



## ANNUAL FINANCIAL REPORT

### Jackson County, Tennessee

*For the Year Ended June 30, 2021*

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



**DIVISION OF**  
**LOCAL GOVERNMENT AUDIT**

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

*COMPTROLLER OF THE TREASURY*  
*JASON E. MUMPOWER*

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*STEVE REEDER, CPA, CGFM, CFE*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## JACKSON COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Jackson County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	27
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	28-29
Solid Waste/Sanitation Fund	C-6	30
Highway/Public Works Fund	C-7	31
Fiduciary Funds:		
Statement of Net Position	D-1	32
Statement of Changes in Net Position	D-2	33
Index and Notes to the Financial Statements		34-91
REQUIRED SUPPLEMENTARY INFORMATION:		92
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	93
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	94
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Jackson County School Department	E-3	95

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jackson County School Department	E-4	96
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Jackson County School Department	E-5	97
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jackson County School Department	E-6	98
Schedule of Changes in the Total OPEB Liability and Related Ratios - – Discretely Presented Jackson County School Department	E-7	99-100
Notes to the Required Supplementary Information		101
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		102
Nonmajor Governmental Funds:		103
Combining Balance Sheet	F-1	104-105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	106-107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Drug Control Fund	F-3	108
Major Governmental Fund:		109
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	110
Fiduciary Funds:		111
Combining Statement of Net Position – Custodial Funds	H-1	112
Combining Statement of Changes in Net Position – Custodial Funds	H-2	113
Component Unit:		
Discretely Presented Jackson County School Department:		114
Statement of Activities	I-1	115
Balance Sheet – Governmental Funds	I-2	116
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	117
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	118
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	119
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	120
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	I-7	121
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	122-123
School Federal Projects Fund	I-9	124-125
Central Cafeteria Fund	I-10	126

	Exhibit	Page(s)
Miscellaneous Schedules:		127
Schedule of Changes in Long-term Bonds, Notes and Other Loans	J-1	128
Schedule of Long-term Debt Requirements by Year	J-2	129-130
Schedule of Transfers – Primary Government and Discretely Presented Jackson County School Department	J-3	131
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Jackson County School Department	J-4	132
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	133-144
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Jackson County School Department	J-6	145-147
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	148-161
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Jackson County School Department	J-8	162-173
Schedule of Detailed Additions, Deductions, and Changes in Net Position – City Custodial Fund	J-9	174
<u>SINGLE AUDIT SECTION</u>		175
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		176-177
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		178-180
Schedule of Expenditures of Federal Awards and State Grants		181-183
Summary Schedule of Prior-year Findings		184
Schedule of Findings and Questioned Costs		185-190
Management's Corrective Action Plan		191-195
Best Practice		196

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

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

### ***Scope***

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

### ***Results***

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

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

### ***Findings***

The following are summaries of the audit findings:

#### **OFFICE OF COUNTY MAYOR**

- ◆ General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.
- ◆ The office has deficiencies in purchasing procedures.

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#### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ Some funds were not deposited within three days of collection.
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## **OFFICE OF SHERIFF**

- ◆ The office had deficiencies in the administration of confidential funds.
- ◆ Bank statements were not reconciled properly with the general ledger.



# INTRODUCTORY SECTION



## Jackson County Officials

### June 30, 2021

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#### **Officials**

Randy Heady, County Mayor  
Edward Anderson, Road Superintendent  
Kristy Brown, Director of Schools  
Anthony Flatt, Trustee  
Kaleb Allen, Assessor of Property  
Brandon Stafford, County Clerk  
Jeff Hardy, Circuit and General Sessions Courts Clerk  
Sherrie Pippin-Loftis, Clerk and Master  
Kim Barham, Register of Deeds  
Marty Hinson, Sheriff

#### **Board of County Commissioners**

Randy Heady, County Mayor, Chairman  
Tim Agee  
Paul Ballard  
Anthony Buck  
Chris Carter  
Don Chinoy  
Darrell Church  
Joey Denson  
Josh Denson  
Shelby Fox

Gary Garrison  
Richard Head  
Brian Lee  
Josh Locke  
Glenda Mayberry  
Jim Morgan  
Douglas Stafford  
Thomas Wilmoth  
Troy York

#### **Board of Education**

Mark Brown, Chairman  
Mark Allen  
Kim Denson  
Michelle Hix  
Amanda Taylor  
Marty Woolbright

#### **Audit Committee**

Jim Morgan, Chairman  
Donna Elrod  
Jeanette Hansel  
Tony Hunter

## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

Jackson County Mayor and  
Board of County Commissioners  
Jackson 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Internal School Fund of the Jackson County School Department (a discretely presented component unit), which represent 1.7 percent, 2.7 percent, and 2.4 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. 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 Internal School Fund of the Jackson County School Department is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Tennessee, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

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

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

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$447,011 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Jackson County School Department's net position totaling \$453,356 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of school changes in the total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 Jackson 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 Jackson County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Jackson County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of Jackson 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 Jackson 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 Jackson County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 28, 2021

JEM/tg

# BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Jackson County School Department
<u>ASSETS</u>		
Cash	\$ 11,661	\$ 440,637
Equity in Pooled Cash and Investments	6,250,567	10,605,753
Inventories	0	1,226
Accounts Receivable	247,438	193
Allowance for Uncollectibles	(92,499)	0
Due from Other Governments	745,900	601,239
Due from Component Units	6,216,776	0
Property Taxes Receivable	3,325,861	1,883,458
Allowance for Uncollectible Property Taxes	(113,319)	(64,230)
Net Pension Asset - Agent Plan	731,049	357,145
Net Pension Asset - Teacher Retirement Plan	0	49,090
Net Pension Asset - Teacher Legacy Pension Plan	0	1,251,883
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	74,788
Capital Assets:		
Assets Not Depreciated:		
Land	399,223	319,507
Construction in Progress	88,347	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,969,180	9,742,700
Infrastructure	15,705,170	89,261
Other Capital Assets	1,383,548	645,953
Total Assets	<u>\$ 41,868,902</u>	<u>\$ 25,998,603</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 72,171	\$ 84,673
Pension Changes in Assumptions	34,181	131,965
Pension Changes in Investment Earnings	71,275	318,415
Pension Changes in Proportion	0	38,524
Pension Contributions after Measurement Date	267,769	716,730
OPEB Changes in Experience	0	154,652
OPEB Changes in Assumptions	0	124,042
OPEB Changes in Proportion	0	26,512
OPEB Contributions after Measurement Date	0	102,731
Total Deferred Outflows of Resources	<u>\$ 445,396</u>	<u>\$ 1,698,244</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 25,052	\$ 0
Accrued Payroll	0	273,430
Payroll Deductions Payable	31,283	0
Accrued Interest Payable	4,164	0
Due to Primary Government	0	6,216,776
Due to State of Tennessee	0	21,517
Noncurrent Liabilities:		
Due Within One Year - Debt	887,241	0
Due Within One Year - Other	71,807	0
Due in More Than One Year - Debt	7,782,173	0
Due in More Than One Year - Other	71,808	1,239,547
Total Liabilities	<u>\$ 8,873,528</u>	<u>\$ 7,751,270</u>

(Continued)



