a vocational building at Jefferson County High School in July 2013. The School Department received \$703,744 from the insurance company during the 2013-14 fiscal year for this loss and had filed the lawsuit to seek additional damage awards.

VI. <u>OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY NURSING HOME</u>

A. <u>Summary of Significant Accounting Policies</u>

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. <u>Inventories</u>

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

3. Cash, Cash Equivalents, and Investments

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

The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name or by the federal reserve banks acting as third

party agents. State statutes authorize the nursing home to invest in bonds, notes, or treasury bills of the United States government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; and the State Treasurer's Investment Pool. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction.

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

4. 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 \$633,765, as of June 30, 2018, 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, 2018.

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 portion due to primary government approximate their fair value due to their relatively short maturities. Non-current due to primary government is carried at amortized cost, which approximates fair value.

Nonfinancial Assets

The nursing home's nonfinancial assets, which include property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the nursing home is required to evaluate the nonfinancial instrument for impairment, a resulting asset impairment would require that the nonfinancial asset be recorded at the fair value. During the year ended June 30, 2018, 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 \$343,000 for the year ended June 30, 2018.

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 the pension, and pension expense, information about the fiduciary net position of the nursing home's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the nursing home's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the 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 the TCRS. Investments are reported at fair value. See Note VI.G. for further information related to the pension plan.

9. Deferred Outflows/Inflows of Resources

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

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

10. Compensated Absences

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

Position.

]	Days Earned
Years of Service		Per Year
1 - 9		10
10 - 19		15
20 or more		20

11. 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.

12. 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, 2018, the nursing home had restricted component of net position – expendable of \$633,765, 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, 2018, 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.

13. 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.

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. <u>Use of Estimates</u>

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 January 2017, the GASB issued Statement No. 85, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses accounting and financial reporting issues related to the blending of a component unit, goodwill, fair value measurement and application, and postemployment benefits. This accounting standard is effective for financial statements for fiscal years beginning after June 15, 2017. Therefore, the nursing home adopted this standard at the beginning of fiscal year 2018.

The adoption of this accounting standard did not have a material impact on the nursing home's financial statements.

18. <u>Reclassifications</u>

The restricted component of net position - expendable for pension benefits was decreased \$4,595 as of July 1, 2017 to correct the nursing home's proportion of the county's net pension asset.

Certain reclassifications were also made to the 2017 financial statements in order for them to conform to the 2018 presentation. These reclassifications have no effect on net position or changes in net position as previously reported.

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, 2018.

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, 2018.

1. <u>Medicare</u>

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 65 percent for such uncollected fees.

2. Medicaid/TennCare

The Medicaid/TennCare program reimburses the nursing home for the cost of skilled nursing or routine care services rendered to Medicaid/TennCare 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/TennCare 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 \$673,804 during 2018.

3. <u>Commercial Payors</u>

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. <u>Credit Concentrations</u>

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, 2018, the nursing home had net receivables from the federal government (Medicare) of approximately \$188,000 and from Medicaid of approximately \$549,000. Medicare comprised 21 percent and Medicaid comprised 52 percent of net patient service revenue for the year ended June 30, 2018.

D. <u>Inventories</u>

A summary of inventories as of June 30, 2018, was as follows:

Food	\$ 9,358
Medical Supplies	10,752
Housekeeping Supplies	3,714
Maintenance Supplies	 4,425
Total	\$ 28,249

E. Property and Equipment

The net investment in capital assets as of June 30, 2018, is as follows:

Property and Equipment, Net	\$ 6,862,879
Current Portion of Long-term Debt	(260,000)
Long-term Debt, Excluding Current Portion	 (6,145,000)
	 _
Total	\$ 457,879

The major classifications and changes in property and equipment as of and for the year ended June 30, 2018, are as follows:

	Balance			Balance
	7-1-17	Increases	Decreases	6-30-18
				_
Land	\$ 7,181	\$ 0	\$ 0	\$ 7,181
Land Improvements	240,872	16,581	0	257,453
Building and Improvements	9,864,986	56,226	(22,432)	9,898,780
Machinery and Equipment	2,199,395	74,847	(287, 161)	1,987,081
Transportation Equipment	100,166	0	0	100,166
Total	\$ 12,412,600	\$ 147,654	\$ (309,593)	\$ 12,250,661
Less Allowance for Depreciation				
and Amortization:				
Land Improvements	\$ (125,711)	\$ (15,276)	\$ 0	\$ (140,987)
Buildings and Improvements	(3,507,107)	(227,790)	(22,432)	(3,712,465)
Machinery and Equipment	(1,605,564)	(114, 339)	(285,739)	(1,434,164)
Transportation Equipment	 (100, 166)	0	0	(100, 166)
Total	\$ (5,338,548)	\$ (357,405)	\$ (308, 171)	\$ (5,387,782)
Total	\$ 7,074,052	\$ (209,751)	\$ (617,764)	\$ 6,862,879

F. <u>Due to Primary Government</u>

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, 2018, is as follows:

					Amounts
	Balance			Balance	Due Within
	7-1-17	Additions	Reductions	6-30-18	One Year
General Obligation					
Refunding Bonds - 2014	\$ 2,660,000	\$ 0	\$ (240,000)	\$ 2,420,000	\$ 245,000
General Obligation					
Refunding Bonds - 2016	4,000,000	0	(15,000)	3,985,000	15,000
		•		•	
Total	\$ 6,660,000	\$ 0	\$ (255,000)	\$ 6,405,000	\$ 260,000

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 was assigned to be used to call a portion of the Series 2007 obligation on June 1, 2016. The \$2,540,000 was held in the name of the county in an escrow account; therefore, the \$2,540,000 transaction was reflected as a pre-funded debt retirement (non-cash activity) by the nursing home to the county towards the Series 2007 obligation and reduced the remaining obligation to the county for the Series 2007 accordingly. \$220,000 of the Series 2014 proceeds was 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. The remaining \$105,700 was held in an escrow account in the name of the county and was reflected as an asset of the nursing home until it was expensed in 2016 as interest when the county used the funds to pay the bond holders under Series 2007. The nursing home recorded an initial 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 was reduced to \$2,660,000 as of June 30, 2018, after a \$35,000 payment of principal during the year ended June 30, 2018. The remaining \$1,525,000 of proceeds from Series 2014 relates 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.

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

The Series 2016 coupon rates range from 2.0% to 2.75% with interest payable in semi-annual payments on June 1 and December 1 and annual principal installments ranging from \$15,000 to \$430,000 each June 1. The final principal

installment is due June 1, 2037.

A summary of future maturities and interest of long-term debt due to the county related to Series 2014 and Series 2016 bond obligations as of June 30, 2018, is as follows:

Fiscal Year Ending June 30	Series 2016 Principal	Series 2014 Principal	Estimated Interest	Total Payments
2019	\$ 15,000	\$ 245,000	\$ 155,000	\$ 415,000
2020	15,000	250,000	150,000	415,000
2021	15,000	255,000	144,000	414,000
2022	20,000	260,000	139,000	419,000
2023	20,000	270,000	133,000	423,000
2024-2028	420,000	1,140,000	558,000	2,118,000
2029-2033	1,830,000	0	361,000	2,191,000
2034-2037	 1,650,000	0	115,000	1,765,000
Total	\$ 3,985,000	\$ 2,420,000	\$ 1,755,000	\$ 8,160,000

G. Pension Plan

1. Public Employee Retirement Plan

General information about the pension plan

Plan Description. Employees of the nursing home, as a component unit of Jefferson County, with membership in the TCRS before July 1, 2016, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. Employees of the nursing home with membership in the TCRS after July 1, 2016, are provided with pensions through a legally separate plan, referred to as 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 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. Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the

benefit terms permitted by statue. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or after 30 years of service credit or pursuant to the rule of 90 where the member's age and service total 90. Members of the Public Employee 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. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members of the Public Employee Retirement Plan vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for 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.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out by law. Employees in the Hybrid Plan contribute five percent of their salary. In addition, the component units of Jefferson County make employer contributions at the contribution rate set by the Board of Trustees as determined by actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2018, employer contributions by the nursing home for the Hybrid Plan were \$68,978 based on a rate of four percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County's state shared taxes if required employer contributions are not remitted. The employer 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 to pensions

Pension liabilities. The hybrid plan's net pension asset was measured as of June 30, 2017, and the total pension liability used to calculated the net pension asset was determined by an actuarial valuation as of that date. As of June 30, 2018, the nursing home reported an asset of \$17,153 for its proportionate share of the hybrid plan's net pension asset. As of June 30, 2018, the nursing home's proportion of the net pension asset in the hybrid plan was based on the nursing home's active participants as of June 30, 2017, relative to the active participants of all component units of Jefferson County as of June 30, 2017. At the June 30, 2017, measurement date, the nursing home's proportion in the Hybrid Plan was 61.79%.

Pension expense. The total hybrid plan pension asset as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.5 percent

Salary Increases Graded Salary Ranges

from 8.75 to 3.45 Percent Based on Age, Including Inflation, Averaging 4.00

Percent

Investment Rate of Return 7.25 Percent, Net of

Pension Plan Investment

Expenses, Including Inflation

Cost of Living Adjustment 2.25 Percent

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Change in assumptions

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living

adjustment from 2.50 percent to 2.25 percent; and decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent.

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

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

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

Discount rate

The discount rate that was used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all component units of

Jefferson County will be made at the actuarially determined contribution rate pursuant to the actuarial valuation accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

			In	crease (Decrea	se)	
		Total		Plan		Net Pension
		Pension		Fiduciary		Liability
		Liability		Net Position		(Asset)
		(a)		(b)		(a)-(b)
Balance, June 30, 2016	\$	0	\$	0	\$	0
Changes for the Year:						
Service Cost	\$	0	\$	0	\$	0
Interest		0		0		0
Changes in Benefit Terms		24,246		0		24,246
Differences Between Expected	l					
and Actual Experience		0		0		0
Contributions - Employer		0		18,635		(18,635)
Contributions - Employees		0		23,294		(23,294)
Net Investment Income		0		2,218		(2,218)
Benefit Payments, Including						
Refunds of Employee						
Contributions		0		0		0
Administrative Expense		0		(2,748)		2,748
Other Changes		0		0		0
Net Changes	\$	24,246	\$	41,399	\$	(17,153)
Balance, June 30, 2017	\$	24,246	\$	41,399	\$	(17,153)

Changes of benefit terms

The June 30, 2017, actuarial valuation is the first actuarial valuation since the nursing home's participation in the hybrid plan. Changes of benefit terms reflects the initial establishment of the nursing home's proportionate share of benefit terms.

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

	Current					
		1%	Discount	1%		
		Decrease	Rate	Increase		
		(6.25%)	(7.25%)	(8.25%)		
Nursing Home's Proportionate						
Share of the Net Position						
Liability (Asset)	\$	(9,259) \$	(17,153) \$	(22,692)		

Pension plan fiduciary net position

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

Pension expense

For the year ended June 30, 2018, the Nursing Home recognized pension expense of \$17,968 related to the Hybrid Plan.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2018, the nursing home reported deferred outflows of resources related to the hybrid plan pension from the following sources:

	Deferred		Deferred
		Outflows	Inflows
		of Resources	of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments Nursing Home's Contributions Subsequent to the Measurement Date	\$	0 \$	600
of June 30, 2017 (1)		98,978	0
Total	\$	98,978 \$	600

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2017," will be recognized as an increase to net pension asset in the following measurement period.

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

Year	
Ending	
June 30	Amount
2019	\$ (150)
2020	(150)
2021	(150)
2022	(150)

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

Payable to the Hybrid Plan

The nursing home reported a payable of \$8,204 for the outstanding amount of contributions to the hybrid plan required at the year ended June 30, 2018.

2. Public Employee Legacy Pension Plan

General information about the pension plan

Plan Description. Employees of the nursing home, as a component unit of Jefferson County, with membership in the TCRS before July 1, 2016, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan closed to new membership on June 30, 2016, but will continue to provide benefits to existing members and retirees. Beginning July 1, 2016, the Public Employee Pension Plan became effective for employees hired after July 1, 2016. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated (TCA) Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statue. 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 are available under various eligibility criteria.

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

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees covered under the Legacy Plan do not make contributions to their account; instead the component units of Jefferson County make employer contributions at the contribution rate set by the Board of Trustees as determined by actuarial valuation. For the year ended June 30, 2018, employer contributions for the nursing home related to the Legacy Plan were \$437,166 based on a rate of 18.36% 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 ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Asset

At June 30, 2018, the nursing home reported an asset of \$616,612 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2017, and the total pension liability used to calculate the net pension assets was determined by an actuarial valuation as of the measurement date. As of June 30, 2018, the nursing home's proportion of the net pension asset in the Legacy Plan was based on the nursing home's active participants as of June 30, 2017, relative to the active participants of all component units of Jefferson County as of June 30, 2017, relative to the active participants of all component

units of Jefferson County as of June 30, 2017. At the June 30, 2017, measurement date, the nursing home's proportion in the legacy plan was 16.97%.

Actuarial Assumptions

The total legacy plan pension asset as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.5 percent

Salary Increases Graded Salary Ranges

from 8.75 to 3.45 Percent Based on Age, Including Inflation, Averaging 4.00

Percent

Investment Rate of Return 7.25 Percent, Net of

Pension Plan Investment

Expenses, Including

Inflation 2.25 Percent

Cost of Living Adjustment

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Change in assumptions

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)							
		Total		Plan		Net Pension		
		Pension		Fiduciary		Liability		
		Liability		Net Position		(Asset)		
		(a)		(b)		(a)-(b)		
Balance, June 30, 2016	\$	12,029,993	\$	12,072,061	\$	(42,068)		
Changes for the Year:								
Service Cost	\$	316,027	\$	0	\$	316,027		
Interest		974,038		0		974,038		
Differences Between Expected								
and Actual Experience		(223,115)		0		(223,115)		
Contributions - Employer		320,783		500,427		(179,644)		
Net Investment Income		0		1,469,297		(1,469,297)		
Benefit Payments, Including								
Refunds of Employee								
Contributions		(559,180)		(559,180)		0		
Administrative Expense		0		(10,758)		10,758		
Variance in beginning								
balance		0		3,311		(3,311)		
Other Changes		0		0		0		
Net Changes	\$	828,553	\$	1,403,097	\$	(574,544)		
Balance, June 30, 2017	\$	12,858,546	\$	13,475,158	\$	(616,612)		

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

	Current								
		1%	Discount	1%					
	Decrease		Decrease		Decrease		Decrease Rate		Increase
		(6.25%)		(7.25%)	(8.25%)				
Nursing Home's Proportionate									
Share of the Net Position									
Liability (Asset)	\$	6,599,908	\$	(616,612) \$	(11,634,493)				

Pension Plan Fiduciary Net Position. Detailed information about the

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

Pension Expense. For the year ended June 30, 2018, the nursing home recognized pension expense of \$257,966.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2018, the nursing home reported deferred outflows of resources and deferred inflows of resources related to the Legacy Plan from the following sources:

		Deferred Outflows	Deferred Inflows
		0	
	of Resources		of Resources
Differences between expected and actual experience	\$	7,276 \$	320,112
Net Difference Between Projected and Actual Earnings on Pension Plan			
Investments		0	3794
Changes in assumptions		267,319	0
Nursing Home's Contributions Subsequent to the Measurement Date			
of June 30, 2017 (1)	_	437,166	0
Total	\$	711,761 \$	323,906

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2017," will be recognized as an increase to net pension asset in the following measurement period.

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

Amount
\$ (80,259)
107,612
(3,526)
(89,415)
16,278
\$

In the table shown above, positive amounts will increase pension

expense while negative amounts will decrease pension expense.

Payable to the Legacy Plan

The nursing home reported a payable of \$59,506 for the outstanding amount of contributions to the legacy plan required at the year ended June 30, 2018.

H. Commitments and Contingencies

The nursing home leases various equipment under short-term operating lease agreements. Rent expense totaled \$5,027 in 2018.

Health Care Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The nursing home maintains commercial insurance on an occurrence basis for medical malpractice liabilities. Insurance coverages are\$1,000,000 individually and \$3,000,000 in the aggregate annually. The State of Tennessee maintains litigation settlement limitations for governmental entities, which are less than the nursing home's insurance coverages. Management intends to maintain insurance coverages in the future. The nursing home could be involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any future potential losses on asserted claims. Management is unaware of any incidents which would ultimately result in a loss in excess of the nursing home's insurance coverages. The nursing home also maintains insurance for general liability, director and officer liability and property.

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

Management continues to implement policies, procedures, and compliance

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

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

Health Care Reform

In March 2010, the Patient 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 expanded health care coverage to millions of currently uninsured people beginning in 2014 and provides 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, lack of current implementation regulations and interpretive guidance, and response by CMS and other 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 may materially impact the nursing home through increased costs, decreased revenues, and additional exposure to potential liability.

I. <u>Functional Expenses</u>

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

	 2018
Healthcare Services General and Administrative	\$ 10,370,623 2,101,105
Total	\$ 12,471,728

REQUIRED SUPPLEMENTARY INFORMATION

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

		2014	2015	2016	2017
Total Pension Liability					
Service Cost	\$	1,554,834 \$	1 C14 CO7 C	1 CO5 OC7 P	1 791 970
Interest	Φ	4,567,501	1,614,607 \$ 4,844,096	1,695,967 \$ 5,033,759	1,721,279 $5,305,216$
Changes in Benefit Terms		4,567,501	4,044,090	5,055,759 0	0,300,210
Differences Between Actual and Expected Experience		118,884	(1,189,172)	(204,390)	(1,215,221)
Changes in Assumptions		0	0	0	1,747,186
Benefit Payments, Including Refunds of Employee Contributions		(2,398,853)	(2,827,268)	(2,816,811)	(3,045,640)
Net Change in Total Pension Liability	\$	3,842,366 \$	() / /	3,708,525 \$	4,512,820
Total Pension Liability, Beginning	Ψ	60,544,602	64,386,968	66,829,231	70,537,756
			0 -,000,000		,
Total Pension Liability, Ending (a)	\$	64,386,968 \$	66,829,231 \$	70,537,756 \$	75,050,576
		· · · · · · · · · · · · · · · · · · ·		· · · · · ·	<u> </u>
Plan Fiduciary Net Position					
Contributions - Employer	\$	3,039,363 \$	3,246,821 \$	3,350,948 \$	2,725,637
Contributions - Employee		0	0	92	0
Net Investment Income		9,346,723	2,041,119	1,824,088	8,002,705
Benefit Payments, Including Refunds of Employee Contributions		(2,398,853)	(2,827,268)	(2,816,811)	(3,045,640)
Administrative Expense		(28,821)	(37,241)	(54,813)	(58,595)
Net Change in Plan Fiduciary Net Position	\$	9,958,412 \$	2,423,431 \$	2,303,504 \$	7,624,107
Plan Fiduciary Net Position, Beginning		56,099,575	66,057,987	68,481,418	70,784,922
Plan Fiduciary Net Position, Ending (b)	\$	66,057,987 \$	68,481,418 \$	70,784,922 \$	78,409,029
		(1 0 = 1 010) d	(1 0 × 0 1 0 ×)	(0.1 = 1.00)	(0.070.470)
Net Pension Liability (Asset), Ending (a - b)	\$	(1,671,019) \$	(1,652,187) \$	(247,166) \$	(3,358,453)
		100.000/	.	100070	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		102.60%	102.47%	100.35%	104.47%
Covered Payroll	\$	20,577,990 \$, ,	21,439,198 \$	21,580,655
Net Pension Liability (Asset) as a Percentage of Covered Payroll		(8.12%)	(7.95%)	(1.15%)	(15.56%)

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

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

<u>Jefferson County, Tennessee</u>

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on

Participation in the Public Employee Hybrid Retirement Plan of TCRS

Primary Government

For the Fiscal Year Ended June 30

	 2017
m . 15	
Total Pension Liability	
Service Cost	\$ 0
Interest	0
Changes in Benefit Terms	39,240
Differences Between Actual and Expected Experience	0
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	 0
Net Change in Total Pension Liability	\$ 39,240
Total Pension Liability, Beginning	 0
Total Pension Liability, Ending (a)	\$ 39,240
Plan Fiduciary Net Position	
Contributions - Employer	\$ 30,158
Contributions - Employee	37,698
Net Investment Income	3,592
Benefit Payments, Including Refunds of Employee Contributions	0
Administrative Expense	(4,448)
Net Change in Plan Fiduciary Net Position	\$ 67,000
Plan Fiduciary Net Position, Beginning	 0
Plan Fiduciary Net Position, Ending (b)	\$ 67,000
Net Pension Liability (Asset), Ending (a - b)	\$ (27,760)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll Net Pension Liability (Asset) as a Percentage of Covered Payroll	\$ 170.74% 768,974 (3.61%)

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

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

Exhibit F-3

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

	 2014		2015	2016	2017	2018
Actuarially Determined Contribution Less Contributions in Relation to the Actuarially Determined Contribution	\$ 3,039,363 (3,039,363)	•	3,246,821 \$ (3,246,821)	3,350,948 \$ (3,350,948)	3 1,855,936 \$ (2,725,637)	1,719,924 (2,525,890)
Contribution Deficiency (Excess)	\$ 0	\$	0 \$	0 \$	8 (869,701) \$	(805,966)
Covered Payroll	\$ 20,577,990	\$ 2	20,773,012 \$	21,439,198 \$	3 21,580,655 \$	19,999,121
Contributions as a Percentage of Covered Payroll	14.77%		15.63%	15.63%	12.63%	12.63%

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

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

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

	 2017	2018
Actuarially Required Contribution Less Contributions in Relation to the Actuarially Required Contribution	\$ 8,689 \$ (30,158)	164,223 * (164,223)
Contribution Deficiency (Excess)	\$ (21,469) \$	0
Covered Payroll	\$ 768,974 \$	3,362,312
Contributions as a Percentage of Covered Payroll	3.92%	4.88%

^{*}For 2018, the actuarially determined rate was not available. Amount shown is based on the actual contribution.

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

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

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

	 2015	2016	2017	2018
Contractually Required Contribution Less Contributions in Relation to the Contractually Required Contribution	\$ 41,727 \$ (41,727)	66,355 \$ (66,355)	99,201 \$ (99,201)	152,657 (152,657)
Contribution Deficiency (Excess)	\$ 0 \$	0 \$	0 \$	0
Covered Payroll	\$ 1,043,164 \$	1,658,879 \$	2,480,011 \$	3,816,454
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%

Exhibit F-6

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

	 2014	2015	2016		2017	2018
Contractually Required Contribution Less Contributions in Relation to the Contractually Required Contribution	\$ 2,253,165 \$ (2,253,165)	2,221,444 (2,221,444)	3 2,203,800 (2,203,800		2,196,360 \$ (2,196,360)	2,166,973 (2,166,973)
Contribution Deficiency (Excess)	\$ 0 \$	0 8	3 () \$	0 \$	0
Covered Payroll	\$ 25,373,474 \$	24,573,523	8 24,378,346	3 \$	24,296,000 \$	23,865,314
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.049	%	9.04%	9.08%

Jefferson County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Jefferson County School Department

For the Fiscal Year Ended June 30*

	 2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.502068%	0.377012%	0.377859%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,198) \$	(39,248) \$	(99,692)
Covered Payroll	\$ 1,043,164 \$	1,658,879 \$	2,480,011
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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

	 2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.646459%	0.656431%	0.675339%	0.687309%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,047) \$	268,896 \$	4,220,496 \$	(224,876)
Covered Payroll	\$ 25,373,475 \$	24,573,523 \$	24,378,346 \$	24,296,000
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

Jefferson County, Tennessee

<u>Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan</u> For the Fiscal Year Ended June 30

	 2017
Total OPEB Liability	
Service Cost	\$ 81,150
Interest	$31,\!577$
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(54,640)
Benefit Payments	 (15,261)
Net Change in Total OPEB Liability	\$ 42,826
Total OPEB Liability, Beginning	 1,007,876
Total OPEB Liability, Ending	\$ 1,050,702
Covered Employee Payroll Net OPEB Liability as a Percentage of Covered Employee Payroll	\$ N/A N/A
Net Of ED Liability as a referriage of Covered Employee rayron	1N/A

Notes:

Note 1: data presented includes primary government and the discretely presented Jefferson County Nursing Home.