Exhibit A

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

	Primary Government Governmental Activities	Component Unit Jackson County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,171,198	\$ 1,795,768
Pension Changes in Experience	260,096	741,252
Pension Changes in Proportion	0	6,690
OPEB Changes in Experience	0	171,699
OPEB Changes in Assumptions	0	106,749
OPEB Changes in Proportion	0	477,637
Total Deferred Inflows of Resources	<u>\$ 3,431,294</u>	<u>\$ 3,299,795</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 22,092,830	\$ 10,797,421
Restricted for:		
General Government	73,567	0
Finance	15,059	0
Administration of Justice	29,278	0
Public Safety	70,685	0
Public Health and Welfare	281,540	0
Highways	1,794,954	0
Education	0	924,159
Debt Service	91,153	0
Capital Projects	35,438	0
Pensions	731,049	1,732,906
Unrestricted	<u>4,793,923</u>	<u>3,191,296</u>
Total Net Position	<u>\$ 30,009,476</u>	<u>\$ 16,645,782</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Jackson County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 977,153	\$ 227,595	\$ 207,858	\$ 84,386	\$ (457,314)	\$ 0
Finance	985,626	350,305	0	0	(635,321)	0
Administration of Justice	588,535	138,855	9,000	0	(440,680)	0
Public Safety	2,582,756	671,458	82,800	0	(1,828,498)	0
Public Health and Welfare	1,694,210	751,699	269,963	46,143	(626,405)	0
Social, Cultural, and Recreational Services	440,446	3,817	62,468	278,803	(95,358)	0
Agriculture and Natural Resources	110,455	0	15,755	0	(94,700)	0
Highways	2,435,146	2,890	2,373,937	182,397	124,078	0
Interest on Long-term Debt	27,279	0	0	0	(27,279)	0
Total Primary Government	\$ 9,841,606	\$ 2,146,619	\$ 3,021,781	\$ 591,729	\$ (4,081,477)	\$ 0
Component Unit:						
Jackson County School Department	\$ 17,650,767	\$ 70,156	\$ 3,968,712	\$ 0	\$ 0	\$ (13,611,899)
Total Component Unit	\$ 17,650,767	\$ 70,156	\$ 3,968,712	\$ 0	\$ 0	\$ (13,611,899)

(Continued)

Exhibit B

Jackson County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Jackson County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,288,579	\$ 1,904,368
Property Taxes Levied for Debt Service					37,364	0
Local Option Sales Taxes					431,052	1,038,113
Wheel Tax					309,778	195,007
Business Tax					42,577	0
Litigation Taxes					19,010	0
Wholesale Beer Tax					95,201	0
Hotel/Motel Tax					42,558	0
Mineral Severance Tax					36,021	0
Other Local Taxes					296	135
Grants and Contributions Not Restricted to Specific Programs					2,048,941	10,610,456
Unrestricted Investment Earnings					62,818	13,485
Miscellaneous					87,757	18,792
Total General Revenues					<u>\$ 6,501,952</u>	<u>\$ 13,780,356</u>
Insurance Recovery					<u>\$ 0</u>	<u>\$ 1,600</u>
Change in Net Position					\$ 2,420,475	\$ 170,057
Net Position, July 1, 2020					27,589,001	16,022,369
Restatement - See Note I.D.9.					<u>0</u>	<u>453,356</u>
Net Position, June 30, 2021					<u><u>\$ 30,009,476</u></u>	<u><u>\$ 16,645,782</u></u>

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,661	\$ 11,661
Equity in Pooled Cash and Investments	3,168,909	303,522	1,291,077	1,147,355	339,704	6,250,567
Accounts Receivable	237,241	978	8,183	0	1,036	247,438
Allowance for Uncollectibles	(92,499)	0	0	0	0	(92,499)
Due from Other Governments	252,508	0	493,392	0	0	745,900
Due from Other Funds	24,297	443	0	0	5,340	30,080
Property Taxes Receivable	2,502,454	557,676	219,656	46,075	0	3,325,861
Allowance for Uncollectible Property Taxes	(85,575)	(19,046)	(7,264)	(1,434)	0	(113,319)
Total Assets	<u>\$ 6,007,335</u>	<u>\$ 843,573</u>	<u>\$ 2,005,044</u>	<u>\$ 1,191,996</u>	<u>\$ 357,741</u>	<u>\$ 10,405,689</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 9,829	\$ 14,971	\$ 252	\$ 0	\$ 0	\$ 25,052
Payroll Deductions Payable	28,437	2,800	0	0	46	31,283
Due to Other Funds	5,340	12,600	0	0	12,140	30,080
Total Liabilities	<u>\$ 43,606</u>	<u>\$ 30,371</u>	<u>\$ 252</u>	<u>\$ 0</u>	<u>\$ 12,186</u>	<u>\$ 86,415</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 2,385,522	\$ 531,662	\$ 209,838	\$ 44,176	\$ 0	\$ 3,171,198
Deferred Delinquent Property Taxes	27,103	6,023	2,208	402	0	35,736
Other Deferred/Unavailable Revenue	195,138	0	175,918	0	0	371,056
Total Deferred Inflows of Resources	<u>\$ 2,607,763</u>	<u>\$ 537,685</u>	<u>\$ 387,964</u>	<u>\$ 44,578</u>	<u>\$ 0</u>	<u>\$ 3,577,990</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 32,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,310
Restricted for Finance	15,059	0	0	0	0	15,059
Restricted for Administration of Justice	29,278	0	0	0	0	29,278
Restricted for Public Safety	8,192	0	0	0	62,493	70,685
Restricted for Public Health and Welfare	0	275,517	0	0	0	275,517
Restricted for Other Operations	41,257	0	0	0	0	41,257
Restricted for Highways/Public Works	0	0	1,616,828	0	0	1,616,828
Restricted for Debt Service	0	0	0	94,915	0	94,915
Restricted for Capital Projects	0	0	0	0	35,438	35,438
Committed:						
Committed for Administration of Justice	63,917	0	0	0	0	63,917
Committed for Other Operations	0	0	0	0	88,475	88,475
Committed for Debt Service	0	0	0	1,052,503	0	1,052,503
Committed for Capital Projects	0	0	0	0	159,149	159,149
Unassigned	3,165,953	0	0	0	0	3,165,953
Total Fund Balances	\$ 3,355,966	\$ 275,517	\$ 1,616,828	\$ 1,147,418	\$ 345,555	\$ 6,741,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,007,335	\$ 843,573	\$ 2,005,044	\$ 1,191,996	\$ 357,741	\$ 10,405,689

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,741,284
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 399,223	
Add: construction in progress	88,347	
Add: buildings and improvements net of accumulated depreciation	6,969,180	
Add: infrastructure net of accumulated depreciation	15,705,170	
Add: other capital assets net of accumulated depreciation	<u>1,383,548</u>	24,545,468
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (167,394)	
Less: notes payable	(163,244)	
Less: other loans payable	(8,338,776)	
Add: debt to be contributed by the school department	6,216,776	
Less: compensated absences payable	(143,615)	
Less: accrued interest on bonds and notes	<u>(4,164)</u>	(2,600,417)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 445,396	
Less: deferred inflows of resources related to pensions	<u>(260,096)</u>	185,300
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		731,049
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>406,792</u>
Net position of governmental activities (Exhibit A)		<u>\$ 30,009,476</u>

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

## Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 3,530,089	\$ 560,783	\$ 240,867	\$ 37,387	\$ 0
Licenses and Permits	31,049	0	0	0	0
Fines, Forfeitures, and Penalties	34,098	0	0	0	0
Charges for Current Services	825,956	4,871	0	0	0
Other Local Revenues	205,403	30,534	118,032	0	0
Fees Received From County Officials	457,532	0	0	0	0
State of Tennessee	2,379,154	16,362	2,202,871	350,000	0
Federal Government	357,305	0	345,108	0	0
Other Governments and Citizens Groups	16,575	0	0	449,783	0
Total Revenues	\$ 7,837,161	\$ 612,550	\$ 2,906,878	\$ 837,170	\$ 0
<u>Expenditures</u>					
Current:					
General Government	\$ 693,909	\$ 0	\$ 0	\$ 0	\$ 0
Finance	424,618	0	0	0	0
Administration of Justice	534,319	0	0	0	0
Public Safety	2,232,144	0	0	0	0
Public Health and Welfare	881,854	592,949	0	0	0
Social, Cultural, and Recreational Services	99,593	0	0	0	0
Agriculture and Natural Resources	105,599	0	0	0	0
Other Operations	1,305,001	0	0	740	0
Highways	31,441	0	2,218,313	0	0
Debt Service:					
Principal on Debt	0	0	0	733,460	0
Interest on Debt	0	0	0	28,636	0
Other Debt Service	0	0	0	48,258	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects - Donated	0	0	0	0	2,033,948
Total Expenditures	\$ 6,308,478	\$ 592,949	\$ 2,218,313	\$ 811,094	\$ 2,033,948
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,528,683	\$ 19,601	\$ 688,565	\$ 26,076	\$ (2,033,948)
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,033,948
Transfers In	0	0	0	0	0
Transfers Out	(131,940)	0	0	0	0
Total Other Financing Sources (Uses)	\$ (131,940)	\$ 0	\$ 0	\$ 0	\$ 2,033,948
Net Change in Fund Balances	\$ 1,396,743	\$ 19,601	\$ 688,565	\$ 26,076	\$ 0
Fund Balance, July 1, 2020	1,959,223	255,916	928,263	1,121,342	0
Fund Balance, June 30, 2021	\$ 3,355,966	\$ 275,517	\$ 1,616,828	\$ 1,147,418	\$ 0

(Continued)



## Exhibit C-3

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

	Nonmajor Funds		Other Govern- mental Funds	Total Governmental Funds
<hr/>				
<u>Revenues</u>				
Local Taxes	\$	0	\$	4,369,126
Licenses and Permits		0		31,049
Fines, Forfeitures, and Penalties		18,297		52,395
Charges for Current Services		66		830,893
Other Local Revenues		10,549		364,518
Fees Received From County Officials		0		457,532
State of Tennessee		0		4,948,387
Federal Government		324,946		1,027,359
Other Governments and Citizens Groups		0		466,358
Total Revenues	\$	353,858	\$	12,547,617
<hr/>				
<u>Expenditures</u>				
Current:				
General Government	\$	0	\$	693,909
Finance		66		424,684
Administration of Justice		0		534,319
Public Safety		5,564		2,237,708
Public Health and Welfare		0		1,474,803
Social, Cultural, and Recreational Services		0		99,593
Agriculture and Natural Resources		0		105,599
Other Operations		13,339		1,319,080
Highways		0		2,249,754
Debt Service:				
Principal on Debt		0		733,460
Interest on Debt		0		28,636
Other Debt Service		0		48,258

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 294,943	\$	294,943
Capital Projects - Donated	0		2,033,948
Total Expenditures	<u>\$ 313,912</u>	<u>\$</u>	<u>12,278,694</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 39,946</u>	<u>\$</u>	<u>268,923</u>
<u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$ 0	\$	2,033,948
Transfers In	131,940		131,940
Transfers Out	0		(131,940)
Total Other Financing Sources (Uses)	<u>\$ 131,940</u>	<u>\$</u>	<u>2,033,948</u>
Net Change in Fund Balances	\$ 171,886	\$	2,302,871
Fund Balance, July 1, 2020	<u>173,669</u>		<u>4,438,413</u>
Fund Balance, June 30, 2021	<u><u>\$ 345,555</u></u>	<u><u>\$</u></u>	<u><u>6,741,284</u></u>

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 2,302,871
(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: assets purchased and capitalized	\$ 207,764	
Less: current-year depreciation expense	<u>(644,919)</u>	(437,155)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(21,102)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 406,792	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(277,028)</u>	129,764
(4) The issuance of long-term debt (e.g., bonds, notes, 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 net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 3,225	
Add: principal payments on notes	113,235	
Add: principal payments on other loans	617,000	
Less: other loan proceeds	(2,033,948)	
Add: other loan proceeds contributed to the school department	2,033,948	
Less: contributions from the school department for other loans	<u>(408,000)</u>	325,460
(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	\$ 1,357	
Change in compensated absences payable	(8,186)	
Change in net pension liability/asset	177,830	
Change in deferred outflows related to pensions	1,028	
Change in deferred inflows related to pensions	<u>(51,392)</u>	120,637
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,420,475</u>

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

Exhibit C-5

Jackson County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,530,089	\$ 3,360,052	\$ 3,205,052	\$ 325,037
Licenses and Permits	31,049	35,000	35,000	(3,951)
Fines, Forfeitures, and Penalties	34,098	39,300	39,300	(5,202)
Charges for Current Services	825,956	866,800	866,800	(40,844)
Other Local Revenues	205,403	149,500	243,615	(38,212)
Fees Received From County Officials	457,532	430,000	430,000	27,532
State of Tennessee	2,379,154	2,101,200	2,271,875	107,279
Federal Government	357,305	103,000	183,237	174,068
Other Governments and Citizens Groups	16,575	25,000	25,000	(8,425)
Total Revenues	\$ 7,837,161	\$ 7,109,852	\$ 7,299,879	\$ 537,282
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 51,831	\$ 61,450	\$ 61,450	\$ 9,619
Beer Board	0	200	200	200
County Mayor/Executive	183,249	185,377	185,377	2,128
County Attorney	10,765	11,400	11,400	635
Election Commission	164,352	187,476	187,476	23,124
Register of Deeds	114,019	119,007	119,007	4,988
Planning	60,000	60,000	60,000	0
County Buildings	103,194	127,748	163,907	60,713
Preservation of Records	6,499	8,781	8,781	2,282
<u>Finance</u>				
Property Assessor's Office	114,812	120,057	120,057	5,245
County Trustee's Office	127,217	129,107	129,107	1,890
County Clerk's Office	182,589	163,267	203,781	21,192
<u>Administration of Justice</u>				
Circuit Court	199,935	202,993	202,993	3,058
General Sessions Court	142,069	143,432	146,402	4,333
Chancery Court	113,180	116,329	116,329	3,149
Juvenile Court	35,427	38,950	38,950	3,523
Judicial Commissioners	40,694	42,163	42,163	1,469
Other Administration of Justice	3,014	3,955	3,955	941
<u>Public Safety</u>				
Sheriff's Department	974,092	1,086,817	1,086,817	112,725
Administration of the Sexual Offender Registry	1,919	2,000	2,000	81
Jail	1,150,333	1,416,474	1,422,574	272,241
Fire Prevention and Control	16,500	16,500	16,500	0
Other Emergency Management	89,300	96,500	96,500	7,200
<u>Public Health and Welfare</u>				
Local Health Center	66,312	115,910	115,910	49,598
Ambulance/Emergency Medical Services	803,099	882,073	883,573	80,474
Crippled Children Services	0	900	900	900
Regional Mental Health Center	4,648	5,811	5,811	1,163
Appropriation to State	7,795	15,590	15,590	7,795
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	19,057	22,350	22,350	3,293
Senior Citizens Assistance	17,380	29,060	29,060	11,680

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Social, Cultural, and Recreational Services (Cont.)</u>				
Libraries	\$ 63,156	\$ 68,574	\$ 73,574	\$ 10,418
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	45,760	48,075	48,075	2,315
Soil Conservation	59,839	75,811	75,811	15,972
<u>Other Operations</u>				
Industrial Development	540	6,040	6,040	5,500
Other Economic and Community Development	63,180	83,000	83,000	19,820
Airport	194,220	256,743	272,418	78,198
Veterans' Services	6,226	7,000	7,000	774
Other Charges	483,277	503,500	503,500	20,223
Contributions to Other Agencies	50,295	57,969	57,969	7,674
Employee Benefits	413,453	497,000	472,000	58,547
COVID-19 Grant #1	16,000	16,000	16,000	0
COVID-19 Grant #2	7,237	11,557	11,557	4,320
COVID-19 Grant #3	9,721	0	50,281	40,560
COVID-19 Grant #4	9,000	0	9,000	0
COVID-19 Grant #5	796	0	2,405	1,609
COVID-19 Grant #6	15,675	0	15,675	0
COVID-19 Grant #7	2,875	0	2,875	0
Miscellaneous	32,506	47,000	47,000	14,494
<u>Highways</u>				
Litter and Trash Collection	31,441	45,732	45,732	14,291
Total Expenditures	\$ 6,308,478	\$ 7,135,678	\$ 7,298,832	\$ 990,354
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 1,528,683	\$ (25,826)	\$ 1,047	\$ 1,527,636
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (131,940)	\$ (350,000)	\$ (506,940)	\$ 375,000
Total Other Financing Sources	\$ (131,940)	\$ (350,000)	\$ (506,940)	\$ 375,000
Net Change in Fund Balance				
Fund Balance, July 1, 2020	\$ 1,396,743	\$ (375,826)	\$ (505,893)	\$ 1,902,636
	1,959,223	1,963,555	1,963,555	(4,332)
Fund Balance, June 30, 2021				
	\$ 3,355,966	\$ 1,587,729	\$ 1,457,662	\$ 1,898,304