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

Note 3: changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017 2.92% 2018 3.56%

Note 4: covered employee payroll for the discretely presented Nursing Home was not available for 2018. Covered employee payroll for the primary government was \$11,220,139.

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

Jefferson County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan

Discretely Presented Jefferson County School Department

For the Fiscal Year Ended June 30

	 2017
Total OPEB Liability	
Service Cost	\$ 1,224,010
Interest	625,299
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(940, 958)
Benefit Payments	(863,451)
Net Change in Total OPEB Liability	\$ 44,900
Total OPEB Liability, Beginning	 20,622,056
Total OPEB Liability, Ending	\$ 20,666,956
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,527,696
Employer Proportionate Share of the Total OPEB Liability	16,139,260
Covered Employee Payroll	\$ 30,941,444
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%

Notes:

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017 2.92% 2018 3.56%

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

JEFFERSON COUNTY, TENNESSEE NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2018

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Dollar, Closed (Not to Exceed 20 Years)

Remaining Amortization

Period Varies by Year

Asset Valuation 10-Year Smoothed Within a 20%

Corridor to Market Value

Inflation 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.

<u>Courthouse and Jail Maintenance Fund</u> – 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.

<u>Law Library Fund</u> – 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.

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

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

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

Capital Projects Fund

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

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

Jefferson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds						
<u>ASSETS</u>		ourthouse and Jail aintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total
Cash Equity in Pooled Cash and Investments Accounts Receivable Property Taxes Receivable Allowance for Uncollectible Property Taxes	\$	0 \$ 57,135 0 0 0	0 10,911 0 0 0	\$ 0 \$ 514,331 350 1,890,458 (79,117)	0 \$ 55,926 0 0 0	164,706 \$ 0 270 0 0	164,706 638,303 620 1,890,458 (79,117)
Total Assets	\$	57,135 \$	10,911	\$ 2,326,022 \$	55,926 \$	164,976 \$	2,614,970
<u>LIABILITIES</u>							
Accounts Payable Accrued Payroll Due to Other Funds Due to State of Tennessee Total Liabilities	\$	0 \$ 0 0 0 0 0 \$	0 0 0 0	9,227 63,095 740	941 \$ 0 0 0 941 \$	0 \$ 0 1,420 0 1,420 \$	7,712 9,227 64,515 740 82,194
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes Deferred Delinquent Property Taxes Total Deferred Inflows of Resources	\$	0 \$ 0 0 \$	0 0 0	38,471	0 \$ 0 0 \$	0 \$ 0 0 \$	1,753,820 38,471 1,792,291

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

	Special Revenue Funds						
		Courthouse and Jail Iaintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total
FUND BALANCES							
Restricted:							
Restricted for General Government	\$	57,135 \$	0 \$	0 \$	0 \$	0 \$	57,135
Restricted for Finance		0	0	0	0	163,556	163,556
Restricted for Administration of Justice		0	10,911	0	0	0	10,911
Restricted for Public Safety		0	0	0	54,985	0	54,985
Restricted for Public Health and Welfare		0	0	416,138	0	0	416,138
Restricted for Capital Projects		0	0	0	0	0	0
Committed:							
Committed for Public Health and Welfare		0	0	37,760	0	0	37,760
Total Fund Balances	\$	57,135 \$	10,911 \$	453,898 \$	54,985 \$	163,556 \$	740,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	57,135 \$	10,911 \$	2,326,022 \$	55,926 \$	164,976 \$	2,614,970

<u>Jefferson County, Tennessee</u> Combining Balance Sheet Nonmajor Governmental Funds (Cont.)

<u>ASSETS</u>	Fund General Capital Projects		Total Nonmajor overnmental Funds
Cash Equity in Pooled Cash and Investments Accounts Receivable Property Taxes Receivable Allowance for Uncollectible Property Taxes	\$ 0 \$ 1,257,137 257 310,373 (34,348)	***************************************	164,706 1,895,440 877 2,200,831 (113,465)
Total Assets	\$ 1,533,419 \$	\$	4,148,389
<u>LIABILITIES</u>			
Accounts Payable Accrued Payroll Due to Other Funds Due to State of Tennessee Total Liabilities	\$ 0 \$ 0 0 0 0 0 0 0		7,712 9,227 64,515 740 82,194
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes Deferred Delinquent Property Taxes Total Deferred Inflows of Resources	\$ 233,843 \$ 28,212 262,055 \$		1,987,663 66,683 2,054,346

(Continued)

Exhibit G-1

<u>Jefferson County, Tennessee</u> <u>Combining Balance Sheet</u> <u>Nonmajor Governmental Funds (Cont.)</u>

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
Restricted for Capital Projects
Committed:
Committed for Public Health and Welfare
Total Fund Balances
Total Liabilities, Deferred Inflows of Resources, and Fund Balances

_	Capital Projects Fund	_
		Total
	General	Nonmajor
	Capital	Governmental
	Projects	Funds
\$	0	\$ 57,135 163,556
	0	10,911
	0	54,985
	0	416,138
	1,271,364	1,271,364
	0	37,760
\$	1,271,364	\$ 2,011,849
\$	1,533,419	\$ 4,148,389

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds										
	-	ourthouse and Jail aintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total				
Revenues											
Local Taxes	\$	64,122 \$	16,357 \$	1,847,940 \$	0 \$	0 \$	1,928,419				
Fines, Forfeitures, and Penalties	·	0	0	0	40,636	0	40,636				
Charges for Current Services		0	0	0	0	741,146	741,146				
Other Local Revenues		0	0	$7,\!544$	384	4,898	12,826				
Federal Government		0	0	0	43,988	0	43,988				
Total Revenues	\$	64,122 \$	16,357 \$	1,855,484 \$	85,008 \$	746,044 \$	2,767,015				
Expenditures Current:											
General Government	\$	0 \$	0 \$	0 \$	0 \$	587 \$	587				
Finance		651	164	0	0	756,939	757,754				
Administration of Justice		0	0	0	0	95	95				
Public Safety		0	14,851	0	75,774	0	90,625				
Public Health and Welfare		0	0	1,961,206	0	0	1,961,206				
Capital Projects		0	0	0	0	0	0				
Total Expenditures	\$	651 \$	15,015 \$	1,961,206 \$	75,774 \$	757,621 \$	2,810,267				
Excess (Deficiency) of Revenues											
Over Expenditures	\$	63,471 \$	1,342 \$	(105,722) \$	9,234 \$	(11,577) \$	(43,252)				
Other Financing Sources (Uses)											
Transfers In	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0				
Transfers Out	Ψ	(70,000)	0	0	0	0	(70,000)				
Total Other Financing Sources (Uses)	\$	(70,000) \$	0 \$		0 \$	0 \$	(70,000)				
	_ .					· · · · · · · · · · · · · · · · · · ·	<u> </u>				

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

		Special Revenue Funds							
		Courthouse		Solid		Constitu - tional			
	M	and Jail aintenance	Law Library	Waste / Sanitation	Drug Control	Officers - Fees	Total		
Net Change in Fund Balances Fund Balance, July 1, 2017	\$	(6,529) \$ 63,664	1,342 \$ 9,569	(105,722) \$ 559,620	9,234 \$ 45,751	(11,577) \$ 175,133	(113,252) 853,737		
Fund Balance, June 30, 2018	_\$	57,135 \$	10,911 \$	453,898 \$	54,985 \$	163,556 \$	740,485		

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds (Cont.)

		Capital Projects Fund General Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Local Taxes	\$	1,355,143 \$	3,283,562
Fines, Forfeitures, and Penalties		0	40,636
Charges for Current Services		0	741,146
Other Local Revenues		1,232	14,058
Federal Government		0	43,988
Total Revenues	\$	1,356,375 \$	4,123,390
Expenditures Current: General Government Finance Administration of Justice Public Safety Public Health and Welfare Capital Projects Total Expenditures Excess (Deficiency) of Revenues	\$ <u>\$</u>	0 \$ 0 0 0 0 0 1,961,977 1,961,977 \$	757,754 95 90,625 1,961,206 1,961,977
Excess (Deficiency) of Revenues Over Expenditures	\$	(605,602) \$	6 (648,854)
Over Experiences	ψ	(000,002)	(040,004)
Other Financing Sources (Uses)			
Transfers In	\$	145,826 \$	145,826
Transfers Out		0	(70,000)
Total Other Financing Sources (Uses)	\$	145,826 \$	75,826

Exhibit G-2

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

	Capital Projects Fund	
	General Capital Projects	Total Nonmajor Governmental Funds
Net Change in Fund Balances Fund Balance, July 1, 2017	\$ (459,776) 3 1,731,140	\$ (573,028) 2,584,877
Fund Balance, June 30, 2018	\$ 1,271,364	\$ 2,011,849

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, 2018

		_	Budgeted Ar		Variance with Final Budget - Positive	
		Actual	Original	Final	(Negative)	
Revenues						
Local Taxes	\$	64,122 \$	50,000 \$	50,000 \$	14,122	
Total Revenues	\$	64,122 \$	50,000 \$	50,000 \$	14,122	
Expenditures Finance						
Other Finance	\$	651 \$	600 \$	700 \$	49	
Total Expenditures	<u>\$</u> \$	651 \$	600 \$	700 \$	49	
Excess (Deficiency) of Revenues						
Over Expenditures	\$	63,471 \$	49,400 \$	49,300 \$	14,171	
Other Financing Sources (Uses)						
Transfers Out	\$	(70,000) \$	(70,000) \$	(70,000) \$	0	
Total Other Financing Sources	\$ \$	(70,000) \$	(70,000) \$	(70,000) \$	0	
Net Change in Fund Balance	\$	(6,529) \$	(20,600) \$	(20,700) \$	14,171	
Fund Balance, July 1, 2017		63,664	50,562	50,562	13,102	
Fund Balance, June 30, 2018	\$	57,135 \$	29,962 \$	29,862 \$	27,273	

Exhibit G-4

<u>Jefferson County, Tennessee</u>
<u>Schedule of Revenues, Expenditures, and Changes</u>
<u>in Fund Balance - Actual (Budgetary Basis) and Budget</u>
<u>Law Library Fund</u>
<u>For the Year Ended June 30, 2018</u>

							Actual Revenues/			Variance with Final
		Actual		Less:		Add:	Expenditures			Budget -
		(GAAP	F	Encumbrances	Er	ncumbrances	(Budgetary	Budgeted Aı	mounts	Positive
		Basis)		7/1/2017		6/30/2018	Basis)	Original	Final	(Negative)
Revenues										
Local Taxes	\$	16,357	\$	0	\$	0 \$	16,357 \$	14,000 \$	14,000 \$	2,357
Total Revenues	\$	16,357		0 :		0 \$		14,000 \$	14,000 \$	
Expenditures										
Finance										
Other Finance	\$	164	\$	0	\$	0 \$	3 164 \$	125 \$	225 \$	61
Public Safety										
Jail		14,851		(1,212)		1,361	15,000	15,000	15,000	0
Total Expenditures	\$	15,015	\$	(1,212)	\$	1,361 \$	15,164 \$	15,125 \$	15,225	61
Excess (Deficiency) of Revenues										
Over Expenditures	\$	1,342	\$	1,212	\$	(1,361) \$	3 1,193 \$	(1,125) \$	(1,225) §	2,418
Net Change in Fund Balance	\$	1,342	\$	1,212	\$	(1,361) \$	3 1,193 \$	(1,125) \$	(1,225) §	3 2,418
Fund Balance, July 1, 2017	<u> </u>	9,569	Ψ	(1,212)	Ψ	0	8,357	7,263	7,263	1,094
Fund Balance, June 30, 2018	\$	10,911	\$	0 8	\$	(1,361) \$	9,550 \$	6,138 \$	6,038	3,512
,	Ψ	10,011	Ψ	• •	Τ΄	(2,001) ψ	υ,ουσ ψ	σ,200 ψ	0,000	5,51 2

Exhibit G-5

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2018

				Actual			Variance
		A , 1	т	Revenues/			with Final
		Actual	Less:	Expenditures	D 1 / 1 A		Budget -
		(GAAP Basis)	Encumbrances 7/1/2017	(Budgetary Basis)	Budgeted A Original	Final	Positive (Negative)
		Dasis	1/1/2017	Dasis)	Original	Fillal	(Ivegative)
Revenues							
Local Taxes	\$	1,847,940	\$ 0 \$	1,847,940 \$	1,800,500 \$	1,800,500 \$	47,440
Other Local Revenues		7,544	0	7,544	0	0	7,544
Total Revenues	\$	1,855,484	\$ 0 \$	1,855,484 \$	1,800,500 \$	1,800,500 \$	54,984
Expenditures Public Health and Welfare							
Waste Pickup	\$	1,961,206	\$ (230) \$	1,960,976 \$	2,085,967 \$	2,125,878 \$	164,902
Total Expenditures	\$	1,961,206			2,085,967 \$	2,125,878 \$	164,902
Excess (Deficiency) of Revenues							
Over Expenditures	\$	(105,722)	\$ 230 \$	(105,492) \$	(285,467) \$	(325,378) \$	219,886
Net Change in Fund Balance	\$	(105,722)	\$ 230 \$	3 (105,492) \$	(285,467) \$	(325,378) \$	219,886
Fund Balance, July 1, 2017	<u> </u>	559,620	(230)	559,390	496,149	496,149	63,241
Fund Balance, June 30, 2018	\$	453,898	\$ 0 \$	453,898 \$	210,682 \$	170,771 \$	283,127

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, 2018

			Actual				Variance
							with Final
			_				Budget -
•	Er		(Budgetary				Positive
Basis)		6/30/2018	Basis)		Original	Final	(Negative)
\$ 40,636	\$	0 \$	40,636	\$	39,800 \$	39,800 \$	836
384	•	0	384	·	0	0	384
43,988		0	43,988		0	0	43,988
\$ 	\$	0 \$		\$	39,800 \$	39,800 \$	45,208
\$ 75,774	\$	2,739 \$	78,513	\$	70,000 \$	85,500 \$	6,987
\$ •	_		•	_	70,000 \$	85,500 \$	6,987
\$ 9,234	\$	(2,739) \$	6,495	\$	(30,200) \$	(45,700) \$	52,195
\$ 9.234	\$	(2.739) \$	6.495	\$	(30.200) \$	(45,700) \$	52,195
 45,751	*	0	45,751	т	38,696	54,196	(8,445)
\$ 54,985	\$	(2,739) \$	52,246	\$	8,496 \$	8,496 \$	43,750
\$ \$	\$ 40,636 384 43,988 \$ 85,008 \$ 75,774 \$ 75,774 \$ 9,234 \$ 9,234 45,751	(GAAP Example Basis) \$ 40,636 \$ 384 43,988 \$ 85,008 \$ \$ 75,774 \$ \$ 75,774 \$ \$ 9,234 \$ \$ 9,234 \$	(GAAP Basis) Encumbrances 6/30/2018 \$ 40,636 \$ 0 \$ 384 0 43,988 0 \$ 5 0 \$ \$ 5 0 \$ \$ \$ 5 0 \$ \$ \$ 5 0 \$ \$ \$ 5 0 \$ \$ \$ 5 0 \$ \$ \$ \$	Actual (GAAP Encumbrances (Budgetary Basis) \$ 40,636 \$ 0 \$ 40,636	Actual (GAAP Encumbrances (Budgetary Basis) \$ 40,636 \$ 0 \$ 40,636 \$ 384 43,988 0 43,988 \$ 0 \$ 43,988 \$ 85,008 \$ \$ 0 \$ 85,008 \$ \$ \$ 75,774 \$ 2,739 \$ 78,513 \$ \$ 75,774 \$ 2,739 \$ 78,513 \$ \$ \$ 9,234 \$ (2,739) \$ 6,495 \$ \$ \$ 9,234 \$ (2,739) \$ 6,495 \$ \$ 9,234 \$ (2,739) \$ 6,495 \$ \$ 9,234 \$ (2,739) \$ 6,495 \$ \$ \$ 9,234 \$ \$ (2,739) \$ 6,495 \$ \$ \$ 9,234 \$ \$ (2,739) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Revenues/ Expenditures (GAAP Basis) Revenues/ Expenditures (Budgetary Basis) Budgeted A \$ 40,636 \$ 0 \$ 40,636 \$ 39,800 \$ 384 0 384 0 43,988 0 43,988 0 43,988 0 \$ 39,800 \$ \$ 85,008 \$ 0 \$ 85,008 \$ 39,800 \$ \$ 75,774 \$ 2,739 \$ 78,513 \$ 70,000 \$ \$ 75,774 \$ 2,739 \$ 78,513 \$ 70,000 \$ \$ 9,234 \$ (2,739) \$ 6,495 \$ (30,200) \$ 45,751 0 45,751 0 45,751 38,696	Actual (GAAP Basis) Add: Encumbrances (Budgetary Basis) Expenditures (Budgetary Basis) Budgeted Amounts \$ 40,636 \$ 0 \$ 40,636 \$ 39,800 \$ 39,800 \$ 39,800 \$ 384 0 0 0 43,988 0 43,988 0 0 0 0 \$ 40,636 \$ 39,800 \$ 39,800 \$ 39,800 \$ 384 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,888 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 \$ 6,439,880 \$ 0 0 0 \$ 6,439,880 \$ 0 0 0 \$ 6,439,880 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 0 \$ 6,439,880 \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

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, 2018

		Actual (GAAP	Less: Encumbrances	Add: Encumbrances	Actual Revenues/ Expenditures (Budgetary	Budgeted A	amounts	Variance with Final Budget - Positive
		Basis)	7/1/2017	6/30/2018	Basis)	Original	Final	(Negative)
Revenues								
Local Taxes	\$	1,355,143	\$ 0	\$ 0	\$ 1,355,143 \$	243,300 \$	1,243,300 \$	111,843
Other Local Revenues		1,232	0	0	1,232	0	0	1,232
Federal Government		0	0	0	0	0	83,000	(83,000)
Total Revenues	\$	1,356,375	\$ 0	\$ 0	\$ 1,356,375 \$	243,300 \$	1,326,300 \$	30,075
Expenditures <u>Capital Projects</u> Public Health and Welfare Projects	\$	101,191	\$ 0	\$ 11,805	\$ 112,996 \$	20,000 \$	113,008 \$	12
Other General Government Projects	Ф	834,846	(242,400)	792,001	1,384,447	540,349	1,635,328	250,881
Education Capital Projects		1,025,940	(242,400)	0	1,025,940	0	1,025,940	250,881
Total Expenditures	\$	1,961,977				560,349 \$	2,774,276 \$	
Excess (Deficiency) of Revenues Over Expenditures	\$	(605,602)	\$ 242,400	\$ (803,806)	\$ (1,167,008) \$	(317,049) \$	(1,447,976) \$	280,968
Other Financing Sources (Uses) Transfers In	\$	145,826	\$ 0	\$ 0	\$ 145,826 \$	317,049 \$	145,826 \$	0
Total Other Financing Sources	\$	145,826				317,049 \$	145,826 \$	
Net Change in Fund Balance Fund Balance, July 1, 2017	\$	(459,776) 1,731,140	\$ 242,400 (242,400)	\$ (803,806) 0	\$ (1,021,182) \$ 1,488,740	0 \$ 701,893	(1,302,150) \$ 1,701,893	280,968 (213,153)
Fund Balance, June 30, 2018	\$	1,271,364	\$ 0	\$ (803,806)	\$ 467,558 \$	701,893 \$	399,743 \$	67,815

Major Governmental Fund General Debt Service Fund

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

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Exhibit H

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2018

			Budgeted A	amounts	Variance with Final Budget - Positive
		Actual –	Original	Final	(Negative)
		11000001	Oliginal	111101	(Trogative)
Revenues					
Local Taxes	\$	6,690,656 \$	6,436,313 \$	6,436,313 \$	254,343
Other Local Revenues		776,438	536,698	536,698	239,740
Federal Government		445,518	0	445,518	0
Total Revenues	\$	7,912,612 \$	6,973,011 \$	7,418,529 \$	494,083
<u>Expenditures</u>					
Principal on Debt	Ф	1 100 000 0	1 100 000 Ф	1 100 000 Ф	
General Government	\$	1,160,000 \$	1,160,000 \$	1,160,000 \$	0
Education		3,397,895	3,387,895	3,382,895	(15,000)
Interest on Debt		015 045	FF0 60F	217 027	0.500
General Government Education		315,347	558,637	317,937	2,590
Other Debt Service		2,789,437	2,306,096	2,992,314	202,877
General Government		110,071	111,095	116,095	6,024
Education		124,775	111,095	124,775	0,024
Total Expenditures	\$	7,897,525 \$	7,523,723 \$	8,094,016 \$	196,491
Total Expenditures	Φ	7,097,020 p	1,929,129 ф	6,094,010 ф	190,491
Excess (Deficiency) of Revenues					
Over Expenditures	\$	15,087 \$	(550,712) \$	(675,487) \$	690,574
Other Financing Sources (Uses)					
Refunding Debt Issued	\$	8,725,000 \$	0 \$	8,725,000 \$	0
Premiums on Debt Sold		1,139,167	0	1,139,167	0
Transfers In		548,975	546,663	546,663	2,312
Payments to Refunded Debt Escrow Agent		(9,739,392)	0	(9,739,392)	0
Total Other Financing Sources	\$	673,750 \$	546,663 \$	671,438 \$	2,312
Net Change in Fund Balance	\$	688,837 \$	(4,049) \$	(4,049) \$	692,886
Fund Balance, July 1, 2017	<u> </u>	7,535,668	6,860,431	6,860,431	675,237
Fund Balance, June 30, 2018	\$	8,224,505 \$	6,856,382 \$	6,856,382 \$	1,368,123

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.

<u>Cities - Sales Tax Fund</u> – 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.

<u>Cities - Property Tax Fund</u> — 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.