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 560,783	\$ 546,072	\$ 546,072	\$ 14,711
Charges for Current Services	4,871	0	0	4,871
Other Local Revenues	30,534	35,892	35,892	(5,358)
State of Tennessee	16,362	46,000	46,000	(29,638)
Total Revenues	<u>\$ 612,550</u>	<u>\$ 627,964</u>	<u>\$ 627,964</u>	<u>\$ (15,414)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 404,646	\$ 385,100	\$ 407,100	\$ 2,454
Convenience Centers	188,303	236,260	214,260	25,957
Total Expenditures	<u>\$ 592,949</u>	<u>\$ 621,360</u>	<u>\$ 621,360</u>	<u>\$ 28,411</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,601</u>	<u>\$ 6,604</u>	<u>\$ 6,604</u>	<u>\$ 12,997</u>
Net Change in Fund Balance	\$ 19,601	\$ 6,604	\$ 6,604	\$ 12,997
Fund Balance, July 1, 2020	<u>255,916</u>	<u>256,616</u>	<u>256,616</u>	<u>(700)</u>
Fund Balance, June 30, 2021	<u><u>\$ 275,517</u></u>	<u><u>\$ 263,220</u></u>	<u><u>\$ 263,220</u></u>	<u><u>\$ 12,297</u></u>

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

Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 240,867	\$ 227,503	\$ 234,243	\$ 6,624
Other Local Revenues	118,032	87,500	96,689	21,343
State of Tennessee	2,202,871	1,433,397	1,965,794	237,077
Federal Government	345,108	0	222,751	122,357
Total Revenues	<u>\$ 2,906,878</u>	<u>\$ 1,748,400</u>	<u>\$ 2,519,477</u>	<u>\$ 387,401</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 171,182	\$ 181,432	\$ 182,432	\$ 11,250
Highway and Bridge Maintenance	1,018,097	1,345,500	1,459,527	441,430
Operation and Maintenance of Equipment	408,315	446,700	491,700	83,385
Other Charges	221,294	81,060	271,060	49,766
Employee Benefits	149,592	168,000	168,000	18,408
Capital Outlay	249,833	31,200	284,450	34,617
Total Expenditures	<u>\$ 2,218,313</u>	<u>\$ 2,253,892</u>	<u>\$ 2,857,169</u>	<u>\$ 638,856</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 688,565</u>	<u>\$ (505,492)</u>	<u>\$ (337,692)</u>	<u>\$ 1,026,257</u>
Net Change in Fund Balance	\$ 688,565	\$ (505,492)	\$ (337,692)	\$ 1,026,257
Fund Balance, July 1, 2020	<u>928,263</u>	<u>835,317</u>	<u>835,317</u>	<u>92,946</u>
Fund Balance, June 30, 2021	<u><u>\$ 1,616,828</u></u>	<u><u>\$ 329,825</u></u>	<u><u>\$ 497,625</u></u>	<u><u>\$ 1,119,203</u></u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 593,117
Due from Other Governments	<u>57,430</u>
Total Assets	<u>\$ 650,547</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 57,430</u>
Total Liabilities	<u>\$ 57,430</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 593,117</u>
Total Net Position	<u><u>\$ 593,117</u></u>

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



Exhibit D-2

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

	Custodial Funds
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 307,159
Fines/Fees and Other Collections	4,292,902
Total Additions	<u>\$ 4,600,061</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 307,159
Payments to State	1,309,650
Payments to County/City	1,016,993
Payments to Individuals and Others	1,820,153
Total Deductions	<u>\$ 4,453,955</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 146,106
Net Position, July 1, 2020	0
Restatement - See Note I.D.9	<u>447,011</u>
Net Position, June 30, 2021	\$ 593,117

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

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## JACKSON COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	35
B. Government-wide and Fund Financial Statements	36
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	39
2. Receivables and Payables	41
3. Restricted Assets	42
4. Capital Assets	42
5. Deferred Outflows/Inflows of Resources	43
6. Compensated Absences	43
7. Long-term Debt and Long-term Obligations	44
8. Net Position and Fund Balance	44
9. Restatements	46
E. Pension Plans	46
F. Other Postemployment Benefit (OPEB) Plans	47
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	47
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	47
<b>III. Stewardship, Compliance, and Accountability</b>	
Budgetary Information	48
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	49
B. Capital Assets	52
C. Interfund Receivables, Payables, and Transfers	54
D. Long-term Debt	55
E. Long-term Obligations	59
F. On-Behalf Payments	61
<b>V. Other Information</b>	
A. Risk Management	61
B. Accounting Changes	62
C. Contingent Liabilities	63
D. Changes in Administration	63
E. Joint Venture	63
F. Jointly Governed Organization	64
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	64
2. Deferred Compensation	81
H. Other Postemployment Benefits (OPEB)	82
I. Purchasing Laws	91

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Jackson 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 Jackson County:

**A. Reporting Entity**

Jackson County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Jackson County (the primary government) and its component units. The financial statements of the Jackson County Emergency Communications District, a component unit requiring discrete presentation, were excluded from their report due to materiality calculations; therefore, the effect of this 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 Jackson County School Department operates the public school system in the county, and the voters of Jackson 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 Jackson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Jackson County, and the Jackson 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 Jackson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Jackson 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 Jackson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Jackson County Emergency  
Communications District  
P. O. Box 313  
305 North Murry  
Gainesboro, TN 38562

**Related Organization** – The Industrial Development Board of Jackson County, Tennessee, is a related organization of Jackson County. The county commission elects the board members, but the county's accountability for the organization does not extend beyond making the 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 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. However, the primary government of Jackson County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Jackson 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.

Jackson County issues all debt for the discretely presented Jackson County School Department. Net debt issues totaling \$2,033,948 were contributed by the county to the school department during the year ended June 30, 2021.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Jackson 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Jackson County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds 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 fiduciary funds in total are reported in a single column.

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. Jackson 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 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.

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

Jackson 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.

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for transactions relating to the disposal of Jackson County’s solid waste. Local taxes are the foundational revenues of this fund.

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

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

**Education Capital Projects Fund** – This fund accounts for debt issued by Jackson County that is subsequently contributed to the discretely presented Jackson County School Department for construction and renovation projects.

Additionally, Jackson County reports the following fund type:

**Custodial Funds** – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes

received by the state to be forwarded to the various cities in Jackson County.

The discretely presented Jackson 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 Jackson County School Department reports the following fund type:

**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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds

of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Jackson 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 Fund. Jackson County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

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



States of America. Jackson County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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 outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.85 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 deferred inflows of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements.

### 3. Restricted Assets

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

### 4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life extending beyond the current fiscal year and values as defined in the county's capital assets policy. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Infrastructure	25 - 75
Other Capital Assets	5 - 20

## **5. Deferred Outflows/Inflows of Resources**

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

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

## **6. Compensated Absences**

It is the county's policy (excluding the highway department) to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation of service. The cost of vacation benefits is recognized when payments are made to employees. All vacation pay should be accrued by the county when incurred and presented in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The county's policy does allow employees to accumulate an unlimited amount of unused sick leave; however, the granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded. The general policy of the highway department does not allow for the accumulation of unused vacation and sick days.

The school department's general policy does not allow employees to accumulate earned but unused vacation leave benefits beyond year-end. The school department does allow employees to accumulate an unlimited amount of unused sick leave; however, the granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded.

**7. Long-term Debt and Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new 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 and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**8. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2021, Jackson County had \$6,216,776 in outstanding debt for capital purposes for the discretely presented Jackson County School Department. This debt is a liability of Jackson County, but the capital assets acquired are reported in the financial statements of the school department.

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 then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department.

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

## **9. Restatements**

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Jackson County School Department. A restatement of \$453,356 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$447,011 using the economic measurement focus and the accrual basis of accounting.

## **E. Pension Plans**

### **Primary Government**

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

### **Discretely Presented Jackson 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**

**Discretely Presented Jackson 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 Jackson County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Jackson County School Department**

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

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

**Primary Government**

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

## **Discretely Presented Jackson County School Department**

Exhibit I-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**

#### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2021, the Jackson County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 77,891
Nonmajor Fund:	
School Federal Projects	272,223



#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

##### Deposits

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations

holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

### **Investments**

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

The county had no pooled or nonpooled investments as of June 30, 2021.

### **TCRS Stabilization Trust**

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

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

At June 30, 2021, the Jackson County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 23,184
Developed Market International Equity	N/A	N/A	10,470
Emerging Market International Equity	N/A	N/A	2,991
U.S. Fixed Income	N/A	N/A	14,958
Real Estate	N/A	N/A	7,479
Short-term Securities	N/A	N/A	748
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>14,958</u>
Total			<u><u>\$ 74,788</u></u>

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

**B. Capital Assets**

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

**Primary Government****Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 420,325	\$ 0	\$ (21,102)	\$ 399,223
Construction in Progress	0	88,347	0	88,347
Total Capital Assets Not Depreciated	<u>\$ 420,325</u>	<u>\$ 88,347</u>	<u>\$ (21,102)</u>	<u>\$ 487,570</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,050,819	\$ 0	\$ 0	\$ 10,050,819
Infrastructure	19,611,214	30,315	0	19,641,529
Other Capital Assets	4,762,132	89,102	0	4,851,234
Total Capital Assets Depreciated	<u>\$ 34,424,165</u>	<u>\$ 119,417</u>	<u>\$ 0</u>	<u>\$ 34,543,582</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,857,607	\$ 224,032	\$ 0	\$ 3,081,639
Infrastructure	3,766,603	169,756	0	3,936,359
Other Capital Assets	3,216,555	251,131	0	3,467,686
Total Accumulated Depreciation	<u>\$ 9,840,765</u>	<u>\$ 644,919</u>	<u>\$ 0</u>	<u>\$ 10,485,684</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,583,400</u>	<u>\$ (525,502)</u>	<u>\$ 0</u>	<u>\$ 24,057,898</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,003,725</u>	<u>\$ (437,155)</u>	<u>\$ (21,102)</u>	<u>\$ 24,545,468</u>

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

**Governmental Activities:**

General Government	\$ 107,897
Public Safety	213,202
Public Health and Welfare	76,157
Social, Cultural, and Recreational Services	90
Highways/Public Works	<u>247,573</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 644,919</u></u>

**Discretely Presented Jackson County School Department****Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 319,507	\$ 0	\$ 0	\$ 319,507
Total Capital Assets Not Depreciated	<u>\$ 319,507</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 319,507</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 16,610,759	\$ 0	\$ 0	\$ 16,610,759
Infrastructure	109,860	0	0	109,860
Other Capital Assets	<u>2,065,916</u>	<u>96,487</u>	<u>(354,530)</u>	<u>1,807,873</u>
Total Capital Assets Depreciated	<u>\$ 18,786,535</u>	<u>\$ 96,487</u>	<u>\$ (354,530)</u>	<u>\$ 18,528,492</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 6,516,310	\$ 351,749	\$ 0	\$ 6,868,059
Infrastructure	15,106	5,493	0	20,599
Other Capital Assets	<u>1,403,931</u>	<u>91,302</u>	<u>(333,313)</u>	<u>1,161,920</u>
Total Accumulated Depreciation	<u>\$ 7,935,347</u>	<u>\$ 448,544</u>	<u>\$ (333,313)</u>	<u>\$ 8,050,578</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,851,188</u>	<u>\$ (352,057)</u>	<u>\$ (21,217)</u>	<u>\$ 10,477,914</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 11,170,695</u></u>	<u><u>(352,057)</u></u>	<u><u>(21,217)</u></u>	<u><u>\$ 10,797,421</u></u>

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

**Governmental Activities:**

Instruction	\$ 360,041
Support Services	87,334
Non-Instructional Services	<u>1,169</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 448,544</u>

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

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

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 11,697
"	Solid Waste/Sanitation	12,600
Solid Waste/Sanitation	Nonmajor governmental	443
Nonmajor governmental	General	5,340
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	36,063
Nonmajor governmental	General Purpose School	257

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

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

Receivable Fund	Payable Fund	Amount
Primary Government:	School Department Component Unit:	
Governmental Activities	Governmental Activities	\$ 6,216,776

The Due to Primary Government of \$6,216,776 is the balance of other loans issued by the county for the school department. The school department has agreed to contribute the funds annually to retire these other loans. These long-

term obligations are reflected in governmental activities on the Statement of Net Position.

### **Interfund Transfers:**

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

#### **Primary Government**

Transfer Out	Transfer In	
	Nonmajor Governmental Fund	Purpose
General Fund	\$ 131,940	To fund capital projects
Total	\$ 131,940	

#### **Discretely Presented Jackson County School Department**

Transfers Out	Transfers In		
	General Purpose School Fund	Nonmajor Governmental Funds	Purpose
General Purpose School Fund	\$ 0	\$ 425,000	Cash flow
Nonmajor governmental fund	38,109	0	Indirect costs
"	60,000	0	Supervisor's salary
Total	\$ 98,109	\$ 425,000	

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.

## **D. Long-term Debt**

### **Primary Government**

#### **General Obligation Bonds, Notes, and Other Loans**

General Obligation Bonds - Jackson County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. General obligation bonds were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of

principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Jackson County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to five years for notes and up to 28 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	4 %	2-22-49	\$ 194,600	\$ 167,394
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.9 to 1.98	11-13-22	560,111	163,244
Other Loans	variable	5-25-31	14,765,000	6,103,000
Other Loans	1.50	6-1-37	2,235,776	2,235,776

In prior years, Jackson County entered into two separate loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned Jackson County \$3,500,000 and \$1,200,000, respectively, for jail construction. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2021, the variable interest rate for these loans was .22 percent and other fees totaled approximately .57 percent (letter of credit), .08 percent (remarketing), and a trustee fee of \$85 per month.

In a prior year, Jackson County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,300,000 to the school department for construction of a middle school. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various



other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2021, the variable interest rate was .23 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal, and a trustee fee of \$85 per month.

In a prior year, Jackson County entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee. Under this loan agreement, the authority loaned \$3,765,000 to Jackson County for the refunding of two school bonds and for various school construction and renovation projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2021, the variable interest rate was .23 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal, and a trustee fee of \$85 per month.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 3,354	\$ 6,696	\$ 10,050
2023	3,488	6,562	10,050
2024	3,628	6,422	10,050
2025	3,773	6,277	10,050
2026	3,924	6,126	10,050
2027-2031	22,103	28,147	50,250
2032-2036	26,892	23,358	50,250
2037-2041	32,719	17,531	50,250
2042-2046	39,806	10,444	50,250
2047-2049	27,707	2,443	30,150
Total	\$ 167,394	\$ 114,006	\$ 281,400

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2022	\$ 115,424	\$ 3,177	\$ 118,601
2023	47,820	947	48,767
Total	\$ 163,244	\$ 4,124	\$ 167,368

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2022	\$ 768,463	\$ 47,713	\$ 43,750	\$ 859,926
2023	797,358	44,359	39,565	881,282
2024	830,279	40,918	35,204	906,401
2025	861,234	37,371	30,639	929,244
2026	893,215	33,733	25,888	952,836
2027-2031	3,285,924	112,559	50,906	3,449,389
2032-2036	746,225	45,535	0	791,760
2037	156,078	2,209	0	158,287
Total	\$ 8,338,776	\$ 364,397	\$ 225,952	\$ 8,929,125

There is \$1,147,418 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$14, based on the 2020 federal census. Total debt per capita, including bonds, notes, and other loans totaled \$746, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-21
<u>Other Loans Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Construction	\$ 2,813,000
Refunding/School Construction	1,168,000
Energy Efficiency Schools Initiative Loan	<u>2,235,776</u>
Total	<u>\$ 6,216,776</u>

#### Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2020	\$ 170,619	\$ 276,479	\$ 6,921,828
Additions	0	0	2,033,948
Reductions	(3,225)	(113,235)	(617,000)
Balance, June 30, 2021	<u>\$ 167,394</u>	<u>\$ 163,244</u>	<u>\$ 8,338,776</u>
Balance Due Within One Year	<u>\$ 3,354</u>	<u>\$ 115,424</u>	<u>\$ 768,463</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 8,669,414
Less: Balance Due Within One Year - Debt	<u>(887,241)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,782,173</u>

**E. Long-term Obligations**

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences
Balance, July 1, 2020	\$ 135,429
Additions	118,523
Reductions	<u>(110,337)</u>
Balance, June 30, 2021	<u>\$ 143,615</u>
Balance Due Within One Year	<u>\$ 71,807</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 143,615
Less: Balance Due Within One Year - Other	<u>(71,807)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 71,808</u></u>

Compensated absences will be paid from the employing funds, primarily the General Fund.