<u>Constitutional Officers - Agency Fund</u> – 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

<u>Jefferson County, Tennessee</u> <u>Combining Statement of Fiduciary Assets and Liabilities</u> <u>Fiduciary Funds</u> <u>June 30, 2018</u>

	_	Cities - Sales Tax	Cities - Property Tax	Constitu- tional Officers - Agency	Total
ASSETS					
Cash	\$	0 \$	0 \$	2,147,154 \$	2,147,154
Equity in Pooled Cash and Investments		0	15,898	0	15,898
Accounts Receivable		0	0	41,532	41,532
Due from Other Governments		1,000,268	0	0	1,000,268
Property Taxes Receivable		0	1,236,674	0	1,236,674
Allowance for Uncollectible Property Taxes		0	(39,905)	0	(39,905)
Total Assets	\$	1,000,268 \$	1,212,667	2,188,686	4,401,621
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$	1,000,268 \$	1,212,667 \$	0 \$	2,212,935
Due to Litigants, Heirs, and Others		0	0	2,188,686	2,188,686
Total Liabilities	\$	1,000,268	1,212,667	2,188,686	4,401,621

Exhibit I-2

$\underline{Jefferson\ County,\ Tennessee}$

Combining Statement of Changes in Assets and

<u>Liabilities - All Agency Funds</u> <u>For the Year Ended June 30, 2018</u>

		Beginning Balance		Additions		Deductions	Ending Balance
Cities - Sales Tax Fund							
Assets							
Equity in Pooled Cash and Investments	\$	0	\$	5,313,141	\$	5,313,141 \$	0
Due from Other Governments		903,208		1,000,268		903,208	1,000,268
Total Assets	\$	903,208	\$	6,313,409	\$	6,216,349 \$	1,000,268
Liabilities							
Due to Other Taxing Units	\$	903,208	\$	6,313,409	\$	6,216,349 \$	1,000,268
Due to Other Taxing Onto	Ψ	300,200	Ψ	0,010,400	Ψ	0,210,040 ψ	1,000,200
Total Liabilities	\$	903,208	\$	6,313,409	\$	6,216,349 \$	1,000,268
Cities - Property Tax Fund							
<u>Assets</u> Equity in Pooled Cash and Investments	\$	23,426	Ф	1 100 974	Ф	1 205 002 ¢	15 202
Property Taxes Receivable	Φ	1,228,065	Ф	1,198,374 1,236,674	Ф	1,205,902 \$ 1,228,065	$15,898 \\ 1,236,674$
Allowance for Uncollectible Property Taxes		(40,218)		(39,905)		(40,218)	(39,905)
This wanter for Sheomeoniale Troperty Takes		(10,210)		(30,000)		(10,210)	(30,033)
Total Assets	\$	1,211,273	\$	2,395,143	\$	2,393,749 \$	1,212,667
Liabilities							
Due to Other Taxing Units	\$	1,211,273	\$	2,395,143	\$	2,393,749 \$	1,212,667
Due to Other Taxing Office	Ψ_	1,211,210	Ψ	2,000,110	Ψ	2,000,110 ψ	1,212,001
Total Liabilities	\$	1,211,273	\$	2,395,143	\$	2,393,749 \$	1,212,667
Constitutional Officers - Agency Fund							
Assets							
Cash	\$		\$	13,363,154	\$	13,027,773 \$	2,147,154
Accounts Receivable		69,252		0		27,720	41,532
Total Assets	\$	1,881,025	\$	13 363 154	\$	13,055,493 \$	2,188,686
100011100000	Ψ	1,001,040	Ψ	10,000,101	Ψ	10,000,100 ψ	2 ,100,000
Liabilities							
Due to Litigants, Heirs, and Others	\$	1,881,025	\$	13,363,154	\$	13,055,493 \$	2,188,686
Total Liabilities	Ф	1 881 095	Φ	12 262 154	Ф	12 055 402 · ¢	9 188 686
Total Liabilities	\$	1,001,040	Ф	10,000,104	Φ	13,055,493 \$	2,188,686

Exhibit I-2

$\underline{Jefferson\ County,\ Tennessee}$

Combining Statement of Changes in Assets and

<u>Liabilities - All Agency Funds (Cont.)</u>

	Beginning Balance		Additions		Deductions		Ending Balance
Totals - All Agency Funds							
$\underline{\mathrm{Assets}}$							
Cash	\$ 1,811,773	\$	13,363,154	\$	13,027,773 \$	3	2,147,154
Equity in Pooled Cash and Investments	23,426		6,511,515		6,519,043		15,898
Accounts Receivable	69,252		0		27,720		41,532
Due from Other Governments	903,208		1,000,268		903,208		1,000,268
Property Taxes Receivable	1,228,065		1,236,674		1,228,065		1,236,674
Allowance for Uncollectible Property Taxes	 (40,218)	(40,218)		(39,905)			(39,905)
Total Assets	\$ 3,995,506	\$	22,071,706	\$	21,665,591 \$	3	4,401,621
Liabilities							
Due to Other Taxing Units	\$ 2,114,481	\$	8,708,552	\$	8,610,098 \$	ß	2,212,935
Due to Litigants, Heirs, and Others	 1,881,025		13,363,154		13,055,493		2,188,686
Total Liabilities	\$ 3,995,506	\$	22,071,706	\$	21,665,591 \$	\$	4,401,621

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, a Capital Projects Fund, and an Internal Service Fund.

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

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

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

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

<u>Employee Insurance - Dental and Vision Fund</u> – The Employee Insurance - Dental and Vision Fund is an internal service fund, which is used to account for transactions pertaining to the School Department's self-insured group dental and vision plans.

Exhibit J-1

<u>Jefferson County, Tennessee</u>
<u>Statement of Activities</u>
<u>Discretely Presented Jefferson County School Department</u>
<u>For the Year Ended June 30, 2018</u>

				Net (Expense) Revenue and Changes in		
				Operating	Capital	Net Position
			Charges	Grants	Grants	 Total
			for	and	and	Governmental
Functions/Programs		Expenses	Services	Contributions	Contributions	Activities
Governmental Activities:						
Instruction	\$	37,176,589 \$	55,703 \$	3,003,619	\$ 1,047,940	\$ (33,069,327)
Support Services		20,980,807	0	663,330	0	(20,317,477)
Operation of Non-instructional Services		4,658,089	1,097,699	3,533,082	14,482	(12,826)
Total Governmental Activities	\$	62,815,485 \$	1,153,402 \$	7,200,031	\$ 1,062,422	\$ (53,399,630)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes						\$ 10,630,870
Local Option Sales Taxes						$5,\!287,\!707$
Mixed Drink Tax						32,904
Grants and Contributions Not Restricted for Spec	ific I	Programs				39,600,288
Unrestricted Investment Income						$7{,}198$
Miscellaneous						 10,119
Total General Revenues						\$ 55,569,086
Change in Net Position						\$ 2,169,456
Net Position, July 1, 2017						66,431,218
Restatement - See Note I.D.9						(3,275,780)
Net Position, June 30, 2018						\$ 65,324,894

<u>Jefferson County, Tennessee</u>
<u>Balance Sheet - Governmental Funds</u>
<u>Discretely Presented Jefferson County School Department</u>
<u>June 30, 2018</u>

	_	Major Fund General Purpose School	Nonmajor Funds Other Governmental Funds	Total Governments Funds	
ASSETS	_	2011001	1 4114.5		
Equity in Pooled Cash and Investments Accounts Receivable Due from Other Governments Due from Other Funds Property Taxes Receivable Allowance for Uncollectible Property Taxes	\$	7,237,332 \$ $17,352$ $2,307,508$ 0 $10,964,657$ $(458,880)$	2,576,220 15,333 880,603 207 0	\$	9,813,552 32,685 3,188,111 207 10,964,657 (458,880)
Total Assets	\$	20,067,969 \$	3,472,363	\$	23,540,332
<u>LIABILITIES</u>					
Accounts Payable Accrued Payroll Payroll Deductions Payable Contracts Payable	\$	160,936 \$ 348,504 3,469,986 0	22,306 0 492,670 73,624	\$	183,242 348,504 3,962,656 73,624
Due to Other Funds Total Liabilities	\$	207 3,979,633 \$	588,600	\$	$\frac{207}{4,568,233}$
DEFERRED INFLOWS OF RESOURCES			,	·	, ,
Deferred Current Property Taxes Deferred Delinquent Property Taxes Other Deferred/Unavailable Revenue Total Deferred Inflows of Resources	\$	10,172,155 \$ 223,131 611,720 11,007,006 \$	0 0 0	\$	10,172,155 223,131 611,720 11,007,006
FUND BALANCES					
Restricted: Restricted for Education Committed:	\$	261,112 \$	1,454,370	\$	1,715,482
Committed for Education Committed for Capital Projects Assigned:		152,166 134,468	750,000 679,393		902,166 813,861
Assigned for Education		400,164	0		400,164
Unassigned Total Fund Balances	\$	4,133,420 5,081,330 \$	0 2,883,763	\$	4,133,420 7,965,093
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	ces \$	20,067,969 \$	3,472,363	\$	23,540,332

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, 2018

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)	\$ 7,965,093
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Add: land Add: construction in progress Add: buildings and improvements net of accumulated depreciation Add: machinery and equipment net of accumulated depreciation Add: other capital assets net of accumulated depreciation Add: other capital assets net of accumulated depreciation Add: 2,522,614	71,291,309
(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.	148,806
(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 \$ (669,747) Less: termination benefits (272,714) Less: other postemployment benefits liability (16,139,260)	(17,081,721)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years: Add: deferred outflows of resources related to pensions Less: deferred inflows of resources related to OPEB Less: deferred inflows of resources related to OPEB Comparison (5,181,138) 764,081 Less: deferred inflows of resources related to OPEB (660,590)	841,505
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds: Add: net pension asset - public employee pension plan Add: net pension asset - teacher hybrid retirement plan Add: net pension asset - teacher legacy pension plan 224,876	1,325,051
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	834,851
Net position of governmental activities (Exhibit A)	\$ 65,324,894

<u>Jefferson County, Tennessee</u>

Statement of Revenues, Expenditures,
and Changes in Fund Balances Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2018

			Nonmajor	
		Major Fund	Funds Other	
	_	General	Govern-	Total
		Purpose	mental	Governmental
		School	Funds	Funds
				_
Revenues	Ф	1 2 0 0 7 4 2 0	0 4	1 2 0 0 5 4 7 0
Local Taxes	\$	15,987,456 \$, ,
Licenses and Permits		3,126	0	3,126
Charges for Current Services Other Local Revenues		215,868	937,534	1,153,402
		11,269	7,198	18,467
State of Tennessee		39,512,967	53,520	39,566,487
Federal Government		81,397	6,852,937	6,934,334
Other Governments and Citizens Groups Total Revenues	Ф.	117,601	1,025,940 8,877,129 \$	1,143,541
Total Revenues	\$	55,929,684 \$	8,877,129 \$	64,806,813
Expenditures				
Current:				
Instruction	\$	32,570,898 \$	2,808,126 \$	35,379,024
Support Services		20,876,765	1,260,787	22,137,552
Operation of Non-Instructional Services		1,051,644	3,634,059	4,685,703
Capital Outlay		395,360	0	395,360
Capital Projects		0	2,693,258	2,693,258
Total Expenditures	\$	54,894,667 \$	10,396,230 \$	65,290,897
Evenes (Definionary) of Pavanues				
Excess (Deficiency) of Revenues Over Expenditures	\$	1,035,017 \$	(1,519,101) \$	3 (484,084)
Over Expenditures	Ψ	1,055,017 φ	(1,010,101)	(404,004)
Other Financing Sources (Uses)				
Insurance Recovery	\$	9,184 \$	3,298 \$	12,482
Transfers In		56,621	884,410	941,031
Transfers Out		(884,410)	(56,621)	(941,031)
Total Other Financing Sources (Uses)	\$	(818,605) \$	831,087 \$	3 12,482
Net Change in Fund Balances	\$	216,412 \$	(688,014) \$	(471,602)
Fund Balance, July 1, 2017	ψ	4,864,918	3,571,777	8,436,695
	ф		· ·	<u> </u>
Fund Balance, June 30, 2018	\$	5,081,330 \$	2,883,763 \$	7,965,093

<u>Jefferson County, Tennessee</u>

Reconciliation of the Statement of Revenues, Expenditures, and

Changes in Fund Balances of Governmental Funds to the

Statement of Activities

<u>Discretely Presented Jefferson County School Department</u>

For the Year Ended June 30, 2018

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)			\$ (471,602)
(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:	ф	0.086.907	
	Add: capital assets purchased in the current period Less: current-year depreciation expense	\$	2,856,307 (2,188,381)	667,926
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. Add: assets donated and capitalized			168,862
(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, 2018 Less: deferred delinquent property taxes and other deferred June 30, 2017	\$	834,851 (825,585)	9,266
(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 Change in termination benefits Change in net pension asset - public employee pension plan Change in net pension asset - teacher hybrid retirement plan Change in net pension asset - teacher legacy pension plan Change in deferred outflows related to pensions Change in deferred inflows related to pensions Change in OPEB liability (net of restatement) Change in deferred outflows related to OPEB (net of restatement) Change in deferred inflows related to OPEB	\$	(6,186) $(129,180)$ $926,926$ $60,444$ $4,445,372$ $(3,092,234)$ $219,629$ $(35,063)$ $89,794$ $(660,590)$	1,818,912
(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.			(23,908)
Cha	nge in net position of governmental activities (Exhibit B)			\$ 2,169,456

<u>Jefferson County, Tennessee</u> <u>Combining Balance Sheet - Nonmajor Governmental Funds</u> <u>Discretely Presented Jefferson County School Department</u> June 30, 2018

ASSETS

Equity in Pooled Cash and Investments Accounts Receivable Due from Other Governments Due from Other Funds

Total Assets

LIABILITIES

Accounts Payable Payroll Deductions Payable Contracts Payable Total Liabilities

FUND BALANCES

Restricted:

Restricted for Education

Committed:

Committed for Education Committed for Capital Projects Total Fund Balances

Total Liabilities and Fund Balances

Exhibit J-6

	C-	:	al Damana E		la.		Capital		
		oecı.	al Revenue F	una	lS	-	Projects Fund	-	m , 1
	0.1.1						T3.1		Total
	School		0 1				Education		Nonmajor
	Federal		Central		m - 4 - 1		Capital		Governmental
_	Projects		Cafeteria		Total		Projects		Funds
ው	050 000	Ф	1 570 914	ው	1 000 000	ው	752.017	ው	0 570 000
\$	252,889	Ф	1,570,314	Ф	1,823,203	Ф	753,017	\$, , -
	0		15,333		15,333		0		15,333
	880,603		0		880,603		0		880,603
	207		0		207		0		207
\$	1,133,699	\$	1,585,647	\$	2,719,346	\$	753,017	\$	3,472,363
\$	0	\$	22,306	\$	22,306	\$	0	\$	22,306
•	383,699	•	108,971		492,670	'	0	'	492,670
	0		0		0		73,624		73,624
\$	383,699	\$	131,277	\$	514,976	\$	73,624	\$	588,600
\$	0	\$	1,454,370	\$	1,454,370	\$	0	\$	1,454,370
	750,000		0		750,000		0		750,000
	0		0		0		679,393		679,393
\$	750,000	\$	1,454,370	\$	2,204,370	\$	679,393	\$	2,883,763
\$	1,133,699	\$	1,585,647	\$	2,719,346	\$	753,017	\$	3,472,363

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, 2018

	_	Spec	Capital Projects Fund			
		School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Total Nonmajor Governmental Funds
Revenues						
Charges for Current Services	\$	0 \$	937,534 \$	937,534	\$ 0	\$ 937,534
Other Local Revenues		0	7,198	7,198	0	7,198
State of Tennessee		22,000	31,520	53,520	0	53,520
Federal Government		4,109,837	2,743,100	6,852,937	0	6,852,937
Other Governments and Citizens Groups		0	0	0	1,025,940	1,025,940
Total Revenues	\$	4,131,837 \$	3,719,352 \$	7,851,189	\$ 1,025,940	\$ 8,877,129
Expenditures Current:						
Instruction	\$	2,808,126 \$	0 \$	2,808,126	\$ 0	\$ 2,808,126
Support Services	·	1,260,787	0	1,260,787	0	1,260,787
Operation of Non-Instructional Services		6,303	3,627,756	3,634,059	0	3,634,059
Capital Projects		0	0	0	2,693,258	2,693,258
Total Expenditures	\$	4,075,216 \$	3,627,756 \$	7,702,972	\$ 2,693,258	\$ 10,396,230
Excess (Deficiency) of Revenues						
Over Expenditures	\$	56,621 \$	91,596 \$	148,217	\$ (1,667,318)	\$ (1,519,101)
Other Financing Sources (Uses)						
Insurance Recovery	\$	0 \$	3,298 \$	3,298	\$ 0	\$ 3,298
Transfers In	Ť	0	0	0	884,410	884,410
Transfers Out		(56,621)	0	(56,621)	0	(56,621)
Total Other Financing Sources (Uses)	\$	(56,621) \$	3,298 \$	(53,323)	\$ 884,410	\$ 831,087

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

		~ .			Capital	
		Speci	al Revenue Funds	8	Projects Fund	Total
		School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
Net Change in Fund Balances	\$	0 \$	94,894 \$	94,894		
Fund Balance, July 1, 2017	· ·	750,000	1,359,476	2,109,476	1,462,301	3,571,777
Fund Balance, June 30, 2018	\$	750,000 \$	1,454,370 \$	2,204,370	\$ 679,393	3,883,763

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

For the Year Ended June 30, 2018

		Actual (GAAP	Less: Encumbrances		Actual Revenues/ Expenditures (Budgetary	Budgeted A		Variance with Final Budget - Positive
		Basis)	7/1/2017	6/30/2018	Basis)	Original	Final	(Negative)
Revenues								
Local Taxes	\$	15,987,456	\$ 0	\$ 0 \$	15,987,456 \$	15,521,152 \$	15,521,152 \$	466,304
Licenses and Permits	т	3,126	0	0	3,126	2,400	2,400	726
Charges for Current Services		215,868	0	0	215,868	242,963	246,814	(30,946)
Other Local Revenues		11,269	0	0	11,269	1,000	5,404	5,865
State of Tennessee		39,512,967	0	0	39,512,967	38,776,094	39,427,607	85,360
Federal Government		81,397	0	0	81,397	78,525	79,477	1,920
Other Governments and Citizens Groups		117,601	0	0	117,601	7,680	91,739	25,862
Total Revenues	\$	55,929,684	\$ 0	\$ 0 \$	55,929,684 \$	54,629,814 \$	55,374,593 \$	555,091
Expenditures								
Instruction								
Regular Instruction Program	\$	27,351,706	\$ 0	\$ 63,200 \$	27,414,906 \$	27,453,242 \$	27,684,752 \$	269,846
Alternative Instruction Program	т	206,919	0	0	206,919	212,424	210,734	3,815
Special Education Program		3,383,804	0	0	3,383,804	3,473,847	3,451,999	68,195
Career and Technical Education Program		1,628,469	0	0	1,628,469	1,676,399	1,674,280	45,811
Support Services		, ,			, ,	, ,	, ,	,
Attendance		249,302	0	0	249,302	252,076	252,076	2,774
Health Services		657,941	0	0	657,941	648,459	$672,\!254$	14,313
Other Student Support		1,648,994	(22,159)	0	1,626,835	1,912,738	1,831,613	204,778
Regular Instruction Program		2,266,795	0	0	2,266,795	2,149,735	2,281,584	14,789
Alternative Instruction Program		121,309	0	0	121,309	123,099	123,099	1,790
Special Education Program		453,996	0	0	453,996	428,454	538,653	84,657
Career and Technical Education Program		301,215	0	0	301,215	309,608	311,275	10,060
Technology		1,507,037	0	0	1,507,037	1,444,396	1,527,746	20,709
Other Programs		285,507	0	0	285,507	0	285,507	0
Board of Education		700,163	0	0	700,163	709,242	716,419	16,256
Director of Schools		270,828	0	0	270,828	319,714	312,714	41,886
Office of the Principal		3,303,015	0	0	3,303,015	3,404,432	3,411,532	108,517
Fiscal Services		405,209	0	0	$405,\!209$	405,209	405,209	0

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.)