**Discretely Presented Jackson County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
	<u></u>
Balance, July 1, 2020	\$ 1,192,848
Additions	253,947
Reductions	<u>(207,248)</u>
Balance, June 30, 2021	<u><u>\$ 1,239,547</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 1,239,547
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,239,547</u></u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**F. On-Behalf Payments**

**Discretely Presented Jackson County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Jackson County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2021, were \$62,673 and \$19,372, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, and casualty losses. During 2021, the county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Jackson County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, Tennessee Code Annotated, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

The county carries commercial insurance for the airport operations. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

### **Discretely Presented Jackson County School Department**

The school department participates in 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 school department pays an annual premium to the TN-RMT for its general liability, property, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The 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, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

## **B. Accounting Changes**

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

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

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code*

*Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

**C. Contingent Liabilities**

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

The county is involved in several pending lawsuits. The county and school department attorneys have not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

**D. Changes in Administration**

Assessor of Property Timmy Bowman retired August 31, 2020, and was succeeded by Kaleb Allen effective September 1, 2020.

Brandon Stafford assumed the duties of county clerk on September 1, 2020, following the resignation of Amanda Stafford on May 8, 2020.

**E. Joint Venture**

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District and participating municipalities in the district. The Fifteenth Judicial District includes Smith, Jackson, Trousdale, and Wilson counties. The DTF interlocal agreement was signed by the sheriffs of Smith County, Jackson County, Hartsville/Trousdale County Government, and the police chiefs of the cities of Carthage and Lafayette. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Jackson County made no contributions to the DTF for the year ended June 30, 2021, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General  
Fifteenth Judicial District  
203 Greentop Street  
Hartsville, TN 37074

**F. Jointly Governed Organization**

The Gainesboro Port Authority was created by the county in conjunction with the city of Gainesboro. The authority's board comprises two members appointed by the county commission, two members appointed by the city of Gainesboro, and the remaining member appointed by the other four members. Jackson County does not provide funding for the authority and retains no ongoing financial responsibility for the authority.

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Jackson County and non-certified employees of the discretely presented Jackson County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 67.18 percent, the non-certified employees of the discretely presented school department comprise 32.82 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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



of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	87
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	198
Active Employees	<u>204</u>
Total	<u><u>489</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Jackson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Jackson County was \$407,534 based on a rate of 6.9 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jackson 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)

Jackson County's net pension liability (asset) was measured as of June 30, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 12,292,074	\$ 13,142,918	\$ (850,844)
Changes for the Year:			
Service Cost	\$ 511,467	\$ 0	\$ 511,467
Interest	909,936	0	909,936
Differences Between Expected and Actual Experience	(323,970)	0	(323,970)
Contributions-Employer	0	405,683	(405,683)
Contributions-Employees	0	290,639	(290,639)
Net Investment Income	0	656,195	(656,195)
Benefit Payments, Including Refunds of Employee Contributions	(505,412)	(505,412)	0
Administrative Expense	0	(17,734)	17,734
Net Changes	\$ 592,021	\$ 829,371	\$ (237,350)
Balance, June 30, 2020	\$ 12,884,095	\$ 13,972,289	\$ (1,088,194)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 67.18%	\$ 8,655,535	\$ 9,386,584	\$ (731,049)
School Department 32.82%	4,228,560	4,585,705	(357,145)
Total	\$ 12,884,095	\$ 13,972,289	\$ (1,088,194)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Jackson 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 percent) or one percentage point higher (8.25 percent) than the current rate:

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

Net Pension Liability (Asset)      \$    670,277    \$    (1,088,194)    \$    (2,534,687)

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

*Pension Expense.* For the year ended June 30, 2021, Jackson County recognized pension expense of \$249,099.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$    107,429	\$    387,163
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	106,096	0
Changes in Assumptions	50,879	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	407,534	N/A
Total	<u>\$    671,938</u>	<u>\$    387,163</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 445,397	\$ 260,096
School Department	226,541	127,067
Total	\$ 671,938	\$ 387,163

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

Year Ending June 30	Amount
2022	\$ (31,834)
2023	(36,197)
2024	(50,528)
2025	(4,205)
2026	0
Thereafter	0

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

**Discretely Presented Jackson County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Jackson County and non-certified employees of the discretely presented Jackson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 67.18 percent and the non-certified employees of the discretely presented school department comprise 32.82 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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

contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2021, to the Teacher Retirement Plan were \$23,599, which is 2.02 percent of covered payroll. In addition, employer contributions of \$22,171, which is 1.98 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2021, the school department reported a liability (asset) of (\$49,090) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability (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, 2020, the school department's proportion was .086329 percent. The proportion as of June 30, 2019, was .078000 percent.

*Pension Expense.* For the year ended June 30, 2021, the school department recognized pension expense of \$19,965.



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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,824	\$ 12,302
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,999	0
Changes in Assumptions	1,539	0
Changes in Proportion of Net Pension Liability (Asset)	4,735	3,704
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	23,599	N/A
Total	<u>\$ 35,696</u>	<u>\$ 16,006</u>

The school department's employer contributions of \$23,599, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (286)
2023	292
2024	586
2025	670
2026	(684)
Thereafter	(4,487)

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

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

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

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 percent) or one percentage point higher (8.25 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 38,184 \$ (49,090) \$ (113,423)

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Jackson County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$553,367, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2021, the school department reported a liability (asset) of (\$1,251,883) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .164165 percent. The proportion measured at June 30, 2019, was .173288 percent.

*Pension Expense (negative pension expense).* For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$3,187).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 47,591	\$ 601,883
Changes in Assumptions	113,728	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	279,595	0
Changes in Proportion of Net Pension Liability (Asset)	33,789	2,986
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	553,367	N/A
Total	<u>\$ 1,028,070</u>	<u>\$ 604,869</u>

The school department's employer contributions of \$553,367 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (293,303)
2023	(37,666)
2024	15,591
2025	185,212
2026	0
Thereafter	0

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

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

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

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 percent) or one percentage point higher (8.25 percent) than the current rate:



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

Net Pension Liability (Asset) \$ 3,893,327 \$ (1,251,883) \$ (5,518,470)

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

## 2. **Deferred Compensation**

Jackson County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

The discretely presented Jackson County School Department offers its employees a deferred compensation plan established pursuant to Internal Revenue Code Section (IRC) 457. All costs of administering and funding this program are the responsibility of the plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan 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 school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$80,569 and teachers contributed \$81,167 to this deferred compensation pension plan.

## H. Other Postemployment Benefits (OPEB)

The discretely presented Jackson County School Department provides OPEB benefits to its retirees under various OPEB plans. These include OPEB provided 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.

The Jackson County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Jackson County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The school department's total OPEB liability for the plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

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

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

The discount rate was 2.21%, based on the daily rate of Bond Buyer'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, 2020, actuarial valuation of the TCRS.

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

*Changes in Assumptions.* The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

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

*Plan Description.* Employees of the Jackson 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 Jackson 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. The school department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

Inactive Employees Currently Receiving Benefit Payments	17
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>108</u>
Total	<u><u>125</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$102,680 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Jackson County School Department 64.25%	State of TN 35.75%	Total OPEB Liability
Balance July 1, 2019	\$ 1,191,053	\$ 720,385	\$ 1,911,438
Changes for the Year:			
Service Cost	\$ 55,344	\$ 30,794	\$ 86,138
Interest	43,661	24,294	67,955
Difference between Expected and Actuarial Experience	(127,040)	(70,688)	(197,728)
Changes in Proportionate Share	37,051	(37,051)	0
Changes in Assumption and Other Inputs	117,464	65,360	182,824
Benefit Payments	(79,775)	(44,389)	(124,164)
Net Changes	\$ 46,705	\$ (31,680)	\$ 15,025
Balance June 30, 2020	\$ 1,237,758	\$ 688,705	\$ 1,926,463

The Jackson 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 Jackson County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$57,183 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Jackson County School Department's proportionate share of the collective OPEB liability was 64.25 percent and the State of Tennessee's share was 35.75 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the school department recognized OPEB expense of \$153,693, including the state's share of the expense. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 154,414	\$ 171,222
Changes of Assumptions/Inputs	123,760	106,559
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	26,512	41,417
Benefits Paid After the Measurement Date June 30, 2020	<u>102,680</u>	<u>0</u>
Total	<u>\$ 407,366</u>	<u>\$ 319,198</u>

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

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

<u>Year Ending June 30</u>	<u>School Department</u>
2022	\$ (2,495)
2023	(2,495)
2024	(2,495)
2025	(2,495)
2026	(2,495)
Thereafter	(2,037)

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,317,978	\$ 1,237,758	\$ 1,160,051
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Curent Rates 9.02 to 4.5%	1% Increase 10.02 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,114,123	\$ 1,237,758	\$ 1,383,179
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### **Closed Tennessee Plan – Medicare (Discretely Presented School Department)**

*Plan Description.* Employees of the Jackson County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date

*Benefits Provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by

*TCA* Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Jackson County School Department provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25.

Employees Covered by Benefit Terms

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

Inactive Employees Currently Receiving Benefit Payments	36
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	25
Active Employees Eligible for Benefits	<u>111</u>
Total	<u><u>172</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2021, the school department paid \$51 to the TNM for OPEB benefits as they came due.



Changes in the Collective Total OPEB Liability

	Share of Collective Liability			Total OPEB Liability
	Jackson County School Department 0.26%	State of TN 99.74%		
Balance July 1, 2019	\$ 1,796	\$ 676,368	\$	678,164
Changes for the Year:				
Service Cost	\$ 43	\$ 16,257	\$	16,300
Interest	64	23,989		24,053
Difference between Expected and Actuarial Experience	(361)	(135,938)		(136,299)
Changes in Proportionate Share	(21)	21		0
Changes in Assumption and Other Inputs	318	119,584		119,902
Benefit Payments	(49)	(18,496)		(18,545)
Net Changes	\$ (7)	\$ 5,418	\$	5,411
Balance June 30, 2020	\$ 1,789	\$ 681,786	\$	683,575

The Jackson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Jackson County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$105,965 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Jackson County School Department's proportionate share of the collective OPEB liability was .26 percent and the State of Tennessee's share was 99.74 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the school department recognized OPEB expense of \$26,643 including the state's share of the OPEB expense.

At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 238	\$ 477
Changes of Assumptions/Inputs	282	190
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	0	436,220
Benefits Paid After the Measurement Date of June 30, 2020	51	0
Total	<u>\$ 571</u>	<u>\$ 436,887</u>

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

Year Ending June 30	School Department
2022	\$ (79,428)
2023	(79,428)
2024	(79,428)
2025	(79,428)
2026	(79,428)
Thereafter	(39,227)

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 TNM, 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Proportionate Share of the Collective Total OPEB Liability	\$ 2,092	\$ 1,789	\$ 1,544

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period; therefore, trend rates are not applicable to the plan calculations.

## I. Purchasing Laws

### Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

### Office of Road Superintendent

Chapter 111, Private Acts of 1951, as amended, and Section 54-7-113, *TCA*, (Uniform Road Law), govern purchasing procedures for the road department. Chapter 111, Private Acts of 1951, directs the road superintendent to make necessary purchases and to file a report with the county commission for all purchases exceeding \$1,000. Provisions of the Uniform Road Law require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

### Office of Director of Schools

Purchasing procedures for the school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

# **REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit E-1

Jackson 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  
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020
<b>Total Pension Liability</b>							
Service Cost	\$ 339,415	\$ 316,157	\$ 370,312	\$ 452,741	\$ 442,342	\$ 497,586	\$ 511,467
Interest	596,379	648,615	675,606	743,465	789,294	861,879	909,936
Differences Between Actual and Expected Experience	160,378	(270,416)	193,111	(16,604)	188,106	(207,779)	(323,970)
Changes in Assumptions	0	0	0	254,391	(447,601)	0	0
Benefit Payments, Including Refunds of Employee Contributions	(357,248)	(395,628)	(381,639)	(451,700)	0	(500,020)	(505,412)
Net Change in Total Pension Liability	\$ 738,924	\$ 298,728	\$ 857,390	\$ 982,293	\$ 972,141	\$ 651,666	\$ 592,021
Total Pension Liability, Beginning	7,790,932	8,529,856	8,828,584	9,685,974	10,668,267	11,640,408	12,292,074
Total Pension Liability, Ending (a)	\$ 8,529,856	\$ 8,828,584	\$ 9,685,974	\$ 10,668,267	\$ 11,640,408	\$ 12,292,074	\$ 12,884,095
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 291,604	\$ 255,793	\$ 295,218	\$ 319,681	\$ 369,685	\$ 387,334	\$ 405,683
Contributions - Employee	204,780	213,744	228,950	248,202	267,936	276,668	290,639
Net Investment Income	1,272,730	279,487	250,792	1,113,700	920,052	905,713	656,195
Benefit Payments, Including Refunds of Employee Contributions	(357,248)	(395,628)	(381,639)	(451,700)	(447,601)	(500,020)	(505,412)
Administrative Expense	(6,336)	(8,333)	(14,042)	(15,195)	(17,628)	(17,198)	(17,734)
Other Changes	0	0	0	19,373	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,405,530	\$ 345,063	\$ 379,279	\$ 1,234,061	\$ 1,092,444	\$ 1,052,497	\$ 829,371
Plan Fiduciary Net Position, Beginning	7,634,044	9,039,574	9,384,637	9,763,916	10,997,977	12,090,421	13,142,918
Plan Fiduciary Net Position, Ending (b)	\$ 9,039,574	\$ 9,384,637	\$ 9,763,916	\$ 10,997,977	\$ 12,090,421	\$ 13,142,918	\$ 13,972,289
Net Pension Liability (Asset), Ending (a - b)	\$ (509,718)	\$ (556,053)	\$ (77,942)	\$ (329,710)	\$ (450,013)	\$ (850,844)	\$ (1,088,194)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.98%	106.30%	100.80%	103.09%	103.87%	106.92%	108.45%
Covered Payroll	\$ 4,095,566	\$ 3,971,936	\$ 4,583,407	\$ 4,984,554	\$ 5,228,742	\$ 5,533,324	\$ 5,795,473
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.45)%	(14.00)%	(1.70)%	(6.61)%	(8.61)%	(15.38)%	(18.78)%

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

Note 2: The agent plan is a single plan that is participated in by the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Jackson County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 291,604	\$ 255,793	\$ 295,218	\$ 218,822	\$ 335,685	\$ 355,240	\$ 379,604	\$ 407,534
Less Contributions in Relation to the Actuarially Determined Contribution	(291,604)	(255,793)	(295,218)	(319,681)	(369,685)	(387,334)	(405,683)	(407,534)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (100,859)	\$ (34,000)	\$ (32,094)	\$ (26,079)	\$ 0
Covered Payroll	\$ 4,095,566	\$ 3,971,936	\$ 4,583,407	\$ 4,984,554	\$ 5,228,742	\$ 5,533,324	\$ 5,795,473	\$ 5,904,943
Contributions as a Percentage of Covered Payroll	7.12%	6.44%	6.44%	6.41%	7.07%	7.00%	7.00%	6.90%