Support Services (Cont.) Support Services (Cont.) Support Services (Cont.) Human Services/Personnel \$134,017 \$ 0 \$ 0 \$ 134,017 \$ 135,034 \$ 135,034 \$ 1,017 Human Services/Personnel \$4,623,563 (6,300) 0 \$4,617,263 4,567,493 4,643,784 26,521 Maintenanee of Plant 1,378,314 (7,890) 34,591 1,405,015 1,479,185 1,409,937 4,922 Transportation Operation of Non-Instructional Services 278,701 0 0 278,701 204,585 294,021 15,320 Community Services 278,701 0 0 278,701 204,585 772,943 0 Capital Outlay 772,943 0 0 0 772,943 775,596 772,943 0 Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service 204,607 36,349 107,041 54,965,359 54,925,887 56,013,521 1,048,162 Excess (Deficiency) of Revenues 1,035,017 36,349 107,041 54,965,359 54,925,887 56,013,521 1,048,162 Over Expenditures 1,035,017 36,349 107,041 964,325 (296,073 9,184 0 Transfers In 56,621 0 0 56,621 156,073 195,652 (139,031) Transfers Out (884,410) 0 0 (884,410) 0 0 Transfers Out (884,410) 0 0 (884,410) 0 0 Transfers Out (884,410) 0 0 (884,410) 0 0 Total Other Financing Sources 3 (818,605) 3 (818,605) 156,073 3 (679,574) 139,031) Net Change in Fund Balance 3 (16,412 36,349 01,040,41 34,520 2,559,443 2,559,443 1,608,262 Rend Balance, July 1, 2017 4,864,918 36,349 0 4,828,569 2,559,443 2,559,443 1,808,266 Rend Balance, July 1, 2017 4,864,918 36,349 0 4,828,569 2,559,443 2,559,443 1,808,266 Rend Balance, July 1, 2017 4,864,918 36,349 0 4,828,569 2,559,443 2,559,443 1,808,266 Rend Balance, July 1, 2017 4,864,918 36,349 0 4,828,569 2,559,443 2,559,443 1,808,266 Rend Balance, July 1, 2017 4,864,918 36,349 0 4,828,569 2,559,443 2,559,443 1,808,266 Rend Balance, July 1, 2017 4,864,918 36,349		Actual (GAAP	Е	Less:	Add: Encumbrances	Actual Revenues/ Expenditures (Budgetary	Budgeted A		Variance with Final Budget - Positive
Support Services (Cont.) Human Services (Fersonnel \$134,017 \$ 0 \$ 0 \$ 134,017 \$ 135,034 \$ 135,034 \$ 26,521 Human Services (Fersonnel \$4,623,563 \$6,300 \$0 \$ 4,617,263 \$4,567,493 \$4,643,784 \$26,521 Maintenance of Plant \$4,623,563 \$6,300 \$0 \$ 4,617,263 \$4,567,493 \$4,643,784 \$26,521 Maintenance of Plant \$1,378,314 \$7,890 \$34,591 \$1,405,015 \$1,479,185 \$1,409,937 \$4,922 Transportation \$2,569,560 \$0 \$ 0 \$ 2,569,560 \$2,624,045 \$2,647,446 \$77,886 Operation of Non-Instructional Services \$278,701 \$0 \$ 0 \$ 278,701 \$204,585 \$294,021 \$15,320 Community Services \$278,701 \$0 \$ 0 \$ 772,943 \$775,596 \$772,943 \$0 \$ \$0 \$ \$28,910 Early Childhood Education \$772,943 \$0 \$ 9,250 \$404,610 \$200,000 \$397,700 \$792,000 Capital Outlay \$8,000 \$16,875 \$21,210 \$21,210 Other Debt Service \$9,000 \$0 \$ 0 \$ \$0 \$ \$0 \$ \$0 \$ \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0 \$ \$0 \$ \$0 \$ \$0 \$ \$0,00 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0,000		Basis)		7/1/2017	6/30/2018	Basis)	Original	Final	(Negative)
Support Services (Cont.) Human Services (Fersonnel \$134,017 \$ 0 \$ 0 \$ 134,017 \$ 135,034 \$ 135,034 \$ 26,521 Human Services (Fersonnel \$4,623,563 \$6,300 \$0 \$ 4,617,263 \$4,567,493 \$4,643,784 \$26,521 Maintenance of Plant \$4,623,563 \$6,300 \$0 \$ 4,617,263 \$4,567,493 \$4,643,784 \$26,521 Maintenance of Plant \$1,378,314 \$7,890 \$34,591 \$1,405,015 \$1,479,185 \$1,409,937 \$4,922 Transportation \$2,569,560 \$0 \$ 0 \$ 2,569,560 \$2,624,045 \$2,647,446 \$77,886 Operation of Non-Instructional Services \$278,701 \$0 \$ 0 \$ 278,701 \$204,585 \$294,021 \$15,320 Community Services \$278,701 \$0 \$ 0 \$ 772,943 \$775,596 \$772,943 \$0 \$ \$0 \$ \$28,910 Early Childhood Education \$772,943 \$0 \$ 9,250 \$404,610 \$200,000 \$397,700 \$792,000 Capital Outlay \$8,000 \$16,875 \$21,210 \$21,210 Other Debt Service \$9,000 \$0 \$ 0 \$ \$0 \$ \$0 \$ \$0 \$ \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0 \$ \$0 \$ \$0 \$ \$0 \$ \$0,00 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 \$0,000 Control Debt Service \$0,000	Expenditures (Cont.)								
Operation of Plant 4,623,563 (6,300) 0 4,617,263 4,567,493 4,643,784 20,521 Maintenance of Plant 1,378,314 (7,890) 34,591 1,405,015 1,479,185 1,409,937 4,922 Transportation 2,569,560 0 0 2,569,560 2,624,045 2,647,446 77,886 Operation of Non-Instructional Services 278,701 0 0 278,701 204,585 294,021 15,320 Community Services 278,701 0 0 772,943 775,596 772,943 0 Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service 2 2 363,495 107,041 54,965,359 54,925,887 56,013,521 1,048,162 Excess (Deficiency) of Revenues 31,035,017 36,349 107,041 54,965,359 54,925,887 56,013,521 1,048,162 Other Financing Sources (Uses) 31,035,017 36,349 107,041 596,325 296,07									
Maintenance of Plant 1,378,314 (7,890) 34,591 1,405,015 1,479,185 1,409,937 4,922 Transportation 2,569,560 0 0 2,569,560 2,624,045 2,647,446 77,886 Operation of Non-Instructional Services 278,701 0 0 278,701 204,585 294,021 15,320 Early Childhood Education 772,943 0 0 772,943 775,596 772,943 0 Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$54,894,667 (36,349) 107,041 \$54,965,359 \$54,925,887 \$56,013,521 1,048,162 Excess (Deficiency) of Revenues Over Expenditures \$1,035,017 36,349 (107,041) \$964,325 (296,073) \$638,928 \$1,603,253 Transfers Out \$0 \$0 \$9,184 \$0	Human Services/Personnel	\$ 134,017	\$	0 \$	0 \$	134,017 \$	135,034 \$	135,034 \$	1,017
Transportation 2,569,560 0 0 2,569,560 2,624,045 2,647,446 77,886 Operation of Non-Instructional Services 278,701 0 0 278,701 204,585 294,021 15,320 Early Childhood Education 772,943 0 0 772,943 775,596 772,943 0 Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service Beducation 0 0 0 0 16,875 21,210 21,210 Excess (Deficiency) of Revenues \$ 54,894,667 (36,349) 107,041 \$ 54,965,359 \$ 54,925,887 \$ 56,013,521 1,048,162 Excess (Deficiency) of Revenues \$ 1,035,017 36,349 (107,041) 964,325 (296,073) (638,928) 1,603,253 Other Financing Sources (Uses) 1 1 0 0 9,184 0 9,184 0 9,184 0 Transfers Out (884,410) 0 0 (884,410) </td <td>Operation of Plant</td> <td>4,623,563</td> <td></td> <td>(6,300)</td> <td>0</td> <td></td> <td>4,567,493</td> <td>4,643,784</td> <td>26,521</td>	Operation of Plant	4,623,563		(6,300)	0		4,567,493	4,643,784	26,521
Operation of Non-Instructional Services	Maintenance of Plant	1,378,314		(7,890)	34,591	1,405,015	1,479,185	1,409,937	4,922
Community Services	Transportation	2,569,560		0	0	2,569,560	2,624,045	2,647,446	77,886
Early Childhood Education 772,943 0 0 772,943 775,596 772,943 0 Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service Education 0 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$ 54,894,667 36,349 107,041 54,965,359 54,925,887 56,013,521 1,048,162 Excess (Deficiency) of Revenues \$ 1,035,017 36,349 107,041 964,325 29,073 638,928 1,603,253 Other Financing Sources (Uses) 1 30,5017 36,349 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 0 9,184	Operation of Non-Instructional Services								
Capital Outlay Regular Capital Outlay 395,360 0 9,250 404,610 200,000 397,700 (6,910) Other Debt Service 0 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$ 54,894,667 \$ (36,349) 107,041 \$ 54,965,359 \$ 54,925,887 \$ 56,013,521 \$ 1,048,162 Excess (Deficiency) of Revenues Over Expenditures ** 1,035,017 \$ 36,349 \$ (107,041) \$ 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) ** 1,035,017 \$ 36,349 \$ (107,041) \$ 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) ** 1,035,017 \$ 36,349 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 Transfers In Transfers Out (884,410) 0 0 56,621 156,073 195,652 (139,031) Total Other Financing Sources (818,605) 0 8 (818,605) 8 (818,605) 8 (818,605) 8	Community Services	278,701		0	0	278,701	204,585	294,021	15,320
Regular Capital Outlay Other Debt Service 395,360 0 9,250 404,610 200,000 397,700 (6,910) Education 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$54,894,667 (36,349) 107,041 \$54,965,359 \$54,925,887 \$56,013,521 1,048,162 Excess (Deficiency) of Revenues Over Expenditures *** 1,035,017 36,349 (107,041) 964,325 (296,073) 6638,928) 1,603,253 Other Financing Sources (Uses) Insurance Recovery *** 9,184 0 9,184 0 9,184 0 9,184 0 9,184 0 19,184 0 19,184 0 0 664,110 0 0 19,184 0 0 0 19,184 0 0 0 19,184 0 0 0 19,184 0 0 0 19,184 0 0 0 0 19,184 0 0 0 0	Early Childhood Education	772,943		0	0	772,943	775,596	772,943	0
Other Debt Service Budgation 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$ 54,894,667 \$ (36,349) 107,041 \$ 54,965,359 \$ 54,925,887 \$ 56,013,521 \$ 1,048,162 Excess (Deficiency) of Revenues Over Expenditures *** 1,035,017 \$ 36,349 *** (107,041) \$ 964,325 *** (296,073) ** (638,928) \$ 1,603,253 Other Financing Sources (Uses) Insurance Recovery ** 9,184 ** 0 ** 9,184 ** 0 \$ 9,184 ** 0 \$ 9,184 ** 0 Transfers In 56,621 0 0 56,621 156,073 195,652 (139,031) Transfers Out (884,410) 0 0 (884,410) 0 (884,410) 0 Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 (679,574) (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 (107,041) \$ 145,720 (140,000) \$ (131,8502) \$ 1,464,222 <	Capital Outlay								
Education 0 0 0 0 16,875 21,210 21,210 Total Expenditures \$ 54,894,667 \$ (36,349) 107,041 \$ 54,965,359 \$ 54,925,887 \$ 56,013,521 \$ 1,048,162 Excess (Deficiency) of Revenues Over Expenditures \$ 1,035,017 \$ 36,349 \$ (107,041) 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) Insurance Recovery \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0	Regular Capital Outlay	395,360		0	$9,\!250$	404,610	200,000	397,700	(6,910)
Total Expenditures \$ 54,894,667 \$ (36,349) \$ 107,041 \$ 54,965,359 \$ 54,925,887 \$ 56,013,521 \$ 1,048,162 Excess (Deficiency) of Revenues \$ 1,035,017 \$ 36,349 \$ (107,041) \$ 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) Insurance Recovery \$ 9,184 \$ 0 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 19,652 \$ (139,031) Transfers In \$ 56,621 \$ 0 \$ 0 \$ 56,621 \$ 156,073 \$ 195,652 \$ (139,031) Transfers Out \$ (884,410) \$ 0 \$ 0 \$ (884,410) \$ (884,410) \$ 0 \$ (884,410) \$ 0 \$ (884,410) \$ (884,410) \$ 0 \$ (884,410) \$	Other Debt Service								
Excess (Deficiency) of Revenues Over Expenditures \$ 1,035,017 \$ 36,349 \$ (107,041) \$ 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) Insurance Recovery Insurance Recovery \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ Transfers In Transfers Out (884,410) 0 0 0 (884,410) 0 0 (884,410) Total Other Financing Sources (\$ (818,605) \$ 0 \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 \$ 4,864,918 \$ (36,349) \$ 0 4,828,569 \$ 2,959,943 \$ 2,959,943 \$ 1,868,626	Education						· · · · · · · · · · · · · · · · · · ·	·	21,210
Over Expenditures \$ 1,035,017 \$ 36,349 \$ (107,041) \$ 964,325 \$ (296,073) \$ (638,928) \$ 1,603,253 Other Financing Sources (Uses) Insurance Recovery \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 Transfers In 56,621 0 0 56,621 156,073 195,652 (139,031) Transfers Out (884,410) 0 0 (884,410) 0 0 (884,410) 0 0 Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 2,959,943 1,868,626	Total Expenditures	\$ 54,894,667	\$	(36,349) \$	3 107,041 \$	54,965,359 \$	54,925,887 \$	56,013,521 \$	1,048,162
	Excess (Deficiency) of Revenues								
Insurance Recovery \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 \$ 9,184 \$ 0 Transfers In 56,621 0 0 0 56,621 156,073 195,652 (139,031) Transfers Out (884,410) 0 0 (884,410) 0 (884,410) 0 (884,410) 0 (884,410) 0 Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Over Expenditures	\$ 1,035,017	\$	36,349 \$	(107,041) \$	964,325 \$	(296,073) \$	(638,928) \$	1,603,253
Transfers In 56,621 0 0 56,621 156,073 195,652 (139,031) Transfers Out (884,410) 0 0 (884,410) 0 0 (884,410) 0 0 Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 2,959,943 1,868,626	Other Financing Sources (Uses)								
Transfers Out (884,410) 0 0 (884,410) 0 0 Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Insurance Recovery	\$ 9,184	\$	0 \$	0 \$	9,184 \$	0 \$	9,184 \$	0
Total Other Financing Sources \$ (818,605) \$ 0 \$ (818,605) \$ 156,073 \$ (679,574) \$ (139,031) Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Transfers In	56,621		0	0	56,621	156,073	195,652	(139,031)
Net Change in Fund Balance \$ 216,412 \$ 36,349 \$ (107,041) \$ 145,720 \$ (140,000) \$ (1,318,502) \$ 1,464,222 Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Transfers Out	(884,410)		0	0	(884,410)	0	(884,410)	0
Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Total Other Financing Sources	\$ (818,605)	\$	0 \$	0 \$	(818,605) \$	156,073 \$	(679,574) \$	(139,031)
Fund Balance, July 1, 2017 4,864,918 (36,349) 0 4,828,569 2,959,943 2,959,943 1,868,626	Net Change in Fund Balance	\$ 216,412	\$	36,349 \$	3 (107,041) \$	145,720 \$	(140,000) \$	(1,318,502) \$	1,464,222
Fund Balance, June 30, 2018 \$ 5,081,330 \$ 0 \$ (107,041) \$ 4,974,289 \$ 2,819,943 \$ 1.641.441 \$ 3.332.848	-	 •							
	Fund Balance, June 30, 2018	\$ 5,081,330	\$	0 \$	(107,041) \$	4,974,289 \$	2,819,943 \$	1,641,441 \$	3,332,848

Variance

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, 2018

			D 1 . 1 A		with Final Budget -
		Actual _	mounts Final	Positive (Negative)	
		Actual	Original	rillai	(Negative)
Revenues					
State of Tennessee	\$	22,000 \$	0 \$	22,000 \$	0
Federal Government	*	4,109,837	3,679,872	4,452,020	(342,183)
Total Revenues	\$	4,131,837 \$	3,679,872 \$	4,474,020 \$	(342,183)
Expenditures					
<u>Instruction</u>					
Regular Instruction Program	\$	1,544,647 \$	1,190,481 \$	1,582,540 \$	37,893
Special Education Program		$1,\!175,\!215$	1,192,864	1,342,050	166,835
Career and Technical Education Program		88,264	93,476	88,416	152
Support Services					
Health Services		9,592	0	12,266	2,674
Other Student Support		201,301	$202,\!875$	237,495	36,194
Regular Instruction Program		539,205	461,706	564,851	25,646
Special Education Program		420,881	338,763	491,659	70,778
Career and Technical Education Program		3,607	$4,\!524$	3,681	74
Board of Education		98	0	98	0
Transportation		86,103	75,016	86,218	115
Operation of Non-Instructional Services					
Food Service		6,303	0	7,901	1,598
Community Services		0	101,008	0	0
Total Expenditures	\$	4,075,216 \$	3,660,713 \$	4,417,175 \$	341,959
Excess (Deficiency) of Revenues					
Over Expenditures	\$	56,621 \$	19,159 \$	56,845 \$	(224)
Other Financing Sources (Uses)					
Transfers Out	\$	(56,621) \$	(19,159) \$	(56,845) \$	224
Total Other Financing Sources	<u>\$</u> \$	(56,621) \$	(19,159) \$	(56,845) \$	224
Net Change in Fund Balance	\$	0 \$	0 \$	0 \$	0
Fund Balance, July 1, 2017	<u> </u>	750,000	750,000	750,000	0
Fund Balance, June 30, 2018	\$	750,000 \$	750,000 \$	750,000 \$	0

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, 2018

						Variance with Final Budget -
				Budgeted Ar	nounts	Positive
		Actual		Original	Final	(Negative)
Revenues						
Charges for Current Services	\$	937,534	\$	967,000 \$	967,000 \$	(29,466)
Other Local Revenues	·	7,198	·	2,500	2,500	4,698
State of Tennessee		31,520		34,000	34,000	(2,480)
Federal Government		2,743,100		2,865,557	2,880,039	(136,939)
Total Revenues	\$	3,719,352	\$	3,869,057 \$	3,883,539 \$	(164,187)
Expenditures Operation of Non-Instructional Services Food Service	Ф	2 627 756	Ф	4 55 4 77 4 P	4 570 554 Ф	044.700
	<u>\$</u>		\$	4,554,774 \$	4,572,554 \$	944,798
Total Expenditures	\$	3,627,756	\$	4,554,774 \$	4,572,554 \$	944,798
Excess (Deficiency) of Revenues						
Over Expenditures	\$	91,596	\$	(685,717) \$	(689,015) \$	780,611
Other Financing Sources (Uses)						
Insurance Recovery	\$		\$	0 \$	3,298 \$	0
Total Other Financing Sources	\$	3,298	\$	0 \$	3,298 \$	0
Net Change in Fund Balance Fund Balance, July 1, 2017	\$	94,894 1,359,476	\$	(685,717) \$ 685,717	(685,717) \$ 685,717	780,611 673,759
Fund Balance, June 30, 2018	\$	1,454,370	\$	0 \$	0 \$	1,454,370

<u>Jefferson County, Tennessee</u>
<u>Statement of Net Position - Proprietary Fund</u>
<u>Discretely Presented Jefferson County School Department</u>
<u>June 30, 2018</u>

	A Inte Emplo	vernmental activities - ernal Service Fund yee Insurance - Jental and Vision Fund
<u>ASSETS</u>		1 unu
Current Assets: Cash Equity in Pooled Cash and Investments Due from Primary Government Total Assets	\$	35,009 117,250 38,773 191,032
<u>LIABILITIES</u>		
Current Liabilities: Other Current Liabilities Total Liabilities NET POSITION	<u>\$</u> \$	42,226 42,226
Unrestricted	\$	148,806
Total Net Position	\$	148,806

<u>Jefferson County, Tennessee</u>

Statement of Revenues, Expenses, and Changes in Net Position

Discretely Presented Jefferson County School Department

Proprietary Fund

For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
Operating Revenues Self-Insurance Premiums/Contributions Total Operating Revenues	\$ 461,816 \$ 461,816
Operating Expenses Handling Charges and Administrative Costs Other Self-Insured Claims Total Operating Expenses Operating Income (Loss)	$\begin{array}{r} \$ & 32,076 \\ & 453,648 \\ \hline \$ & 485,724 \\ \$ & (23,908) \end{array}$
Change in Net Position Net Position, July 1, 2017	\$ (23,908) 172,714
Net Position, June 30, 2018	\$ 148,806

<u>Jefferson County, Tennessee</u>

Statement of Cash Flows

Discretely Presented Jefferson County School Department

Proprietary Fund

For the Year Ended June 30, 2018

	Se In	vernmental ctivities - Internal rvice Fund Employee surance - ental and Vision Fund
Cash Flows from Operating Activities Receipts for Self-Insurance Premiums Payments for Claims Payments for Administrative Costs Net Cash Provided By (Used In) Operating Activities	\$ \$	423,043 (448,655) (32,076) (57,688)
Increase (Decrease) in Cash Cash, July 1, 2017	\$	(57,688) 209,947
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities Operating Income (Loss) Adjustment to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: Changes in Assets and Liabilities:	<u>\$</u> \$	152,259 (23,908)
Decrease (Increase) in Due from Primary Government Increase (Decrease) in Accounts Payable		(38,773) 4,993
Net Cash Provided By (Used In) Operating Activities	\$	(57,688)
Reconciliation of Cash With Statement of Net Position Cash Per Net Position Equity in Pooled Cash and Investments Per Net Position	\$ 	35,009 117,250
Cash, June 30, 2018	\$	152,259

MISCELLANEOUS SCHEDULES

Exhibit K-1

<u>Jefferson County, Tennessee</u> <u>Schedule of Changes in Long-term Other Loans and Bonds</u> <u>For the Year Ended June 30, 2018</u>

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-18
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund Local Government Public Improvement (E-3-D) - Refunding Local Government Public Improvement (V-G-1) - Refunding Qualified School Construction Bonds Energy Efficient Schools Initiative Loan, Series 2011 Total Payable through General Debt Service Fund	\$ 13,305,000 13,740,000 10,595,000 2,506,325	Variable 4 to 5 % 0 (1) 2.5	7-31-08 12-10-08 10-7-10 11-2-11	6-1-26 6-1-19 8-1-27 3-1-24	\$ 7,765,000 \$ 2,085,000 6,738,518 1,501,487 \$ 18,090,005 \$	0 \$ 0 0 0 0 \$	1,745,000 661,111 206,784	0 \$ 0 0 0 0 0 \$	6,985,000 340,000 6,077,407 1,294,703 14,697,110
Total Other Loans Payable					\$ 18,090,005 \$	0 \$	3,392,895 \$	0 \$	14,697,110
BONDS PAYABLE									
Payable through General Debt Service Fund									
School Refunding Bonds - Series 2009	10,450,000	3.41	10-20-09	6-1-23	\$ 9,750,000 \$	0 \$	100,000 \$	9,650,000 \$	0
General Obligation Bonds - Series 2010- RZEDB	16,000,000	3.69	12-10-10	6-1-40	16,000,000	0	0	0	16,000,000
General Obligation Bonds - Series 2012	9,900,000	2.62	9-10-12	6-1-36	9,100,000	0	300,000	0	8,800,000
General Obligation Bonds - Series 2013	9,995,000	2.54	4-10-13	6-1-36	9,295,000	0	325,000	0	8,970,000
General Obligation Refunding Bonds - Series 2014	4,285,000	1.45	5-15-14	6-1-27	3,185,000	0	365,000	0	2,820,000
General Obligation Bonds - Series 2015	6,790,000	2.9	4-1-15	6-1-36	6,790,000	0	50,000	0	6,740,000
General Obligation Refunding Bonds - Series 2016	4,215,000	2.51	5-13-16	6-1-37	4,000,000	0	15,000	0	3,985,000
General Obligation Refunding Bonds - Series 2017	8,725,000	1 to 5	10-27-17	6-1-23	0	8,725,000	10,000	0	8,715,000
Total Payable through General Debt Service Fund					\$ 58,120,000 \$	8,725,000 \$	1,165,000 \$	9,650,000 \$	56,030,000
Total Bonds Payable					\$ 58,120,000 \$	8,725,000 \$	1,165,000 \$	9,650,000 \$	56,030,000

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

Exhibit K-2

<u>Jefferson County, Tennessee</u> <u>Schedule of Long-term Debt Requirements by Year</u>

Year Ending		Other	· Lo	ans	
June 30	 Principal	Interest (1)		Other Fees	Total
2019	\$ 2,043,127	\$ 698,901	\$	27,966	\$ 2,769,994
2020	1,733,491	660,103		25,650	2,419,244
2021	1,788,988	637,678		23,264	2,449,930
2022	1,844,628	614,118		20,739	2,479,485
2023	1,900,400	589,437		18,075	2,507,912
2024	1,895,739	563,724		$15,\!270$	2,474,733
2025	1,766,112	540,969		12,327	2,319,408
2026	936,112	519,090		9,243	1,464,445
2027	726,190	513,645		8,476	1,248,311
2028	 62,323	50,586		2,122	115,031
Total	\$ 14,697,110	\$ 5,388,251	\$	163,132	\$ 20,248,493
Year					
Ending				Bonds	
June 30		Principal		Interest	Total
					_
2019		\$ 2,385,000	\$		\$ 4,675,942
2020		2,875,000		$2,\!207,\!592$	5,082,592
2021		2,985,000		2,087,742	5,072,742
2022		2,995,000		1,973,742	4,968,742
2023		3,105,000		1,856,542	4,961,542
2024		1,370,000		1,734,517	3,104,517
2025		1,410,000		1,705,742	3,115,742
2026		1,675,000		1,676,142	3,351,142
2027		1,730,000		1,638,624	3,368,624
2028		1,825,000		1,597,910	3,422,910
2029		1,880,000		$1,\!555,\!956$	3,435,956
2030		1,955,000		1,510,111	3,465,111
2031		2,035,000		$1,\!459,\!222$	3,494,222
2032		2,100,000		1,405,375	3,505,375
2033		2,185,000		1,348,087	3,533,087
2034		2,275,000		1,286,100	3,561,100
2035		2,370,000		1,217,338	3,587,338
2036		2,445,000		1,145,688	3,590,688
2037		3,480,000		1,071,825	$4,\!551,\!825$
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

56,030,000 \$

32,503,292 \$

88,533,292

⁽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, 2018

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General " Courthouse and Jail Maintenance Fund	General Debt Service General Capital Projects General Debt Service	QSCB Tax Rebate Litigation tax for Capital Expenditures Debt Service on Justice Center	\$ 478,975 145,826 70,000
Total Transfers Primary Government		<u></u>	\$ 694,801
DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT			
General Purpose School School Federal Projects	Education Capital Projects General Purpose School	Capital Expenditures Indirect Costs	\$ 884,410 56,621
Total Transfers Discretely Presented Jefferson County School Department		<u> </u>	\$ 941,031

<u>Jefferson County, Tennessee</u>
<u>Schedule of Salaries and Official Bonds of Principal Officials</u>
<u>Primary Government and Discretely Presented Jefferson County School Department</u>
<u>For the Year Ended June 30, 2018</u>

			Salary Paid During		D 1	
Official	Authorization for Salary		Period		Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$	95,057	\$	100,000	Hartford Fire Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	·	89,931		100,000	11
Director of Schools						
Charles Edmonds (7-1-17 through 12-31-17)	State Board of Education and County Board of					
	Education		60,828 ((1)	100,000	"
Sherry Finchum (1-1-18 through 6-30-18) -	State Board of Education					
Interim Director	and County Board of					
	Education		65,135 ((2)	100,000	
Trustee	Section 8-24-102, <i>TCA</i>		81,756		2,465,195	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>		82,506 ((3)	50,000	"
Finance Director	County Commission		84,811		100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>		81,756		100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>		81,756		100,000	11
Clerk and Master	Section 8-24-102, <i>TCA</i>		81,756		100,000	H .
Register of Deeds	Section 8-24-102, <i>TCA</i>		81,756		100,000	II .
Sheriff	Section 8-24-102, <i>TCA</i>		90,531 ((4)	100,000	"
Employee Blanket Bonds						
Public Employee Dishonesty - County Departme	ents				400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Departme					400,000	"

⁽¹⁾ Includes a vacation payout of \$7,578.

⁽²⁾ Includes \$18,000 paid from Director of Schools - County Official/Administrative Officer account, \$46,635 from Attendance - Supervisor/Director account, and \$500 for career ladder program.

⁽³⁾ Includes a salary supplement of \$750 for training/certification incentive.

⁽⁴⁾ Includes a law enforcement training supplement of \$600.

Jefferson County, Tennessee
Schedule of Detailed Revenues All Governmental Fund Types
For the Year Ended June 30, 2018

		 Special Revenue Funds							
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue			
Local Taxes									
County Property Taxes									
Current Property Tax	\$ 9,198,914	\$ 0 \$	0 \$	1,724,792 \$	0 \$	0			
Trustee's Collections - Prior Year	231,413	0	0	43,391	0	0			
Trustee's Collections - Bankruptcy	792	0	0	148	0	0			
Circuit Clerk/Clerk and Master Collections - Prior Years	292,069	0	0	54,763	0	0			
Interest and Penalty	46,341	0	0	8,689	0	0			
Pickup Taxes	47,220	0	0	8,853	0	0			
Payments in-Lieu-of Taxes - Local Utilities	17,326	0	0	3,249	0	0			
Payments in-Lieu-of Taxes - Other	52	0	0	0	0	0			
County Local Option Taxes									
Local Option Sales Tax	867,992	0	0	0	0	0			
Hotel/Motel Tax	362,996	0	0	0	0	0			
Wheel Tax	0	0	0	0	0	0			
Litigation Tax - General	130,302	0	0	0	0	0			
Litigation Tax - Special Purpose	0	0	16,357	0	0	0			
Litigation Tax - Jail, Workhouse, or Courthouse	160,724	64,122	0	0	0	0			
Business Tax	455,108	0	0	0	0	0			
Adequate Facilities/Development Tax	0	0	0	0	0	0			
Statutory Local Taxes									
Bank Excise Tax	21,625	0	0	4,055	0	0			
Wholesale Beer Tax	180,873	0	0	0	0	0			
Total Local Taxes	\$ 12,013,747	\$ 64,122 \$	16,357 \$	1,847,940 \$	0 \$	0			
Licenses and Permits									
Licenses									
Marriage Licenses	\$ 1,563	\$ 0 \$	0 \$	0 \$	0 \$	0			
Cable TV Franchise	67,589	0	0	0	0	0			

			Special Revenue Funds							
		General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue			
Licenses and Permits (Cont.)										
Permits										
Beer Permits	\$	1,425	\$ 0	\$ 0 \$	0 \$	0 \$	0			
Building Permits	•	296,915	0	0	0	0	0			
Other Permits		109,292	0	0	0	0	0			
Total Licenses and Permits	\$	476,784	\$ 0	\$ 0 \$	0 \$	0 \$	0			
Fines, Forfeitures, and Penalties										
Circuit Court										
Fines	\$	45,089	\$ 0	\$ 0 \$	0 \$	0 \$	0			
Officers Costs		21,548	0	0	0	0	0			
Drug Control Fines		0	0	0	0	11,366	0			
Drug Court Fees		5,393	0	0	0	0	0			
Jail Fees		4,055	0	0	0	0	0			
DUI Treatment Fines		765	0	0	0	0	0			
Data Entry Fee - Circuit Court		5,125	0	0	0	0	0			
Courtroom Security Fee		17	0	0	0	0	0			
General Sessions Court										
Fines		129,345	0	0	0	0	0			
Fines for Littering		156	0	0	0	0	0			
Officers Costs		70,109	0	0	0	0	0			
Game and Fish Fines		1,829	0	0	0	0	0			
Drug Control Fines		0	0	0	0	16,353	0			
Drug Court Fees		16,897	0	0	0	0	0			
Jail Fees		53,858	0	0	0	0	0			
DUI Treatment Fines		12,154	0	0	0	0	0			
Data Entry Fee - General Sessions Court		23,398	0	0	0	0	0			
Courtroom Security Fee		1,855	0	0	0	0	0			

		Special Revenue Funds							
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue			
Fines, Forfeitures, and Penalties (Cont.)									
<u>Juvenile Court</u>									
Fines	\$ 7,302	\$ 0 \$	0 \$	0 \$	0 \$	0			
Officers Costs	7,604	0	0	0	0	0			
Data Entry Fee - Juvenile Court	872	0	0	0	0	0			
<u>Chancery Court</u>									
Officers Costs	528	0	0	0	0	0			
Data Entry Fee - Chancery Court	5,072	0	0	0	0	0			
Judicial District Drug Program									
Victims Assistance Assessments	36,716	0	0	0	0	0			
Other Fines, Forfeitures, and Penalties									
Proceeds from Confiscated Property	0	0	0	0	12,917	0			
Other Fines, Forfeitures, and Penalties	21,708	0	0	0	0	0			
Total Fines, Forfeitures, and Penalties	\$ 471,395	\$ 0 \$	0 \$	0 \$	40,636 \$	0			
Charges for Current Services									
General Service Charges									
Patient Charges	\$ 3,339,755	\$ 0 \$	0 \$	0 \$	0 \$	0			
Other General Service Charges	2,800	0	0	0	0	0			
$\underline{\text{Fees}}$									
Copy Fees	547	0	0	0	0	0			
Library Fees	26,795	0	0	0	0	0			
Greenbelt Late Application Fee	100	0	0	0	0	0			
Telephone Commissions	81,040	0	0	0	0	0			
Vending Machine Collections	300	0	0	0	0	0			
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0			
Data Processing Fee - Register	16,940	0	0	0	0	0			

		s					
		General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
Charges for Current Services (Cont.)							
Fees (Cont.)							
Data Processing Fee - Sheriff	\$	6,925	\$ 0 \$	0 \$	0 \$	0 \$	0
Sexual Offender Registration Fee - Sheriff		10,200	0	0	0	0	0
Data Processing Fee - County Clerk		579	0	0	0	0	0
Subscription and Document Retrieval Fee - Circuit		2,340	0	0	0	0	0
Total Charges for Current Services	\$	3,488,321	\$ 0 \$	0 \$	0 \$	0 \$	0
Other Local Revenues							
Recurring Items							
Investment Income	\$	0	\$ 0 \$	0 \$	0 \$	384 \$	4,686
Lease/Rentals		7,200	0	0	0	0	752,000
Commissary Sales		37,171	0	0	0	0	0
Sale of Maps		40	0	0	0	0	0
Sale of Recycled Materials		2,415	0	0	0	0	0
E-Rate Funding		751	0	0	0	0	0
Miscellaneous Refunds		161,294	0	0	0	0	0
Expenditure Credits		978	0	0	0	0	0
Nonrecurring Items							
Sale of Equipment		0	0	0	$7,\!544$	0	0
Sale of Property		1,153	0	0	0	0	0
Contributions and Gifts		75,900	0	0	0	0	0
Other Local Revenues							
Other Local Revenues		405,314	0	0	0	0	0
Total Other Local Revenues	\$	692,216	\$ 0 \$	0 \$	7,544 \$	384 \$	756,686

			Special Revenue Funds							
		General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue			
Fees Received From County Officials										
Excess Fees										
County Clerk	\$	224,000	\$ 0 \$	0 \$	0 \$	0 \$	0			
Trustee	Ψ	676,000	$\overset{\circ}{0}$	0	0	0	0			
Fees In-Lieu-of Salary		0.0,000	· ·	ŭ	v	· ·	v			
Circuit Court Clerk		289,898	0	0	0	0	0			
General Sessions Court Clerk		409,210	0	0	0	0	0			
Clerk and Master		$145,\!492$	0	0	0	0	0			
Juvenile Court Clerk		34,170	0	0	0	0	0			
Register		257,987	0	0	0	0	0			
Sheriff		32,117	0	0	0	0	0			
Total Fees Received From County Officials	\$	2,068,874	\$ 0 \$	0 \$	0 \$	0 \$	0			
State of Tennessee										
General Government Grants										
Juvenile Services Program	\$	9,000	\$ 0 \$	0 \$	0 \$	0 \$	0			
Aging Programs		11,562	0	0	0	0	0			
Public Safety Grants										
Law Enforcement Training Programs		28,800	0	0	0	0	0			
Health and Welfare Grants										
Health Department Programs		130,674	0	0	0	0	0			
<u>Public Works Grants</u>										
Litter Program		51,873	0	0	0	0	0			
Other State Revenues										
Vehicle Certificate of Title Fees		13,208	0	0	0	0	0			
State Revenue Sharing - Telecommunications		54,490	0	0	0	0	0			
Emergency Hospital - Prisoners		928	0	0	0	0	0			

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			
State of Tennessee (Cont.)									
Other State Revenues (Cont.)									
Contracted Prisoner Boarding	\$ 1,588,308	\$ 0 \$	0 \$	0 \$	0 \$	0			
Gasoline and Motor Fuel Tax	0	0	0	0	0	0			
Petroleum Special Tax	0	0	0	0	0	0			
Registrar's Salary Supplement	15,164	0	0	0	0	0			
Other State Grants	115,124	0	0	0	0	0			
Other State Revenues	 9,370	0	0	0	0	0			
Total State of Tennessee	\$ 2,028,501	\$ 0 \$	0 \$	0 \$	0 \$	0			
Federal Government									
Federal Through State									
Homeland Security Grants	\$ 17,834	\$ 0 \$	0 \$	0 \$	0 \$	0			
Medicaid	142,327	0	0	0	0	0			
Other Federal through State	201,121	0	0	0	0	0			
<u>Direct Federal Revenue</u>									
Asset Forfeiture Funds	0	0	0	0	43,988	0			
Tax Credit Bond Rebate	478,975	0	0	0	0	0			
Other Direct Federal Revenue	 56,489	0	0	0	0	0			
Total Federal Government	\$ 896,746	\$ 0 \$	0 \$	0 \$	43,988 \$	0			
Other Governments and Citizens Groups									
Other Governments									
Contributions	\$ 142,440	\$ 0 \$	0 \$	0 \$	0 \$	0			
<u>Citizens Groups</u>									
Donations	300	0	0	0	0	0			

			Special Revenue Funds								
		General	Courthouse and Jail Maintenance		∡aw orary	Solid Waste / Sanitation	Dry Con	0	Other Special Revenue		
Other Governments and Citizens Groups (Cont.) Other Other	¢	1,460	\$ 0	· C	0 \$	0	\$	2 0	0		
Total Other Governments and Citizens Groups	\$	144,200	•	\$	0 \$	0	\$	0 \$	0		
Total	\$	22,280,784	\$ 64,122	\$	16,357 \$	1,855,484	\$ 8	35,008 \$	756,686		

	_	Special Rever	nue Funds	Debt Service Fund	Capital Projects Fund	
		Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	\$	0 \$	2,299,732 \$	2,529,701 \$	1,264,842 \$	17,017,981
Trustee's Collections - Prior Year		0	57,854	63,639	31,819	428,116
Trustee's Collections - Bankruptcy		0	198	218	109	1,465
Circuit Clerk/Clerk and Master Collections - Prior Years		0	73,017	80,319	40,159	540,327
Interest and Penalty		0	11,586	12,744	6,372	85,732
Pickup Taxes		0	11,804	12,984	6,487	87,348
Payments in-Lieu-of Taxes - Local Utilities		0	4,331	4,765	2,382	32,053
Payments in-Lieu-of Taxes - Other		0	0	0	0	52
County Local Option Taxes						
Local Option Sales Tax		0	0	1,355,246	0	2,223,238
Hotel/Motel Tax		0	0	0	0	362,996
Wheel Tax		0	0	2,281,356	0	2,281,356
Litigation Tax - General		0	0	0	0	130,302
Litigation Tax - Special Purpose		0	0	0	0	16,357
Litigation Tax - Jail, Workhouse, or Courthouse		0	0	0	0	224,846
Business Tax		0	0	0	0	455,108
Adequate Facilities/Development Tax		0	0	343,737	0	343,737
Statutory Local Taxes						
Bank Excise Tax		0	5,406	5,947	2,973	40,006
Wholesale Beer Tax		0	0	0	0	180,873
Total Local Taxes	\$	0 \$	2,463,928 \$	6,690,656 \$	1,355,143 \$	24,451,893
Licenses and Permits						
<u>Licenses</u>						
Marriage Licenses	\$	0 \$	0 \$	0 \$	0 \$	1,563
Cable TV Franchise		0	0	0	0	67,589

$\frac{\text{Special Revenue Funds}}{\text{Constitu}} = \frac{\begin{array}{c} \text{Debt Service} \\ \text{Fund} \end{array}}{\text{Fund}} = \frac{\text{Fund}}{\text{Fund}}$	Total
Licenses and Permits (Cont.)	
<u>Permits</u> Beer Permits \$ 0 \$ 0 \$ 0 \$	1 405
	1,425
Building Permits 0 0 0 0 Other Permits 0 0 0 0	296,915
	109,292 476,784
Total Licenses and Permits \$ 0 \$ 0 \$ 0 \$	476,784
Fines, Forfeitures, and Penalties	
Circuit Court	
Fines \$ 0 \$ 0 \$ 0 \$	45,089
Officers Costs $0 \qquad 0 \qquad 0$	21,548
Drug Control Fines 0 0 0	11,366
Drug Court Fees 0 0 0	5,393
Jail Fees 0 0 0	4,055
DUI Treatment Fines 0 0 0	765
Data Entry Fee - Circuit Court 0 0 0	5,125
Courtroom Security Fee 0 0 0 0	17
General Sessions Court	
Fines 0 0 0	129,345
Fines for Littering 0 0 0	156
Officers Costs 0 0 0	70,109
Game and Fish Fines 0 0 0	1,829
Drug Control Fines 0 0 0	16,353
Drug Court Fees 0 0 0	16,897
Jail Fees 0 0 0	53,858
DUI Treatment Fines 0 0 0	12,154
Data Entry Fee - General Sessions Court 0 0 0	23,398
Courtroom Security Fee 0 0 0 0	1,855

	_	Special Re	ever	nue Funds	Debt Service Fund	Capital Projects Fund	
		Constitu - tional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)							
Juvenile Court							
Fines	\$		\$	0 \$	0 \$	0 \$	7,302
Officers Costs		0		0	0	0	7,604
Data Entry Fee - Juvenile Court		0		0	0	0	872
<u>Chancery Court</u>							
Officers Costs		0		0	0	0	528
Data Entry Fee - Chancery Court		0		0	0	0	5,072
Judicial District Drug Program							
Victims Assistance Assessments		0		0	0	0	36,716
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property		0		0	0	0	12,917
Other Fines, Forfeitures, and Penalties	_	0	_	0	0	0	21,708
Total Fines, Forfeitures, and Penalties	\$	0	\$	0 \$	0 \$	0 \$	512,031
Charges for Current Services							
General Service Charges							
Patient Charges	\$	0	\$	0 \$	0 \$	0 \$	3,339,755
Other General Service Charges		0		236,094	0	0	238,894
$\underline{\mathrm{Fees}}$							
Copy Fees		0		0	0	0	547
Library Fees		0		0	0	0	26,795
Greenbelt Late Application Fee		0		0	0	0	100
Telephone Commissions		0		0	0	0	81,040
Vending Machine Collections		0		0	0	0	300
Constitutional Officers' Fees and Commissions		741,146		0	0	0	741,146
Data Processing Fee - Register		0		0	0	0	16,940

<u>Jefferson County, Tennessee</u>

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	_	Special Reve	enue Funds	Debt Service Fund	Capital Projects Fund	
		tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.) Fees (Cont.)						
Data Processing Fee - Sheriff	\$	0 \$	0 9	\$ 0	\$ 0 \$	6,925
Sexual Offender Registration Fee - Sheriff		0	0	0	0	10,200
Data Processing Fee - County Clerk		0	0	0	0	579
Subscription and Document Retrieval Fee - Circuit		0	0	0	0	2,340
Total Charges for Current Services	\$	741,146 \$	236,094	\$ 0	\$ 0 \$	4,465,561
Other Local Revenues Recurring Items						
Investment Income	\$	4,898 \$	0 8	\$ 357,941	\$ 0 \$	367,909
Lease/Rentals	Ψ	0	0	0	0	759,200
Commissary Sales		0	0	0	0	37,171
Sale of Maps		0	0	0	0	40
Sale of Recycled Materials		0	0	0	487	2,902
E-Rate Funding		0	0	0	0	751
Miscellaneous Refunds		0	0	0	745	162,039
Expenditure Credits		0	74	0	0	1,052
Nonrecurring Items						,
Sale of Equipment		0	0	0	0	7,544
Sale of Property		0	0	0	0	1,153
Contributions and Gifts		0	0	0	0	75,900
Other Local Revenues						
Other Local Revenues	_	0	0	418,497	0	823,811
Total Other Local Revenues	\$	4,898 \$	74 9	\$ 776,438	\$ 1,232 \$	2,239,472

	-	Special Reve Constitu - tional Officers - Fees	enue Funds Highway / Public Works	Debt Service Fund General Debt Service	Capital Projects Fund General Capital Projects	Total
Fees Received From County Officials						
Excess Fees						
County Clerk	\$	0 \$			0 \$	224,000
Trustee		0	0	0	0	676,000
Fees In-Lieu-of Salary			0	0	0	200.000
Circuit Court Clerk		0	0	0	0	289,898
General Sessions Court Clerk		0	0	0	0	409,210
Clerk and Master		0	0	0	0	145,492
Juvenile Court Clerk		0	0	0	0	34,170
Register		0	0	0	0	257,987
Sheriff The last provided France Country Officials	ф	0	0 8	0	0	32,117
Total Fees Received From County Officials	\$	0 \$	0 8	8 0 \$	0 \$	2,068,874
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$	0 \$	0 8	\$ 0 \$	0 \$	9,000
Aging Programs		0	0	0	0	11,562
Public Safety Grants						
Law Enforcement Training Programs		0	0	0	0	28,800
<u>Health and Welfare Grants</u>						
Health Department Programs		0	0	0	0	130,674
Public Works Grants						
Litter Program		0	0	0	0	51,873
Other State Revenues						
Vehicle Certificate of Title Fees		0	0	0	0	13,208
State Revenue Sharing - Telecommunications		0	0	0	0	54,490
Emergency Hospital - Prisoners		0	0	0	0	928

Schedule of Detailed Revenues All Governmental Fund Types (Cont.)

	Special Re	even	ue Funds	Debt Service Fund		Capital Projects Fund	
	Constitu - tional Officers - Fees		Highway / Public Works	General Debt Service		General Capital Projects	Total
	1005		Wollie	SCIVICO		110,000	10001
State of Tennessee (Cont.)							
Other State Revenues (Cont.)	0	Ф	0 0	0	Ф	ο Φ	1 700 000
Contracted Prisoner Boarding Gasoline and Motor Fuel Tax \$ State		\$	0 \$ 2,155,240	0	\$	0 \$ 0	1,588,308 2,155,240
Petroleum Special Tax	0		2,155,240 37,093	0		0	37,093
Registrar's Salary Supplement	0		37,093 0	0		0	15,164
Other State Grants	0		0	0		0	115,124
Other State Revenues	0		0	0		0	9,370
Total State of Tennessee \$		\$	2,192,333 \$		\$	0 \$	4,220,834
Federal Government							
Federal Through State							
Homeland Security Grants \$	0	\$	0 \$	0	\$	0 \$	17,834
Medicaid	0		0	0	т	0	142,327
Other Federal through State	0		0	0		0	201,121
Direct Federal Revenue							,
Asset Forfeiture Funds	0		0	0		0	43,988
Tax Credit Bond Rebate	0		0	445,518		0	924,493
Other Direct Federal Revenue	0		0	0		0	56,489
Total Federal Government \$	0	\$	0 \$	445,518	\$	0 \$	1,386,252
Other Governments and Citizens Groups							
Other Governments							
Contributions \$	0	\$	0 \$	0	\$	0 \$	142,440
Citizens Groups							
Donations	0		0	0		0	300

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

	_	Special Reve	enue Funds	Debt Service Fund	Capital Projects Fund	
		Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Governments and Citizens Groups (Cont.) Other Other	\$	0 \$	0 \$	0 \$	0 \$	1,460
Total Other Governments and Citizens Groups	\$	0 \$	·	0 \$	0 \$	144,200
Total	_\$	746,044 \$	4,892,429 \$	7,912,612 \$	1,356,375 \$	39,965,901

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Jefferson County School Department

For the Year Ended June 30, 2018

			Special Reven	uie Funds	Capital Projects Fund	
		_		ide i dilas	<u> </u>	
		General	School		Education	
		Purpose School	Federal Projects	Central Cafeteria	Capital Projects	Total
		School	Projects	Caleteria	Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	\$	10,003,809 \$	0 \$	0 \$	0 \$	10,003,809
Trustee's Collections - Prior Year		251,662	0	0	0	251,662
Trustee's Collections - Bankruptcy		844	0	0	0	844
Circuit Clerk/Clerk and Master Collections - Prior Years		317,642	0	0	0	317,642
Interest and Penalty		47,804	0	0	0	47,804
Pickup Taxes		49,657	0	0	0	49,657
Payments in-Lieu-of Taxes - T.V.A.		12,189	0	0	0	12,189
Payments in-Lieu-of Taxes - Local Utilities		16,810	0	0	0	16,810
County Local Option Taxes						
Local Option Sales Tax		5,230,618	0	0	0	5,230,618
Mixed Drink Tax		32,904	0	0	0	32,904
Statutory Local Taxes						
Bank Excise Tax		23,517	0	0	0	23,517
Total Local Taxes	\$	15,987,456 \$	0 \$	0 \$	0 \$	15,987,456
Licenses and Permits						
<u>Licenses</u>						
Marriage Licenses	<u>\$</u> \$	3,126 \$	0 \$	0 \$	0 \$	3,126
Total Licenses and Permits	<u>\$</u>	3,126 \$	0 \$	0 \$	0 \$	3,126
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$	0 \$	0 \$	458,035 \$	0 \$	458,035
Lunch Payments - Adults		0	0	39,114	0	39,114

Exhibit K-6

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

		_	Special Reven	ue Funds	Capital Projects Fund	
		General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
Charges for Current Services (Cont.)						
Education Charges (Cont.)						
Income from Breakfast	\$	0 \$	0 \$	76,037 \$	0 \$	76,037
A la Carte Sales		0	0	358,625	0	358,625
Receipts from Individual Schools		55,703	0	0	0	55,703
Community Service Fees - Children		160,165	0	0	0	160,165
Other Charges for Services		0	0	5,723	0	5,723
Total Charges for Current Services	\$	215,868 \$	0 \$	937,534 \$	0 \$	1,153,402
Other Local Revenues						
Recurring Items						
Investment Income	\$	0 \$	0 \$	7,198 \$	0 \$	7,198
Sale of Recycled Materials		8,065	0	0	0	8,065
Miscellaneous Refunds		1,762	0	0	0	1,762
Nonrecurring Items		·				
Damages Recovered from Individuals		102	0	0	0	102
Contributions and Gifts		1,150	0	0	0	1,150
Other Local Revenues						
Other Local Revenues		190	0	0	0	190
Total Other Local Revenues	\$	11,269 \$	0 \$	7,198 \$	0 \$	18,467
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$	285,507 \$	0 \$	0 \$	0 \$	285,507
State Education Funds	т	,· Ψ	- Ψ	σ φ	- Y	,
Basic Education Program		36,347,288	0	0	0	36,347,288

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

	_	Special Rever	nue Funds	Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
Early Childhood Education	\$ 772,944 \$	0 \$	0 \$	0 \$	772,944
School Food Service	0	0	31,520	0	31,520
Other State Education Funds	495,238	0	0	0	495,238
Coordinated School Health	110,000	0	0	0	110,000
Family Resource Centers	88,835	0	0	0	88,835
Career Ladder Program	117,767	0	0	0	117,767
Vocational Equipment	0	22,000	0	0	22,000
Other State Revenues					
Income Tax	142,379	0	0	0	142,379
Beer Tax	17,839	0	0	0	17,839
Alcoholic Beverage Tax	85,930	0	0	0	85,930
State Revenue Sharing - T.V.A.	1,006,702	0	0	0	1,006,702
Other State Grants	5,000	0	0	0	5,000
Safe Schools	 37,538	0	0	0	37,538
Total State of Tennessee	\$ 39,512,967 \$	22,000 \$	31,520 \$	0 \$	39,566,487
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0 \$	0 \$	1,795,443 \$	0 \$	1,795,443
USDA - Commodities	0	0	285,799	0	285,799
Breakfast	0	0	647,376	0	647,376
USDA Food Service Equipment Grant	0	0	14,482	0	14,482
Vocational Education - Basic Grants to States	0	120,691	0	0	120,691
Title I Grants to Local Education Agencies	0	1,781,771	0	0	1,781,771