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

Note 2: The agent plan is a single plan that is participated in by the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 10,055	\$ 18,173	\$ 23,187	\$ 29,338	\$ 16,013	\$ 22,115	\$ 23,599
Less Contributions in Relation to the Contractually Required Contribution	(10,055)	(18,173)	(23,187)	(29,338)	(16,013)	(22,115)	(23,599)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 251,380	\$ 454,322	\$ 579,682	\$ 733,441	\$ 825,393	\$ 1,089,422	\$ 1,168,220
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 534,462	\$ 532,095	\$ 524,609	\$ 533,050	\$ 531,074	\$ 607,788	\$ 580,807	\$ 553,367
Less Contributions in Relation to the Contractually Required Contribution	(534,462)	(532,095)	(524,609)	(533,050)	(531,074)	(607,788)	(580,807)	(553,367)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 6,018,713	\$ 5,886,004	\$ 5,803,210	\$ 5,896,577	\$ 5,848,832	\$ 5,810,594	\$ 5,463,843	\$ 5,388,160
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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



Exhibit E-5

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

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.118491%	0.103254%	0.088320%	0.083930%	0.078000%	0.086329%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,867)	\$ (10,749)	\$ (23,300)	\$ (38,064)	\$ (44,030)	\$ (49,090)
Covered Payroll	\$ 251,380	\$ 454,322	\$ 579,682	\$ 733,441	\$ 825,393	\$ 1,089,422
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.153343%	0.157233%	0.160763%	0.166808%	0.167030%	0.173288%	0.164165%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (24,918)	\$ 64,408	\$ 1,004,677	\$ (54,577)	\$ (587,763)	\$ (1,781,712)	\$ (1,251,883)
Covered Payroll	\$ 6,018,713	\$ 5,886,004	\$ 5,803,210	\$ 5,896,577	\$ 5,848,832	\$ 5,810,594	\$ 5,463,843
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

Jackson County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Discretely Presented Jackson County School Department  
For the Fiscal Year Ended June 30

**Local Education Plan**

**Total OPEB Liability**

	2017	2018	2019	2020
Service Cost	\$ 98,676	\$ 91,167	\$ 83,868	\$ 86,138
Interest	54,348	64,720	63,670	67,955
Differences Between Actual and Expected Experience	0	(128,348)	307,463	(197,728)
Changes in Assumptions or Other Inputs	(74,756)	43,375	(154,044)	182,824
Benefit Payments	(109,277)	(118,738)	(127,868)	(124,164)
Net Change in Total OPEB Liability	\$ (31,009)	\$ (47,824)	\$ 173,089	\$ 15,025
Total OPEB Liability, Beginning	1,817,182	1,786,173	1,738,349	1,911,438
Total OPEB Liability, Ending	\$ 1,786,173	\$ 1,738,349	\$ 1,911,438	\$ 1,926,463
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 624,537	\$ 620,439	\$ 720,386	\$ 688,705
Employer Proportionate Share of the Total OPEB Liability	1,161,636	1,118,110	1,191,052	1,237,758
Covered Employee Payroll	\$ 8,520,868	\$ 8,571,125	\$ 8,348,203	\$ 8,648,505
Net OPEB Liability as a Percentage of Covered Employee Payroll	13.63%	13.05%	14.27%	14.31%

**State Administered Medicare Plan**

**Total OPEB Liability**

	2017	2018	2019	2020
Service Cost	\$ 34,412	\$ 27,981	\$ 13,990	\$ 16,300
Interest	39,452	44,817	19,737	24,053
Changes in Benefit Terms	0	(642,770)	0	0
Differences Between Actual and Expected Experience	0	(98,454)	119,014	(136,299)
Changes in Assumptions or Other Inputs	(125,093)	(4,548)	3,371	119,902
Benefit Payments	(33,600)	(35,438)	(18,189)	(18,545)
Net Change in Total OPEB Liability	\$ (84,829)	\$ (708,412)	\$ 137,923	\$ 5,411
Total OPEB Liability, Beginning	1,333,482	1,248,653	540,241	678,164
Total OPEB Liability, Ending	\$ 1,248,653	\$ 540,241	\$ 678,164	\$ 683,575

(Continued)

Exhibit E-7

Jackson County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios (Cont.)

Discretely Presented Jackson County School Department

Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$	568,072	\$	492,538	\$	676,368	\$	681,786
Employer Proportionate Share of the Total OPEB Liability		680,581		47,703		1,796		1,789
Covered Employee Payroll		N/A		N/A		N/A		N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll		N/A		N/A		N/A		N/A

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

Note 2: Changes in assumptions.

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

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

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

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

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

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

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

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

## Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues and expenditures related to industrial buildings owned by the county.

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>				
Cash	\$ 0	\$ 11,661	\$ 11,661	\$ 0
Equity in Pooled Cash and Investments	62,493	0	62,493	186,077
Accounts Receivable	0	36	36	1,000
Due from Other Funds	0	0	0	5,340
Total Assets	\$ 62,493	\$ 11,697	\$ 74,190	\$ 192,417
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 0	\$ 0	\$ 0	\$ 46
Due to Other Funds	0	11,697	11,697	0
Total Liabilities	\$ 0	\$ 11,697	\$ 11,697	\$ 46
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 62,493	\$ 0	\$ 62,493	\$ 0
Restricted for Capital Projects	0	0	0	33,222
Committed:				
Committed for Other Operations	0	0	0	0
Committed for Capital Projects	0	0	0	159,149
Total Fund Balances	\$ 62,493	\$ 0	\$ 62,493	\$ 192,371
Total Liabilities and Fund Balances	\$ 62,493	\$ 11,697	\$ 74,190	\$ 192,417

(Continued)



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

ASSETS

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

LIABILITIES

Payroll Deductions Payable  
 Due to Other Funds  
 Total Liabilities

FUND BALANCES

Restricted:  
     Restricted for Public Safety  
     Restricted for Capital Projects  
 Committed:  
     Committed for Other Operations  
     Committed for Capital Projects  
 Total Fund Balances

Total Liabilities and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
Community Development/ Industrial Park	Total	
\$ 0	\$ 0	\$ 11,661
91,134	277,211	339,704
0	1,000	1,036
0	5,340	5,340
<hr/>		
\$ 91,134	\$ 283,551	\$ 357,741
<hr/>		
\$ 0	\$ 46	\$ 46
443	443	12,140
<hr/>		
\$ 443	\$ 489	\$ 12,186
<hr/>		
\$ 0	\$ 0	\$ 62,493
2,216	35,438	35,438
88,475	88,475	88,475
0	159,149	159,149
<hr/>		
\$ 90,691	\$ 283,062	\$ 345,555
<hr/>		
\$ 91,134	\$ 283,551	\$ 357,741
<hr/>		

## Exhibit F-2

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,297	\$ 0	\$ 18,297	\$ 0
Charges for Current Services	0	66	66	0
Other Local Revenues	1,549	0	1,549	0
Federal Government	0	0	0	324,946
Total Revenues	<u>\$ 19,846</u>	<u>\$ 66</u>	<u>\$ 19,912</u>	<u>\$ 324,946</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 66	\$ 66	\$ 0
Public Safety	5,564	0	5,564	0
Other Operations	0	0	0	13,249
Capital Projects	0	0	0	294,943
Total Expenditures	<u>\$ 5,564</u>	<u>\$ 66</u>	<u>\$ 5,630</u>	<u>\$ 308,192</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,282</u>	<u>\$ 0</u>	<u>\$ 14,282</u>	<u>\$ 16,754</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 131,940
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 131,940</u>
Net Change in Fund Balances	\$ 14,282	\$ 0	\$ 14,282	\$ 148,694
Fund Balance, July 1, 2020	<u>48,211</u>	<u>0</u>	<u>48,211</u>	<u>43,677</u>
Fund Balance, June 30, 2021	<u><u>\$ 62,493</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 62,493</u></u>	<u><u>\$ 192,371</u></u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		
	Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 18,297
Charges for Current Services	0	0	66
Other Local Revenues	9,000	9,000	10,549
Federal Government	0	324,946	324,946
Total Revenues	<u>\$ 9,000</u>	<u>\$ 333,946</u>	<u>\$ 353,858</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 66
Public Safety	0	0	5,564
Other Operations	90	13,339	13,339
Capital Projects	0	294,943	294,943
Total Expenditures	<u>\$ 90</u>	<u>\$ 308,282</u>	<u>\$ 313,912</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,910</u>