Exhibit K-6

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

	_	Special Rever	nue Funds	Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
Special Education - Grants to States	\$ 20,952 \$	1,634,890 \$	0 \$	0 \$	1,655,842
Special Education Preschool Grants	0	51,407	0	0	51,407
English Language Acquisition Grants	0	31,833	0	0	31,833
Eisenhower Professional Development State Grants	0	261,583	0	0	261,583
Other Federal through State	0	227,662	0	0	227,662
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	 60,445	0	0	0	60,445
Total Federal Government	\$ 81,397 \$	4,109,837 \$	2,743,100 \$	0 \$	6,934,334
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 0 \$	0 \$	0 \$	1,025,940 \$	1,025,940
<u>Other</u>					
Other	 117,601	0	0	0	117,601
Total Other Governments and Citizens Groups	\$ 117,601 \$	0 \$	0 \$	1,025,940 \$	1,143,541
Total	\$ 55,929,684 \$	4,131,837 \$	3,719,352 \$	1,025,940 \$	64,806,813

Jefferson County, Tennessee Schedule of Detailed Expenditures All Governmental Fund Types For the Year Ended June 30, 2018

General Fund				
General Government				
County Commission				
Medical Personnel	\$	38,000		
Clerical Personnel	·	24,471		
Longevity Pay		859		
Overtime Pay		312		
Bonus Payments		534		
Board and Committee Members Fees		88,525		
Social Security		7,110		
Pensions		3,148		
Life Insurance		46		
Medical Insurance		1,947		
Dental Insurance		45		
Unemployment Compensation		104		
Employer Medicare		1,663		
Advertising		9,603		
Advertising Audit Services		19,021		
Dues and Memberships		3,712		
		,		
Legal Services Other Contracted Services		55,557		
		59,626		
Office Supplies		$\begin{array}{c} 262 \\ 414 \end{array}$		
Other Charges		414	Ф	214.050
Total County Commission			\$	314,959
Board of Equalization				
Board of Equalization Board and Committee Members Fees	\$	96		
	\$	96		96
Board and Committee Members Fees Total Board of Equalization	\$	96		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive				96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer	<u>\$</u>	95,057		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay		95,057 1,600		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments		95,057 1,600 1,385		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages		95,057 1,600 1,385 68,792		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security		95,057 1,600 1,385 68,792 9,983		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions		95,057 1,600 1,385 68,792 9,983 21,071		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance		95,057 1,600 1,385 68,792 9,983 21,071 157		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication Legal Services		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005 3,150		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication Legal Services Pauper Burials		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005 3,150 5,018		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication Legal Services Pauper Burials Gasoline		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005 3,150 5,018 1,210		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication Legal Services Pauper Burials Gasoline Office Supplies		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005 3,150 5,018 1,210 796		96
Board and Committee Members Fees Total Board of Equalization County Mayor/Executive County Official/Administrative Officer Longevity Pay Bonus Payments Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Advertising Communication Legal Services Pauper Burials Gasoline		95,057 1,600 1,385 68,792 9,983 21,071 157 26,887 540 112 2,335 100 1,005 3,150 5,018 1,210		96 241,247

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission				
Supervisor/Director	\$	73,580		
Clerical Personnel	Φ	60,525		
Part-time Personnel		12,208		
Longevity Pay		1,500		
Bonus Payments		1,496		
Election Commission		7,055		
Election Workers		22,600		
Social Security		8,826		
Pensions		17,309		
Life Insurance		220		
Medical Insurance		32,697		
Dental Insurance		540		
Unemployment Compensation		252		
Employer Medicare		2,064		
Advertising		2,343		
Communication		3,312		
Data Processing Services		4,700		
Dues and Memberships		4,075		
Maintenance Agreements		12,954		
Postal Charges		1,254		
Printing, Stationery, and Forms		1,102		
Travel		9,894		
Other Contracted Services		770		
		180		
Data Processing Supplies				
Office Supplies		2,512		
Data Processing Equipment		800	Ф	904 500
Total Election Commission			\$	284,768
Register of Deeds				
County Official/Administrative Officer	\$	81,756		
Clerical Personnel		115,240		
Part-time Personnel		13,156		
Longevity Pay		2,100		
Bonus Payments		2,595		
Social Security		13,030		
Pensions		24,372		
Life Insurance		293		
Medical Insurance		30,567		
Dental Insurance		720		
Unemployment Compensation		282		
Employer Medicare		3,047		
Data Processing Services		16,372		
Dues and Memberships		440		
Maintenance Agreements		1,590		
Travel		3,019		
Data Processing Supplies		424		
Office Supplies		1,209		
Other Charges		721		010 000
Total Register of Deeds				310,933

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

General Fund (Cont.)			
General Government (Cont.)			
<u>Codes Compliance</u>			
Supervisor/Director	\$ $49,\!254$		
Clerical Personnel	29,091		
Longevity Pay	2,600		
Bonus Payments	1,595		
Social Security	5,064		
Pensions	10,425		
Life Insurance	146		
Medical Insurance	15,336		
Dental Insurance	360		
Unemployment Compensation	112		
Employer Medicare	1,184		
Communication	811		
Gasoline	1,169		
Office Supplies	390		
Other Charges	176		
Total Codes Compliance	1.0	\$	117,713
Total Godos Compilance		Ψ	111,,110
County Buildings			
Supervisor/Director	\$ 43,390		
Custodial Personnel	71,675		
Maintenance Personnel	90,164		
Longevity Pay	5,500		
Overtime Pay	658		
Bonus Payments	4,195		
Social Security	13,043		
Pensions	26,379		
Life Insurance	453		
Medical Insurance	55,148		
Dental Insurance	1,065		
Unemployment Compensation	411		
Employer Medicare	3,050		
Communication	17,869		
Maintenance Agreements	95,044		
Maintenance and Repair Services - Buildings	219,904		
Pest Control	6,920		
Postal Charges	41,106		
Rentals	63,268		
Other Contracted Services	13,040		
Custodial Supplies	9,755		
Diesel Fuel	49		
Electricity	112,265		
Gasoline	10,416		
Natural Gas	34,710		
Office Supplies	1,836		
Uniforms	4,782		
Water and Sewer	28,741		
	46,127		
Building and Contents Insurance	40,127		

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

General Fund (Cont.)			
General Government (Cont.)			
County Buildings (Cont.)			
Vehicle and Equipment Insurance	\$	3,226	
Other Charges		6,656	
Other Equipment		2,541	
Total County Buildings			\$ 1,033,386
Oct. B. The			
Other Facilities	.	10.100	
Supervisor/Director	\$	42,160	
Mechanic(s)		64,843	
Longevity Pay		3,100	
Overtime Pay		1,532	
Bonus Payments		2,190	
Social Security		6,767	
Pensions		14,376	
Life Insurance		220	
Medical Insurance		26,852	
Dental Insurance		360	
Unemployment Compensation		168	
Employer Medicare		1,583	
Communication		1,972	
Other Contracted Services		1,210	
Gasoline		5,318	
Office Supplies		1,189	
Tires and Tubes		32,859	
Uniforms		3,716	
Vehicle Parts		122,422	
Other Charges		686	
Other Equipment		1,995	
Total Other Facilities			335,518
Preservation of Records			
Maintenance and Repair Services - Office Equipment	\$	2,173	
Office Supplies	Ψ	3,088	
Data Processing Equipment		3,557	
Total Preservation of Records		5,551	8,818
Total Treservation of Records			0,010
<u>Finance</u>			
Accounting and Budgeting			
Assistant(s)	\$	44,843	
Supervisor/Director		84,811	
Deputy(ies)		45,450	
Longevity Pay		7,600	
Bonus Payments		9,086	
Other Salaries and Wages		278,432	
Social Security		27,444	
Pensions		57,517	
Life Insurance		767	
Medical Insurance		100,697	

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

General Fund (Cont.)			
Finance (Cont.)			
Accounting and Budgeting (Cont.)	Ф	1.050	
Dental Insurance	\$	1,950	
Unemployment Compensation		617	
Employer Medicare		6,418	
Communication		2,607	
Maintenance Agreements		27,669	
Travel		213	
Other Contracted Services		4,140	
Data Processing Supplies		2,942	
Office Supplies		$3,\!250$	
Other Charges		1,661	
Office Equipment		250	
Total Accounting and Budgeting			\$ 708,364
Property Assessor's Office			
County Official/Administrative Officer	\$	82,506	
Assessment Personnel		223,832	
Part-time Personnel		17,292	
Longevity Pay		5,000	
Bonus Payments		4,669	
Social Security		19,732	
Pensions		39,870	
Life Insurance		487	
Medical Insurance		56,489	
Dental Insurance		975	
Unemployment Compensation		392	
Employer Medicare		4,615	
Audit Services		17,718	
Communication		84	
Data Processing Services		24,280	
Maintenance Agreements		3,733	
Travel		858	
Other Contracted Services		384	
Gasoline		2,026	
Office Supplies		284	
Other Supplies and Materials		2,656	
Other Charges		189	
Data Processing Equipment		1,985	
Furniture and Fixtures		794	
Total Property Assessor's Office		134	510,850
			910,000
County Trustee's Office			
Life Insurance	\$	200	
Medical Insurance		35,767	
Dental Insurance		540	
Unemployment Compensation		280	
Communication		1,848	
Data Processing Services		9,631	

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

neral Fund (Cont.)			
<u>'inance (Cont.)</u>			
County Trustee's Office (Cont.)			
Legal Notices, Recording, and Court Costs	\$	345	
Maintenance Agreements		17,162	
Travel		1,464	
Gasoline		55	
Office Supplies		1,597	
Other Charges		101	
Data Processing Equipment		1,005	
Total County Trustee's Office			\$ 69,99
County Clerk's Office			
Life Insurance	\$	608	
Medical Insurance		77,994	
Dental Insurance		1,620	
Unemployment Compensation		532	
Communication		3,219	
Dues and Memberships		375	
Maintenance Agreements		17,113	
Travel		1,755	
Office Supplies		9,076	
Other Charges		246	
Data Processing Equipment		10,113	
Total County Clerk's Office		· · · · · · · · · · · · · · · · · · ·	122,65
Data Processing			
Supervisor/Director	\$	56,325	
Longevity Pay	,	800	
Bonus Payments		1,125	
Social Security		3,641	
Pensions		7,357	
Life Insurance		73	
Medical Insurance		7,381	
Dental Insurance		180	
Unemployment Compensation		56	
Employer Medicare		852	
Communication		715	
Other Contracted Services		31,314	
Gasoline		772	
Office Supplies		462	
Other Charges		2,366	
Data Processing Equipment		233	
Other Equipment		2,891	
Total Data Processing			116,54
Other Finance			
Legal Notices, Recording, and Court Costs	\$	188	
Liability Insurance	Ψ	114,286	
Premiums on Corporate Surety Bonds		1,363	
r remains on Corporate Burety Dollus		1,505	

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

General Fund (Cont.) Finance (Cont.) Other Finance (Cont.) Trustee's Commission Workers' Compensation Insurance Liability Claims Tax Relief Program Total Other Finance	\$	262,895 19,941 3,500 145,922	\$ 548,095
Administration of Justice Circuit Court			
County Official/Administrative Officer	\$	81,756	
Clerical Personnel	Ψ	338,166	
Part-time Personnel		7,720	
Longevity Pay		12,100	
Overtime Pay		735	
Bonus Payments		6,609	
Jury and Witness Expense		$5{,}009$	
Social Security		26,500	
Pensions		55,475	
Life Insurance		805	
Medical Insurance		91,449	
Dental Insurance		1,875	
Unemployment Compensation		613	
Employer Medicare		6,198	
Communication		3,449	
Legal Notices, Recording, and Court Costs		5,445	
Maintenance Agreements		33,475	
Postal Charges		7,499	
Internet Connectivity		8,464	
Travel		571	
Other Contracted Services		52,815	
Office Supplies		8,273	
Other Charges		443	
Total Circuit Court		110	750,049
General Sessions Court	Ф	100 700	
County Official/Administrative Officer	\$	163,593	
Secretary(ies)		37,782	
Longevity Pay		1,500	
Bonus Payments		775	
Other Per Diem and Fees		20,261	
Social Security		10,397	
Pensions		25,721	
Life Insurance		146	
Medical Insurance		17,229	
Dental Insurance		360	
Unemployment Compensation		56	
Employer Medicare		2,934	
Dues and Memberships		580	

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

General Fund (Cont.) Administration of Justice (Cont.)			
General Sessions Court (Cont.)			
· · · · · · · · · · · · · · · · · · ·	Ф	814	
Maintenance Agreements	\$		
Postal Charges		92	
Travel		1,552	
Library Books/Media		1,616	
Office Supplies		1,860	
Other Charges		16	
Office Equipment		1,187	
Total General Sessions Court			\$ 288,471
Drug Court			
Contracts with Government Agencies	\$	38,425	
Total Drug Court			38,425
Chancery Court			
County Official/Administrative Officer	\$	81,756	
Assistant(s)		38,816	
Deputy(ies)		36,484	
Longevity Pay		1,500	
Bonus Payments		1,533	
Social Security		9,589	
Pensions		18,413	
Life Insurance		15,413 153	
Medical Insurance			
		21,998	
Dental Insurance		525	
Unemployment Compensation		193	
Employer Medicare		2,243	
Advertising		1,745	
Communication		168	
Dues and Memberships		260	
Maintenance Agreements		8,799	
Travel		80	
Office Supplies		1,294	
Other Charges		45	
Total Chancery Court			225,594
Juvenile Court			
Youth Service Officer(s)	\$	111,776	
Attendants	•	38,687	
Longevity Pay		5,600	
Bonus Payments		3,088	
In-service Training		600	
Social Security		9,357	
Pensions		20,101	
Life Insurance		293	
Medical Insurance		32,425	
Dental Insurance			
		540	
Unemployment Compensation		224	

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

General Fund (Cont.)			
Administration of Justice (Cont.)			
Juvenile Court (Cont.)			
Employer Medicare	\$	2,188	
Communication		1,962	
Contracts with Government Agencies		16,040	
Data Processing Services		3,253	
Dues and Memberships		120	
Maintenance Agreements		4,556	
Postal Charges		141	
Travel		2,446	
Drug Treatment		419	
Gasoline		1,114	
Law Enforcement Supplies		198	
Office Supplies		3,582	
Uniforms		194	
Other Supplies and Materials		4,975	
Total Juvenile Court			\$ 263,879
Other Administration of Justice			
Evaluation and Testing	\$	900	
Other Charges		3,105	
Total Other Administration of Justice			4,005
Victim Assistance Programs			
Other Salaries and Wages	\$	30,246	
Social Security	ψ	1,851	
Pensions		1,896	
Life Insurance		67	
Medical Insurance		7,015	
Dental Insurance		165	
Unemployment Compensation		117	
Employer Medicare		433	
Postal Charges		198	
Travel		423	
Remittance of Revenue Collected		40,335	
Office Supplies		493	
Other Charges		455	
Data Processing Equipment		271	
Total Victim Assistance Programs		211	83,555
10tal victim rissistance riograms			00,000
Public Safety			
Sheriff's Department			
County Official/Administrative Officer	\$	89,931	
Assistant(s)		87,154	
Deputy(ies)		1,476,874	
Detective(s)		191,382	
Secretary(ies)		28,624	
Part-time Personnel		230,350	
Longevity Pay		23,900	

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

neral Fund (Cont.) ublic Safety (Cont.)			
Sheriff's Department (Cont.)			
Overtime Pay	\$	28,406	
Bonus Payments		36,700	
In-service Training		32,840	
Social Security		138,135	
Pensions		240,028	
Life Insurance		3,993	
Medical Insurance		462,588	
Dental Insurance		8,533	
Unemployment Compensation		4,893	
Employer Medicare		32,306	
Other Fringe Benefits		79,896	
Communication		67,219	
Data Processing Services		520	
		$\frac{520}{2,985}$	
Dues and Memberships Maintenance Agreements			
Maintenance Agreements Maintenance and Popular Sources Forcing Property		29,198	
Maintenance and Repair Services - Equipment		12,923	
Maintenance and Repair Services - Vehicles		38,148	
Postal Charges		1,728	
Rentals		2,651	
Travel		10,135	
Other Contracted Services		5,780	
Animal Food and Supplies		182	
Gasoline		209,198	
Instructional Supplies and Materials		714	
Library Books/Media		496	
Office Supplies		13,626	
Uniforms		15,534	
Liability Insurance		48,665	
Vehicle and Equipment Insurance		32,919	
Workers' Compensation Insurance		113,485	
Other Charges		4,549	
Data Processing Equipment		13,459	
Motor Vehicles		319,650	
Other Equipment		185,624	
Total Sheriff's Department			\$ 4,325,
Wheel Tax Officer			
Part-time Personnel	\$	13,771	
Social Security	т	854	
Unemployment Compensation		66	
Employer Medicare		200	
Travel		7	
Total Wheel Tax Officer	-	<u> </u>	14,
Administration of the Sexual Offender Registry			
	Ф	9.750	
Contracts with Government Agencies	\$	3,750	
Other Equipment		7,863	

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

General Fund (Cont.)		
Public Safety (Cont.)		
<u>Jail</u>		
Medical Personnel	\$ 76,195	
Guards	1,038,201	
Cafeteria Personnel	61,504	
Part-time Personnel	104,405	
Longevity Pay	11,000	
Overtime Pay	11,814	
Bonus Payments	16,753	
In-service Training	3,491	
Social Security	84,025	
Pensions	123,815	
Life Insurance	2,979	
Medical Insurance	314,449	
Dental Insurance	5,752	
Unemployment Compensation	4,210	
Employer Medicare	19,651	
Other Fringe Benefits	68,513	
Medical and Dental Services	153,690	
Other Contracted Services	392	
Custodial Supplies	38,130	
Electricity	146,598	
Food Supplies	321,221	
Natural Gas	44,329	
Uniforms	8,973	
Water and Sewer	43,790	
Building and Contents Insurance	45,740	
Other Charges	12,964	
Other Equipment	53,721	
Total Jail		\$ 2,816,305
- * * * * * * * * * * * * * * * * * * *		+ -,,
Workhouse		
Guards	\$ 193,432	
Longevity Pay	300	
Overtime Pay	288	
Bonus Payments	1,991	
Social Security	12,982	
Pensions	17,102	
Life Insurance	578	
Medical Insurance	52,116	
Dental Insurance	565	
Unemployment Compensation	735	
Employer Medicare	3,036	
Other Fringe Benefits	14,516	
Electricity	21,582	
Natural Gas	6,250	
Water and Sewer	15,154	
Total Workhouse	10,104	340,627
Total Wolkhouse		040,027

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

General Fund (Cont.)		
Public Safety (Cont.)		
Inspection and Regulation		
Supervisor/Director	\$ 44,971	
Longevity Pay	600	
Bonus Payments	897	
Social Security	2,536	
Pensions	5,869	
Life Insurance	73	
Medical Insurance	12,351	
Dental Insurance	180	
Unemployment Compensation	56	
Employer Medicare	593	
Communication	911	
Dues and Memberships	465	
Printing, Stationery, and Forms	216	
Travel	65	
Gasoline	2,700	
Instructional Supplies and Materials	526	
Office Supplies	213	
Refunds	951	
Other Charges	 14	
Total Inspection and Regulation	_	\$ 74,187
Public Safety Grants Program		
Other Equipment	\$ 13,500	
Total Public Safety Grants Program		13,500
Other Public Safety		
Contributions	\$ 608,290	
Total Other Public Safety		608,290
Public Health and Welfare		
Local Health Center		
Clerical Personnel	\$ 129,945	
Part-time Personnel	19,515	
Longevity Pay	300	
Bonus Payments	2,177	
Social Security	9,203	
Pensions	12,840	
Life Insurance	336	
Medical Insurance	37,654	
Dental Insurance	780	
Unemployment Compensation	434	
Employer Medicare	2,152	
Communication	4,286	
Contracts with Government Agencies	33,904	
Travel	11,469	
Drugs and Medical Supplies	195	
Instructional Supplies and Materials	8,886	

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

ublic Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Utilities	\$ 20,398	
Workers' Compensation Insurance	1,911	
Other Charges	4,774	
Total Local Health Center		\$ 301,1
Rabies and Animal Control		
Longevity Pay	\$ 1,800	
Bonus Payments	1,190	
Other Salaries and Wages	58,291	
Social Security	3,506	
Pensions	8,193	
Life Insurance	146	
Medical Insurance	20,410	
Dental Insurance	360	
Unemployment Compensation	112	
Employer Medicare	820	
Other Fringe Benefits	3,590	
Communication	3,176	
Gasoline	9,484	
Vehicle and Equipment Insurance	209	
Workers' Compensation Insurance	1,460	
Other Equipment	8,405	
Total Rabies and Animal Control	 3,100	121,18
Total Rabies and Animal Control	3,200	121,1
	2,200	121,1
	\$ 199,861	121,1
Ambulance/Emergency Medical Services	\$	121,1
Ambulance/Emergency Medical Services Assistant(s)	\$ 199,861	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director	\$ 199,861 63,068	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel	\$ 199,861 63,068 82,514	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel	\$ 199,861 63,068 82,514 1,605,322 181,361	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135 3,308	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135 3,308 37,597	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Other Fringe Benefits	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135 3,308 37,597 77,863	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Other Fringe Benefits Communication	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135 3,308 37,597 77,863 35,905	121,1
Ambulance/Emergency Medical Services Assistant(s) Supervisor/Director Clerical Personnel Attendants Part-time Personnel Longevity Pay Overtime Pay Bonus Payments Other Salaries and Wages In-service Training Social Security Pensions Life Insurance Medical Insurance Dental Insurance Unemployment Compensation Employer Medicare Other Fringe Benefits	\$ 199,861 63,068 82,514 1,605,322 181,361 41,500 366,083 46,003 6,334 2,800 160,761 303,413 3,343 398,342 6,135 3,308 37,597 77,863	121,1

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

neral Fund (Cont.)				
<u>Public Health and Welfare (Cont.)</u>				
Ambulance/Emergency Medical Services (Cont.)				
Maintenance and Repair Services - Equipment	\$	11,239		
Postal Charges		5,639		
Travel		2,454		
Tuition		495		
Other Contracted Services		73,292		
Diesel Fuel		143,561		
Drugs and Medical Supplies		192,570		
Office Supplies		8,839		
Uniforms		16,340		
Other Supplies and Materials		6,903		
Building and Contents Insurance		5,083		
Liability Insurance		6,473		
Refunds		11,263		
Vehicle and Equipment Insurance		23,605		
Workers' Compensation Insurance		179,133		
Other Charges		10,099		
Data Processing Equipment		13,455		
Furniture and Fixtures		550		
Motor Vehicles		330,000		
Other Equipment Total Ambulance/Emergency Medical Services		137,498	\$	4 941 000
Total Ambulance/Emergency Medical Services			Ф	4,841,999
Sanitation Education/Information				
Guards	\$	35,498		
Longevity Pay		1,000		
Bonus Payments		659		
Social Security		2,296		
Pensions		4,693		
Life Insurance		73		
Medical Insurance		7,633		
Dental Insurance		180		
Unemployment Compensation		56		
Employer Medicare		537		
Gasoline		3,583		
Instructional Supplies and Materials		13,220		
Vehicle and Equipment Insurance		138		
Total Sanitation Education/Information				69,566
Other Public Health and Welfare				
Supervisor/Director	\$	37,264		
Longevity Pay	Ψ	2,800		
Bonus Payments		1,369		
Other Salaries and Wages		29,520		
Social Security		4,409		
Pensions		8,961		
Life Insurance Medical Insurance		144		
wiedical Insurance		15,266		

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.) Dental Insurance Unemployment Compensation Employer Medicare Communication Postal Charges Travel Gasoline Office Supplies Chemicals Refunds	\$	360 112 1,031 740 154 609 2,541 865 810 450	
Total Other Public Health and Welfare			\$ 107,405
Social, Cultural, and Recreational Services Senior Citizens Assistance			
Assistant(s)	\$	92,525	
Supervisor/Director		34,666	
Salary Supplements		5,100	
Longevity Pay		6,700	
Bonus Payments		2,830	
Social Security		8,463	
Pensions		17,268	
Life Insurance		329	
Medical Insurance		45,294	
Dental Insurance		1,080	
Unemployment Compensation		336	
Employer Medicare		1,979	
Communication		428	
Maintenance Agreements		917	
Travel		1,421	
Office Supplies		294	
Other Equipment		55,286	074.010
Total Senior Citizens Assistance			274,916
Librarias			
<u>Libraries</u> Librarians	\$	100 220	
Part-time Personnel	Ф	$192,329 \\ 66,803$	
Longevity Pay		4,100	
e , ,		4,100	
Bonus Payments Social Security		16,046	
Pensions		21,422	
Life Insurance		498	
Medical Insurance		67,865	
Dental Insurance		1,170	
Unemployment Compensation		917	
Employer Medicare		3,753	
Communication		2,662	
Contracts with Private Agencies		480	
Continuous mini i irrano rigorioros		100	

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

General Fund (Cont.) Social, Cultural, and Recreational Services (Cont.)			
Libraries (Cont.)			
	\$	2 5 4 9	
Maintenance and Repair Services - Equipment	Φ	3,542	
Travel		1,038	
Instructional Supplies and Materials		131	
Library Books/Media		15,235	
Office Supplies		2,377	
Periodicals		2,766	
Utilities		2,903	
Other Supplies and Materials		1,133	
Building and Contents Insurance		92	
Other Charges		9,740	
Other Equipment		1,554	
Total Libraries			\$ 422,899
Agriculture and Natural Resources			
Agricultural Extension Service			
Salary Supplements	\$	51,886	
Part-time Personnel		15,084	
Social Security		3,965	
Pensions		8,874	
Medical Insurance		11,618	
Unemployment Compensation		127	
Employer Medicare		986	
Other Fringe Benefits		1,742	
Communication		5,094	
Dues and Memberships		305	
Maintenance Agreements		824	
Printing, Stationery, and Forms		894	
Travel		5,114	
Electricity		2,452	
Instructional Supplies and Materials		$\frac{2,432}{422}$	
Natural Gas			
		1,341	
Water and Sewer		241	
Workers' Compensation Insurance		120	
Other Charges		661	111 550
Total Agricultural Extension Service			111,750
Soil Conservation			
Secretary(ies)	\$	24,731	
Bonus Payments	,	490	
Social Security		1,556	
Pensions		3,185	
Life Insurance		73	
Medical Insurance		7,633	
Dental Insurance		180	
Unemployment Compensation		56	
Employer Medicare		364	
Dues and Memberships		450	
Travel		1,160	00.070
Total Soil Conservation			39,878

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

General Fund (Cont.)					
Other Operations					
<u>Veterans' Services</u>					
Supervisor/Director	\$	31,426			
Bonus Payments		63			
Social Security		1,952			
Pensions		2,362			
Life Insurance		70			
Unemployment Compensation		95			
Employer Medicare		457			
Communication		1,188			
Travel		2,633			
Other Contracted Services		399			
Office Supplies		384			
Other Charges		250			
Office Equipment		2,000			
Total Veterans' Services		2,000	\$	43,279	
Total Veteralis Services			Ψ	40,210	
Contributions to Other Agencies					
Contributions Contributions	\$	1,239,264			
Total Contributions to Other Agencies	Ψ	1,200,204		1,239,264	
Total Contributions to Other Agencies				1,233,204	
Total General Fund					\$ 22,156,522
Courthouse and Jail Maintenance Fund					
<u>Finance</u>					
Other Finance					
Trustee's Commission	\$	651			
Total Other Finance		_	\$	651	
Total Courthouse and Jail Maintenance Fund					651
Law Library Fund					
Finance					
Other Finance					
Trustee's Commission	\$	164			
Total Other Finance	<u> </u>		\$	164	
			т.		
Public Safety					
Jail					
Library Books/Media	\$	14,851			
Total Jail	<u> </u>	11,001		14,851	
Total dali				11,001	
Total Law Library Fund					15,015
C-1: 1 W+-/C: t-+: E 1					
Solid Waste/Sanitation Fund					
Public Health and Welfare					
Waste Pickup	Φ.	00.100			
Supervisor/Director	\$	32,122			
Part-time Personnel		10,362			

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

Solid Woote/Sonitation Fund (Cont.)					
Solid Waste/Sanitation Fund (Cont.) Public Health and Welfare (Cont.)					
Waste Pickup (Cont.)					
Longevity Pay	\$	0.600			
	Ф	9,600			
Overtime Pay		26,079			
Bonus Payments		8,351			
Other Salaries and Wages		362,016			
Social Security		27,580			
Pensions		45,153			
Life Insurance		871			
Medical Insurance		109,154			
Dental Insurance		990			
Unemployment Compensation		2,812			
Employer Medicare		6,450			
Contracts with Private Agencies		11,705			
Data Processing Services		500			
Maintenance and Repair Services - Vehicles		40,235			
Rentals		$5,\!251$			
Travel		578			
Disposal Fees		722,722			
Crushed Stone		$3,\!286$			
Diesel Fuel		45,839			
Gasoline		5,994			
Lubricants		7,891			
Tires and Tubes		24,074			
Uniforms		3,661			
Utilities		18,007			
Other Supplies and Materials		9,648			
Building and Contents Insurance		210			
Liability Insurance		2,502			
Trustee's Commission		35,937			
Vehicle and Equipment Insurance		17,995			
Workers' Compensation Insurance		37,727			
Other Charges		4,403			
Land		27,060			
Solid Waste Equipment		294,441			
Total Waste Pickup			\$	1,961,206	
Total Waste Finap			Ψ	1,001,200	
Total Solid Waste/Sanitation Fund					\$ 1,961,206
<u>Drug Control Fund</u>					
Public Safety					
<u>Drug Enforcement</u>					
Veterinary Services	\$	7,435			
Other Contracted Services		14,632			
Animal Food and Supplies		2,350			
Law Enforcement Supplies		9,741			
Trustee's Commission		387			
Other Charges		2,494			
Other Equipment		38,735			
Total Drug Enforcement			\$	75,774	
Total Drug Control Fund					75,774
Total Ding Colling Fully					10,114

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

Other Special Revenue Fund				
<u>Finance</u>				
Other Finance				
Trustee's Commission	\$	8,145		
Total Other Finance			\$ 8,145	
Total Other Special Revenue Fund				\$ 8,145
Constitutional Officers - Fees Fund				
General Government				
Register of Deeds				
Constitutional Officers' Operating Expenses	\$	587		
Total Register of Deeds			\$ 587	
Finance				
County Trustee's Office				
Constitutional Officers' Operating Expenses	\$	239,641		
Total County Trustee's Office			239,641	
County Clerk's Office				
Constitutional Officers' Operating Expenses	\$	517,298		
Total County Clerk's Office	Ψ	017,200	517,298	
Total County Clerk's Office			017,230	
Administration of Justice				
<u>Chancery Court</u>				
Constitutional Officers' Operating Expenses	\$	95		
Total Chancery Court			95	
Total Constitutional Officers - Fees Fund				757,621
Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	\$	89,931		
Accountants/Bookkeepers		47,900		
Clerical Personnel		32,189		
Longevity Pay		2,300		
Bonus Payments		1,575		
Board and Committee Members Fees		17,520		
Social Security		11,877		
Pensions		21,962		
Life Insurance		219		
Medical Insurance		23,120		
Dental Insurance		180		
Unemployment Compensation		77		
Employer Medicare		2,778		
Communication		7,869		
Data Processing Services		388		
Dues and Memberships		2,851		
Legal Notices, Recording, and Court Costs		486		

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

Highway/Public Works Fund (Cont.)				
<u>Highways (Cont.)</u>				
Administration (Cont.)				
Postal Charges	\$	214		
Other Contracted Services		4,065		
Office Supplies		2,212		
Other Charges		4,751		
Office Equipment		1,276		
Total Administration			\$	275,740
			·	,
Highway and Bridge Maintenance				
Laborers	\$	1,029,036		
Longevity Pay		32,200		
Overtime Pay		93,372		
Bonus Payments		$21,\!257$		
Social Security		71,433		
Pensions		133,391		
Life Insurance		2,161		
Medical Insurance		255,848		
Dental Insurance		4,200		
Unemployment Compensation		1,102		
Employer Medicare		16,706		
Rentals		22,644		
Asphalt - Liquid		587,211		
Other Road Materials		49,863		
Pipe - Metal		21,788		
Road Signs		19,977		
Salt		6,597		
Other Supplies and Materials		9,672		
Total Highway and Bridge Maintenance				2,378,458
Operation and Maintenance of Equipment				
Mechanic(s)	\$	197,772		
· ·	φ			
Longevity Pay		3,600		
Overtime Pay		33,593		
Bonus Payments		4,330		
Social Security		14,512		
Pensions		22,615		
Life Insurance		439		
Medical Insurance		49,447		
Dental Insurance		360		
Unemployment Compensation		168		
Employer Medicare		3,394		
Legal Notices, Recording, and Court Costs		22		
Maintenance and Repair Services - Equipment		163,841		
Diesel Fuel		59,443		
Gasoline		108,464		
Lubricants		26,866		
Natural Gas		95,494		
Tires and Tubes		30,932		
		,		

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

hway/Public Works Fund (Cont.)				
lighways (Cont.)				
Operation and Maintenance of Equipment (Cont.)				
Water and Sewer	\$	305		
Other Supplies and Materials		7,752		
Other Equipment		12,975		
Total Operation and Maintenance of Equipment			\$ 836,324	
Quarry Operations				
Laborers	\$	269,313		
Longevity Pay		5,500		
Overtime Pay		44,102		
Bonus Payments		5,987		
Social Security		19,142		
Pensions		39,314		
Life Insurance		647		
Medical Insurance		81,698		
Dental Insurance		1,035		
Unemployment Compensation		282		
Employer Medicare		4,477		
Explosive and Drilling Services		29,088		
Maintenance and Repair Services - Equipment		28,561		
Electricity		146,344		
Other Charges		16,067		
Total Quarry Operations		· · · · · · · · · · · · · · · · · · ·	691,557	
Asphalt Plant Operations				
Maintenance and Repair Services - Equipment	\$	26,623		
Other Contracted Services	Ψ	2,600		
Total Asphalt Plant Operations		2,000	29,223	
Other Charges				
Building and Contents Insurance	\$	6,187		
Liability Insurance	Ψ	7,667		
Trustee's Commission		7,007 $71,721$		
Vehicle and Equipment Insurance				
Total Other Charges		9,424	94,999	
England Bandita				
Employee Benefits Western Groupe and Transported Francisco	ф	107.000		
Workers' Compensation Insurance	\$	137,263	105.000	
Total Employee Benefits			 137,263	
al Highway/Public Works Fund				\$ 4,443,564
neral Debt Service Fund				
rincipal on Debt				
General Government				
deneral dovernment				
Principal on Bonds	\$	380,000		
	\$	380,000 780,000		

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

\$	785,000 2,612,895	\$	3,397,895		
\$	•				
	144,959				
			315,347		
\$	2 140 719				
Ψ					
	010,110		2.789.437		
			_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
\$	95,567				
	14,504				
			110,071		
e	28 742				
Φ	•				
-	96,055		194 775		
			124,775		
				\$	7,897,525
\$	82,183				
	19,008				
		\$	101,191		
¢	26 327				
Ψ	•				
	21,010		834 846		
			001,010		
\$	1,025,940				
	_		1,025,940		
					1,961,977
				\$	39,278,000
	\$ \$ \$	\$ 170,388 144,959 \$ 2,140,719 648,718 \$ 95,567 14,504 \$ 28,742 96,033 \$ 26,327 689,013 97,896 21,610	\$ 170,388 144,959 \$ 2,140,719 648,718 \$ 95,567 14,504 \$ 28,742 96,033 \$ 26,327 689,013 97,896 21,610	\$ 170,388	\$ 3,397,895 \$ 170,388

Jefferson County, Tennessee
Schedule of Detailed Expenditures All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2018

General Purpose School Fund				
Instruction				
Regular Instruction Program				
Teachers	\$	18,675,364		
Career Ladder Program	Ψ	83,090		
Educational Assistants		85,548		
Longevity Pay		4,269		
Other Salaries and Wages		181,866		
Certified Substitute Teachers		112,202		
Non-certified Substitute Teachers		304,787		
Social Security		1,124,674		
Pensions		1,699,996		
Life Insurance		30,519		
Medical Insurance		3,647,284		
Dental Insurance		78,379		
Employer Medicare		267,280		
Other Contracted Services		39,998		
		242,322		
Instructional Supplies and Materials Textbooks - Electronic		•		
Textbooks - Electronic Textbooks - Bound		52,999		
		177,818		
Fee Waivers		150,000		
Other Charges		4,000		
Regular Instruction Equipment		389,311	ф	05 051 500
Total Regular Instruction Program			\$	27,351,706
Alternative Instruction Program				
Teachers	\$	126,838		
Educational Assistants		11,344		
Longevity Pay		498		
Social Security		7,672		
Pensions		13,012		
Life Insurance		292		
Medical Insurance		41,070		
Dental Insurance		913		
Employer Medicare		1,794		
Instructional Supplies and Materials		1,810		
Other Supplies and Materials		1,176		
Other Equipment		500		
Total Alternative Instruction Program				206,919
Special Education Program	Ф	1 001 000		
Teachers	\$	1,861,036		
Career Ladder Program		4,795		
Homebound Teachers		9,094		
Educational Assistants		154,356		
Speech Pathologist		379,249		
Other Salaries and Wages		5,096		
Social Security		142,377		
Pensions		221,912		

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 Medical Insurance Dental Insurance Employer Medicare Instructional Supplies and Materials Other Charges Special Education Equipment Total Special Education Program	\$ 4,513 532,433 12,897 33,298 17,775 647 4,326	\$ 3,383,804
Career and Technical Education Program Teachers Career Ladder Program Certified Substitute Teachers Non-certified Substitute Teachers Social Security Pensions Life Insurance Medical Insurance Dental Insurance Employer Medicare Instructional Supplies and Materials Textbooks - Electronic Vocational Instruction Equipment Total Career and Technical Education Program	\$ 1,164,953 4,000 2,960 4,290 69,723 106,004 1,765 200,609 4,968 16,318 49,000 2,998 881	1,628,469
Support Services Attendance Supervisor/Director Career Ladder Program Other Salaries and Wages Social Security Pensions Life Insurance Medical Insurance Dental Insurance Employer Medicare Travel Other Supplies and Materials In Service/Staff Development Total Attendance	\$ 82,368 3,550 104,594 8,830 15,998 220 26,661 460 2,643 1,190 800 1,988	249,302
Health Services Supervisor/Director Medical Personnel Secretary(ies) Longevity Pay	\$ 98,716 268,732 32,046 5,388	

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Health Services (Cont.)				
Other Salaries and Wages	\$	18,358		
Social Security	Ψ	24,685		
Pensions		44,498		
Life Insurance		1,080		
Medical Insurance		111,915		
Dental Insurance		2,532		
Employer Medicare		5,959		
Postal Charges		400		
Travel				
		3,035		
Other Supplies and Materials		32,662		
In Service/Staff Development		4,900		
Other Charges		266		
Health Equipment		2,769	ф	0 25 0.44
Total Health Services			\$	657,941
Other Student Support				
Career Ladder Program	\$	3,000		
Guidance Personnel	·	991,896		
Assessment Personnel		$3,\!227$		
Longevity Pay		356		
Other Salaries and Wages		9,751		
Social Security		59,164		
Pensions		90,350		
Life Insurance		1,596		
Medical Insurance		207,542		
Dental Insurance		5,166		
Employer Medicare		13,837		
Evaluation and Testing		54,097		
Travel		6,075		
Other Contracted Services		157,888		
Other Supplies and Materials		15,144		
In Service/Staff Development		9,500		
1		,		
Other Charges Other Equipment		15,422		
* *		4,983		1 040 004
Total Other Student Support				1,648,994
Regular Instruction Program				
Supervisor/Director	\$	179,968		
Career Ladder Program		2,000		
Librarians		604,707		
Assessment Personnel		163,214		
Instructional Computer Personnel		74,075		
Secretary(ies)		36,031		
Clerical Personnel		46,876		
Longevity Pay		6,304		
Other Salaries and Wages		327,035		
		,		

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Social Security	\$	85,208		
Pensions		133,853		
Life Insurance		2,016		
Medical Insurance		234,870		
Dental Insurance		4,567		
Employer Medicare		19,928		
Communication		410		
Travel		8,792		
Other Contracted Services		71,341		
Library Books/Media		90,000		
Other Supplies and Materials		20,183		
In Service/Staff Development		96,314		
Other Charges		38,847		
Other Equipment		$20,\!256$		
Total Regular Instruction Program			\$	2,266,795
			,	,,
Alternative Instruction Program				
Supervisor/Director	\$	65,566		
Secretary(ies)	,	17,086		
Longevity Pay		242		
Social Security		4,906		
Pensions		8,142		
Life Insurance		146		
Medical Insurance		16,508		
Dental Insurance		460		
Employer Medicare		1,147		
Communication		306		
Travel		954		
Other Contracted Services		1,860		
Office Supplies		2,000		
Other Equipment		1,986		
Total Alternative Instruction Program		1,300		121,309
Total Alternative Instruction Frogram				121,309
Special Education Program				
Supervisor/Director	\$	90,050		
Career Ladder Program		1,000		
Psychological Personnel		50,269		
Assessment Personnel		29,736		
Longevity Pay		1,479		
Other Salaries and Wages		151,519		
Social Security		17,675		
Pensions		28,988		
Life Insurance		378		
Medical Insurance		44,760		
Dental Insurance		1,189		
Employer Medicare		4,565		
Employer Medicare		4,000		

apport Services (Cont.)			
Special Education Program (Cont.)			
Communication	\$	1,487	
Travel		4,982	
Other Contracted Services		25,919	
Total Special Education Program			\$ 453,99
Career and Technical Education Program			
Supervisor/Director	\$	165,482	
Career Ladder Program		2,000	
Secretary(ies)		28,053	
Longevity Pay		1,240	
Social Security		11,428	
Pensions		18,907	
Life Insurance		219	
Medical Insurance		30,324	
Dental Insurance		689	
Employer Medicare		2,673	
Communication		644	
Travel		17,948	
Other Contracted Services		10,710	
Other Supplies and Materials		3,977	
In Service/Staff Development		844	
Other Charges		3,975	
Other Equipment		2,102	
Total Career and Technical Education Program		· · · · · · · · · · · · · · · · · · ·	301,2
Technology			
Instructional Computer Personnel	\$	60,528	
Secretary(ies)	1	13,000	
Longevity Pay		3,600	
Other Salaries and Wages		332,342	
Social Security		24,180	
Pensions		48,532	
Life Insurance		621	
Medical Insurance		68,790	
Dental Insurance		1,815	
Employer Medicare		5,655	
Communication		2,984	
Internet Connectivity		105,058	
Other Contracted Services		33,675	
		179,647	
Software		46,450	
Software Other Supplies and Materials		せい・せいい	
Other Supplies and Materials			
		12,886 $567,274$	

eneral Purpose School Fund (Cont.)				
Support Services (Cont.) Other Programs				
	Ф	205 507		
On-behalf Payments to OPEB	\$	285,507	\$	285 507
Total Other Programs			Ф	285,507
Board of Education				
Board and Committee Members Fees	\$	8,400		
Social Security		446		
Unemployment Compensation		26,547		
Employer Medicare		122		
Audit Services		18,250		
Dues and Memberships		17,898		
Legal Services		50,380		
Travel		3,827		
Other Contracted Services		11,239		
Premiums on Corporate Surety Bonds		400		
Trustee's Commission		336,566		
Workers' Compensation Insurance		225,201		
Other Charges		887		
Total Board of Education		001		700,163
Total Board of Education				700,105
Director of Schools				
County Official/Administrative Officer	\$	78,828		
Career Ladder Program		400		
Secretary(ies)		85,769		
Longevity Pay		3,000		
Social Security		10,109		
Pensions		21,609		
Life Insurance		123		
Medical Insurance		20,958		
Dental Insurance		502		
Employer Medicare		2,364		
Communication		23,290		
Postal Charges		25,250 $2,852$		
Travel		501		
Other Contracted Services		13,348		
Office Supplies and Materials		2,675		
Other Supplies and Materials		4,500		070 000
Total Director of Schools				270,828
Office of the Principal				
Principals	\$	811,601		
Career Ladder Program		7,416		
Assistant Principals		718,110		
Secretary(ies)		573,768		
Clerical Personnel		111,465		
Longevity Pay		22,767		
Social Security		131,053		
Social Sociality		101,000		

neral Purpose School Fund (Cont.)				
upport Services (Cont.)				
Office of the Principal (Cont.)				
Pensions	\$	227,465		
Life Insurance	Ψ	3,904		
Medical Insurance		490,696		
Dental Insurance		11,318		
Employer Medicare		30,649		
Communication		34,952		
Travel		1,327		
Other Contracted Services		102,800		
Other Supplies and Materials		23,724		
Total Office of the Principal		20,124	\$	3,303,015
Total Office of the Frincipal			Ψ	5,505,015
Fiscal Services				
Other Charges	\$	405,209		
Total Fiscal Services		_		405,209
Human Services/Personnel				
Supervisor/Director	\$	54,746		
Secretary(ies)	Ψ	37,856		
Longevity Pay		2,500		
Social Security		5,468		
Pensions		12,011		
Life Insurance		146		
Medical Insurance		17,328		
Dental Insurance		460		
Employer Medicare		1,279		
Advertising		180		
9		249		
Dues and Memberships Travel		34		
		54 510		
Other Supplies and Materials				
In Service/Staff Development		887		
Other Equipment		363		104.015
Total Human Services/Personnel				134,017
Operation of Plant				
Supervisor/Director	\$	77,744		
Guards		82,178		
Secretary(ies)		13,000		
Custodial Personnel		861,284		
Longevity Pay		26,864		
Other Salaries and Wages		28,267		
Social Security		63,906		
Pensions		129,816		
Life Insurance		3,379		
Ene insurance		5,515		
Medical Insurance		353,289		
		•		

General Purpose School Fund (Cont.) Support Services (Cont.) Operation of Plant (Cont.) Other Contracted Services Custodial Supplies Electricity Natural Gas Water and Sewer Building and Contents Insurance In Service/Staff Development Other Charges Plant Operation Equipment Total Operation of Plant	\$	433,177 187,711 1,488,134 232,458 134,778 429,021 5,181 16,369 33,625	\$ 4,623,563
Maintenance of Plant			
Secretary(ies)	\$	16,600	
Maintenance Personnel	Ψ	397,464	
Longevity Pay		9,000	
Social Security		25,536	
Pensions		48,373	
Life Insurance		904	
Medical Insurance		79,908	
Dental Insurance		2,600	
Employer Medicare		5,972	
Communication		5,771	
Maintenance and Repair Services - Buildings		69,343	
Maintenance and Repair Services - Equipment		99,419	
Other Contracted Services		281,266	
Other Supplies and Materials		309,635	
In Service/Staff Development		563	
Other Charges		4,747	
Maintenance Equipment		21,213	
Total Maintenance of Plant			1,378,314
Transportation			
Supervisor/Director	\$	63,528	
Mechanic(s)		148,879	
Bus Drivers		1,155,959	
Clerical Personnel		37,486	
Longevity Pay		3,915	
Other Salaries and Wages		56,445	
Social Security		85,296	
Pensions		58,810	
Life Insurance		580	
Medical Insurance		65,306	
Dental Insurance		2,051	
Employer Medicare		21,180	
Communication		4,341	
Contracts with Public Carriers		2,000	

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Transportation (Cont.)				
Maintenance and Repair Services - Vehicles	\$	58,539		
Medical and Dental Services		9,722		
Travel		244		
Other Contracted Services		27,508		
Diesel Fuel		230,089		
Garage Supplies		3,762		
Gasoline		60,445		
Lubricants		14,887		
Tires and Tubes		48,971		
Vehicle Parts		147,767		
Other Supplies and Materials		6,321		
In Service/Staff Development		984		
_				
Other Charges		1,414		
Transportation Equipment		253,131	Ф	0 700 700
Total Transportation			\$	2,569,560
Or anation of Non-Instructional Commissa				
Operation of Non-Instructional Services				
Community Services	¢.	01 000		
Supervisor/Director	\$	81,030		
Other Salaries and Wages		130,077		
Social Security		13,084		
Pensions		10,490		
Life Insurance		145		
Medical Insurance		16,197		
Dental Insurance		455		
Employer Medicare		3,060		
Communication		1,345		
Travel		333		
Food Supplies		10,815		
Other Supplies and Materials		8,612		
In Service/Staff Development		369		
Other Charges		1,715		
Other Equipment		974		
Total Community Services				278,701
Fouls Childhard Education				
Early Childhood Education Teachers	\$	200 507		
Clerical Personnel	Ф	306,567		
		4,945		
Educational Assistants		124,809		
Longevity Pay		4,340		
Other Salaries and Wages		475		
Non-certified Substitute Teachers		11,045		
Social Security		26,038		
Pensions		39,050		
Life Insurance		1,118		
Medical Insurance		112,399		

Department of Non-Instructional Services (Cont.) Early Childhood Education (Cont.) Early Childhood Education (Cont.) Contracts with Other Public Agencies 93,849 71 72 72 72 72 72 72 72	General Purpose School Fund (Cont.)					
Dental Insurance	Operation of Non-Instructional Services (Cont.)					
Employer Medicare	Early Childhood Education (Cont.)					
Contracts with Other Public Agencies	Dental Insurance	\$	3,126			
Contracts with Other Public Agencies	Employer Medicare		6,091			
Travel			93,849			
Instructional Supplies and Materials 13,637 19,630 19,630 10 Service/Staff Development 1,051 1,0			•			
Indirect Cost 1,0630 1,051 1,0						
In Service/Staff Development			•			
Other Charges 4,519 Total Early Childhood Education 772,943 Capital Outlay 78,000 Regular Capital Outlay 395,150 Building Improvements 395,150 Building Improvements 395,360 Total Regular Capital Outlay 395,360 State Regular Capital Outlay State Regular Instruction Program Regular Instruction Program Teachers 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Program 1,544,647 Total Regular Instruction Program 1,544,647 Teachers			,			
Capital Outlay \$ 772,943 Regular Capital Outlay \$ 210 Other Charges \$ 210 Building Improvements 395,150 Total Regular Capital Outlay 395,360 Standard Supplements Total General Purpose School Fund \$ 54,894,667 School Federal Projects Fund Instruction Regular Instruction Program Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Educational Assistants 5	-		•			
Capital Outlay Regular Capital Outlay Other Charges \$ 210 395,150 395,360			4,010	Ф	779.049	
Regular Capital Outlay	Total Early Childhood Education			Φ	112,945	
Regular Capital Outlay	Capital Outlay					
Other Charges \$ 210 Building Improvements 395,150 Total Regular Capital Outlay 395,360 Standard General Purpose School Fund \$ 54,894,667 School Federal Projects Fund Instruction Segular Instruction Program Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 9,547 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,665 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Frogram \$ 1,544,647 Special Education Program \$ 1,544,647 Educational Assistants 575,626 Longevity Pay 25,046						
Building Improvements 395,150 395,360 Total Regular Capital Outlay \$ 54,894,667 School Federal Projects Fund		\$	210			
Total Regular Capital Outlay 395,360		Ψ				
School Federal Purpose School Fund	-		500,100		395 360	
School Federal Projects Fund Instruction Regular Instruction Program Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Education Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Total Regular Capital Outlay				333,300	
Instruction Regular Instruction Program Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 416,650 Dental Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Education Program \$ 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Total General Purpose School Fund					\$ 54,894,667
Instruction Regular Instruction Program Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 416,650 Dental Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Education Program \$ 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693						
Regular Instruction Program						
Teachers \$ 101,825 Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Education Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693						
Educational Assistants 673,509 Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693						
Other Salaries and Wages 32,162 Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 25,046 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Teachers	\$	101,825			
Certified Substitute Teachers 1,274 Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 45,402 Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Educational Assistants		673,509			
Non-certified Substitute Teachers 2,275 Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 25,046 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Other Salaries and Wages		32,162			
Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Certified Substitute Teachers		1,274			
Social Security 45,059 Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Non-certified Substitute Teachers		2,275			
Pensions 93,371 Life Insurance 3,792 Medical Insurance 416,650 Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program \$ 1,544,647 Special Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Social Security		•			
Life Insurance $3,792$ Medical Insurance $416,650$ Dental Insurance $9,547$ Employer Medicare $10,567$ Other Contracted Services $10,065$ Instructional Supplies and Materials $76,331$ Other Charges $8,223$ Regular Instruction Equipment $59,997$ Total Regular Instruction Program $$1,544,647$ Special Education Program $$45,402$ Educational Assistants $575,626$ Longevity Pay $25,046$ Certified Substitute Teachers 640 Non-certified Substitute Teachers $6,244$ Social Security $36,693$	<u> </u>		•			
Medical Insurance $416,650$ Dental Insurance $9,547$ Employer Medicare $10,567$ Other Contracted Services $10,065$ Instructional Supplies and Materials $76,331$ Other Charges $8,223$ Regular Instruction Equipment $59,997$ Total Regular Instruction Program $$1,544,647$ Special Education ProgramTeachers $$45,402$ Educational Assistants $575,626$ Longevity Pay $25,046$ Certified Substitute Teachers 640 Non-certified Substitute Teachers $6,244$ Social Security $36,693$			·			
Dental Insurance 9,547 Employer Medicare 10,567 Other Contracted Services 10,065 Instructional Supplies and Materials 76,331 Other Charges 8,223 Regular Instruction Equipment 59,997 Total Regular Instruction Program \$ 1,544,647 Special Education Program Teachers \$ 45,402 Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693						
Employer Medicare Other Contracted Services Instructional Supplies and Materials Other Charges Regular Instruction Equipment Total Regular Instruction Program Teachers Special Education Program Teachers Studentional Assistants Teachers Social Security 10,065			•			
Other Contracted Services Instructional Supplies and Materials Other Charges Regular Instruction Equipment Total Regular Instruction Program Special Education Program Teachers Educational Assistants Longevity Pay Certified Substitute Teachers Non-certified Substitute Teachers Social Security 10,065 176,331 76,331 59,997 \$ 1,544,647			•			
Instructional Supplies and Materials Other Charges Regular Instruction Equipment Total Regular Instruction Program Special Education Program Teachers Educational Assistants Formular Supplies and Materials Special Education Equipment Teachers Special Education Program Special Education Program Teachers Special Education Program S						
Other Charges Regular Instruction Equipment Total Regular Instruction Program Special Education Program Teachers Educational Assistants Formular System Service States Service States Service States Service Service States Service						
Regular Instruction Equipment Total Regular Instruction Program Special Education Program Teachers Educational Assistants Educational Assistants Formular System			•			
Total Regular Instruction Program \$ 1,544,647 Special Education Program Teachers \$ 45,402 Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	9		•			
Special Education ProgramTeachers\$ 45,402Educational Assistants575,626Longevity Pay25,046Certified Substitute Teachers640Non-certified Substitute Teachers6,244Social Security36,693			59,997			
Teachers \$ 45,402 Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Total Regular Instruction Program			\$	1,544,647	
Teachers \$ 45,402 Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693	Special Education Program					
Educational Assistants 575,626 Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693		e	45 409			
Longevity Pay 25,046 Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693		φ	•			
Certified Substitute Teachers 640 Non-certified Substitute Teachers 6,244 Social Security 36,693						
Non-certified Substitute Teachers 6,244 Social Security 36,693			,			
Social Security 36,693						
			•			
Pensions 75,685			•			
	Pensions		75,685			

School Federal Projects Fund (Cont.) Instruction (Cont.) Special Education Program (Cont.) Life Insurance Medical Insurance Dental Insurance Employer Medicare Other Contracted Services Instructional Supplies and Materials Other Supplies and Materials Special Education Equipment Total Special Education Program	\$	3,089 345,084 7,994 8,581 1,280 22,784 17,127 3,940	\$	1,175,215
			,	, , .
<u>Career and Technical Education Program</u> Vocational Instruction Equipment	\$	88,264		
Total Career and Technical Education Program	φ	00,204		88,264
Total Career and Technical Education Program				00,204
Support Services				
Health Services				
Other Contracted Services	\$	9,592		
Total Health Services	Ψ	0,002		9,592
Total Health Betvices				0,002
Other Student Support				
Other Salaries and Wages	\$	81,191		
Social Security	Ψ	4,839		
Pensions		9,922		
Life Insurance		181		
Medical Insurance		17,680		
Dental Insurance		566		
Employer Medicare		1,131		
Travel				
Other Contracted Services		19,811		
		1,329		
Other Supplies and Materials		11,750		
In Service/Staff Development		11,566		
Other Charges		16,227		
Vocational Instruction Equipment		22,000		
Other Equipment		3,108		201 201
Total Other Student Support				201,301
Demile a Lestenation December				
Regular Instruction Program	Ф	10.000		
Supervisor/Director	\$	16,200		
Clerical Personnel		35,771		
Other Salaries and Wages		336,479		
Certified Substitute Teachers		960		
Non-certified Substitute Teachers		2,728		
Social Security		21,954		
Pensions		34,105		
Life Insurance		439		
Medical Insurance		53,315		

Total School Federal Projects Fund

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

nool Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Dental Insurance	\$	1,380	
Employer Medicare		5,420	
In Service/Staff Development		30,454	
Total Regular Instruction Program			\$ 539,205
Special Education Program			
Psychological Personnel	\$	158,124	
Clerical Personnel		17,550	
Longevity Pay		1,919	
Other Salaries and Wages		51,957	
Social Security		12,684	
Pensions		23,303	
Life Insurance		366	
Medical Insurance		48,597	
Dental Insurance		920	
Employer Medicare		2,966	
Travel		677	
Other Contracted Services		34,721	
Other Supplies and Materials		17,514	
In Service/Staff Development		49,583	
Total Special Education Program		40,000	420,881
Total Spoolar Bandation Frogram			120,001
Career and Technical Education Program			
In Service/Staff Development	\$	3,607	
Total Career and Technical Education Program			3,607
Board of Education			
Criminal Investigation of Applicants - TBI	\$	98	
Total Board of Education			98
Transportation			
Bus Drivers	\$	56,369	
Other Salaries and Wages	Ψ	15,816	
Social Security		4,383	
Pensions		4,017	
Employer Medicare		1,047	
Diesel Fuel		4,471	
Total Transportation		1,111	86,103
			,
Operation of Non-Instructional Services			
Food Service	ф	e 202	
	\$	6,303	6,303

(Continued)

4,075,216

<u>Jefferson County, Tennessee</u>

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

Operation of Non-Instructional Services Food Service					
Supervisor/Director	\$	50,027			
Accountants/Bookkeepers	Ψ	75,189			
Cafeteria Personnel		1,040,616			
Longevity Pay		21,431			
In-service Training		497			
Social Security		71,047			
Pensions		94,860			
Life Insurance		2,549			
Medical Insurance		269,792			
Dental Insurance		6,537			
Employer Medicare		16,718			
Communication		3,495			
Maintenance and Repair Services - Equipment		33,351			
Transportation - Other than Students		6,578			
Travel		4,234			
Other Contracted Services		175,763			
Food Supplies		1,297,108			
Office Supplies		5,853			
USDA - Commodities		285,799			
Other Supplies and Materials		117,957			
In Service/Staff Development		•			
_		8,948			
Food Service Equipment Total Food Service		39,407	Ф	2 027 750	
Total Food Service			\$	3,627,756	
otal Central Cafeteria Fund					\$ 3,627,75
ducation Capital Projects Fund					
Capital Projects					
Education Capital Projects					
Architects	\$	99,723			
Other Contracted Services		354,671			
Building Construction		1,944,363			
Food Service Equipment		183,301			
Other Equipment		111,200			
Total Education Capital Projects		<u> </u>	\$	2,693,258	
otal Education Capital Projects Fund					 2,693,25
al Governmental Funds - Jefferson County School Depart	mant				\$ 65,290,89

Exhibit K-9

<u>Jefferson County, Tennessee</u> <u>Schedule of Detailed Receipts, Disbursements,</u> <u>and Changes in Cash Balances - City Agency Funds</u> <u>For the Year Ended June 30, 2018</u>

				Cities -		
		Cities -		Property		
		Sales Tax		Tax		Total
<u>Cash Receipts</u>						
Current Property Taxes	\$	0	\$	1,134,465	\$	1,134,465
Trustee's Collections - Prior Years		0		30,314		30,314
Trustee's Collections - Bankruptcy		0		174		174
Circuit/Clerk and Master Collections -						
Prior Years		0		27,407		27,407
Interest and Penalty		0		6,014		6,014
Local Option Sales Tax		5,313,141		0		5,313,141
Total Cash Receipts	\$	5,313,141	\$	1,198,374	\$	6,511,515
Cash Disbursements						
Remittance of Revenues Collected	\$	5,260,010	\$	1,182,209	\$	6,442,219
Trustee's Commission	Ψ	53,131	Ψ	23,693	Ψ	76,824
Total Cash Disbursements	\$	5,313,141	\$	1,205,902	\$	
Excess of Cash Receipts Over						
(Under) Cash Disbursements	\$	0	\$	(7,528)	\$	(7,528)
Cash Balance, July 1, 2017		0		23,426		23,426
Cash Balance, June 30, 2018	\$	0	\$	15,898	\$	15,898

SINGLE AUDIT SECTION



Justin P. Wilson Comptroller

Jason E. Mumpower Deputy Comptroller

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2018, 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 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Jefferson County Nursing Home, 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.

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 the attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be material weaknesses: 2018-001 and 2018-002.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jefferson County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,

Justin P. Wilson

Comptroller of the Treasury

wh Phile

Nashville, Tennessee

February 27, 2019

JPW/tg



Justin P. Wilson Comptroller

Jason E. Mumpower Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Jefferson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson County's major federal programs for the year ended June 30, 2018. Jefferson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Jefferson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated February 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Justin P. Wilson

Comptroller of the Treasury

Nashville, Tennessee

February 27, 2019

JPW/tg

<u>Jefferson County, Tennessee, and the Jefferson County School Department Schedule of Expenditures of Federal Awards and State Grants (1) (2)</u> <u>For the Year-Ended June 30, 2018</u>

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: (4)	10 550	DT/A	Φ 045.050
School Breakfast Program National School Lunch Program	10.553 10.555	N/A N/A	\$ 647,376
Child Nutrition Discretionary Grants Limited Availability	10.555 10.579	N/A N/A	1,795,443 (5) 14,482
Passed-through State Department of Agriculture:	10.070	14/11	14,402
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Non-Cash Assistance)	10.555	N/A	285,799 (5)
Passed-through State Department of Health:			,,
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	45,332
Total U.S. Department of Agriculture			\$ 2,788,432
U.S. Department of Justice:			
Direct Program:	16.000	NT/A	Ф 49.000
Equitable Sharing Program Passed-through State Commission on Children and Youth:	16.922	N/A	\$ 43,988
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	2,500
Passed-through State Department of Finance and Administration:	10.540	(0)	2,500
Crime Victim Assistance	16.575	(3)	39,506
Total U.S. Department of Justice		(-)	\$ 85,994
U.S. Department of Transportation:			
Passed-through State Department of Transportation: Highway Safety Cluster:			
State and Community Highway Safety	20.600	(3)	\$ 16,225
Total U.S. Department of Transportation	20.000	(0)	$\frac{\$}{\$}$ $\frac{16,225}{16,225}$
2 Store Class Copyright of 2 Laure Post Marie			Ψ 23,223
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	N/A	\$ 1,500 \$ 1,500
Total U.S. Institute of Museum and Library Services			\$ 1,500
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,914,473
Special Education Cluster: (4)			· -, ·, - · ·
Special Education - Grants to States	84.027	N/A	1,610,822
Special Education - Preschool Grants	84.173	N/A	96,427
Career and Technical Education - Basic Grants to States	84.048	N/A	120,691
English Language Acquisition State Grants	84.365	N/A	31,333
Improving Teacher Quality State Grants	84.367	N/A	129,704
Student Support and Academic Enrichment Program	84.424	N/A	22,792
Total U.S. Department of Education			\$ 3,926,242

<u>Jefferson County, Tennessee, and the Jefferson County School Department Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)</u>

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	E	xpenditures
Grantor 110gram 1100	1100111001	1,000		I postatour on
U.S. Department of Health and Human Services:				
Passed-through East Tennessee Human Resource Agency:				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	02.044	(2)	Ф	05 710
Passed-through State Department of Human Services:	93.044	(3)	\$	25,712
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(3)		204,547
Passed-through State Department of Health:	00.010	(3)		201,011
Injury Prevention and Control Research and State and Community				
Based Programs	93.136	(3)		4,142
Family Planning Services	93.217	(3)		5,318
National State Based Tobacco Control Programs	93.305	(3)		841
Preventive Health and Health Services Block Grant funded solely with				
Prevention and Public Health Funds (PPHF)	93.758	(3)		2,891
Medicaid Cluster:				
Medical Assistance Program	93.778	(3)		26,358
HIV Prevention Activities Health Department Based	93.940	(3)		617
Maternal and Child Health Services Block Grant to the States	93.994	(3)	Φ.	7,254
Total U.S. Department of Health and Human Services			\$	277,680
Executive Office of the President:				
Passed-through Laurel County, Kentucky Fiscal Court:				
High Intensity Drug Trafficking Areas Program	95.001	(3)	\$	16,664
Total Executive Office of the President	00.001	(5)	<u>\$</u> \$	16,664
			<u> </u>	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	(3)	\$	39,150
Homeland Security Grant Program	97.067	(3)		17,834
Total U.S. Department of Homeland Security			\$	56,984
m - 1 n - 2 n - 4 n - 1 G			Φ.	= 100 = 01
Total Expenditures of Federal Grants			\$	7,169,721
		Contract		
State Grants		Number		
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$	9,000
Aging Program - East Tennessee Human Resource Agency	N/A	(3)	Ψ	11,562
Law Enforcement Training - State Department of Safety	N/A	(3)		28,800
Health Department Program - State Department of Health	N/A	(3)		130,674
Litter Program - State Department of Transportation	N/A	(3)		51,873
Special Needs Capital Health Department Grant - State Department of Health	N/A	(3)		82,182
Court Security Grant Program - Administrative Office of the Courts	N/A	(3)		32,430
Coordinated School Health Program - State Department of Education	N/A	(3)		110,000
Family Resource Centers - State Department of Education	N/A	(3)		88,835
Safe Schools Act - State Department of Education	N/A	(3)		37,538
Early Childhood Education - State Department of Education	N/A	(3)		772,944
Internet Connectivity - State Department of Education	N/A	(3)		18,849
Total State Grants			\$	1,374,687

CFDA = Catalog of Federal Domestic AssistanceN/A = Not Applicable

⁽¹⁾ Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting. (2) Jefferson County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

⁽³⁾ Information not available.

⁽⁴⁾ Child Nutrition Cluster total is \$2,728,618; Special Education Cluster total is \$1,707,249.

⁽⁵⁾ Total for CFDA No. 10.555 is \$2,081,242.

<u>Jefferson County, Tennessee</u> <u>Summary Schedule of Prior-year Findings</u> For the Year Ended June 30, 2018

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Jefferson County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2017	256	2017-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	257	2017-002	Jefferson County has a Material Recurring Audit Finding	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

JEFFERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- 1. Our report on the financial statements of Jefferson County is unmodified.
- 2. Internal Control Over Financial Reporting:

* Material weakness identified? YES

* Significant deficiency identified?

3. Noncompliance material to the financial statements noted?

Federal Awards:

4. Internal Control Over Major Federal Programs:

* Material weakness identified?

* Significant deficiency identified? NONE REPORTED

5. Type of report auditor issued on compliance for major programs. UNMODIFIED

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

7. Identification of Major Federal Programs:

* CFDA Numbers: 10.553 and 10.555 Nutrition Cluster:

School Breakfast Program
National School Lunch Program

NO

* CFDA Number 84.010 Title I Grants to Local Education

Agencies

8. Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000

9. Auditee qualified as low-risk auditee?

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

FINDING 2018-001

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 \$3,740,510 in unrestricted net position at June 30, 2018, an increase of \$336,263 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 \$4,755,410 reported as landfill closure and postclosure care liability at June 30, 2018, represents the cumulative amount reported to date based on 50 percent of the estimated capacity of the Patterson Landfill Site (\$3,801,984) and postclosure care costs of the Highway 92 Landfill Site (\$953,426). Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to implement their corrective action plan to correct the finding noted in the prior-year audit report and results in inadequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR

We concur with this finding. The Sanitation Department, Finance Department and Audit Committee have been seeking resolution of this deficit.

FINDING 2018-002 JEFFERSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under Government Auditing Standards)

Jefferson County has a material audit finding that has been reported in its annual reports for three or more consecutive years. This recurring material finding is listed below:

Finding Numbers	Description
2018-002, 2017-002,	The Solid Waste Disposal Fund had a deficit in
2016-004, 2015-003	unrestricted net position

The recurring nature of the above-noted finding indicates that management is unable to address the deficiency. Jefferson County has established an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Jefferson County should work with its Audit Committee to correct the above-noted material weakness in internal control.

MANAGEMENT'S RESPONSE - SOLID WASTE DIRECTOR

We concur with this finding. The Sanitation Department, Finance Department and Audit Committee have been seeking resolution of this deficit.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June $30,\,2018.$

<u>Jefferson County, Tennessee</u> <u>Management's Corrective Action Plan</u> <u>For the Year Ended June 30, 2018</u>

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding		Corrective Action
Number	Title of Finding	Plan Page Number

OFFICE OF SOLID WASTE DIRECTOR

2018-001,	The Solid Waste Disposal Fund had a Deficit in Unrestricted	278
2018-002	Net Position and as a result, Jefferson County has a Material	
	Recurring Audit Finding	

Corrective Action Plan

FINDING: THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION AND AS A RESULT, JEFFERSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:

David Gaut, Solid Waste Director

Person Responsible for Implementing the Corrective Action:

David Gaut, Solid Waste Director and Audit Committee

Anticipated Completion Date of Corrective Action:

Undetermined

Repeat Finding:

Yes

Reason Corrective Action was not Taken in the Prior Year:

David - Jours -

The re-permitting is near completion but has not been approved yet. Therefore the closure and post-closure liability has not been reduced. The positive cash flow has helped decrease the deficit but could not eliminate the deficit in one fiscal year.

Planned Corrective Action:

The calculations for the life of the landfill are being reviewed by TDEC currently. The new estimated life adjusts our capacity to 35%. This adjustment should decrease our closure and post-closure liability. Combined with continued positive cash flow, the deficit will continue to decrease annually.

Signature: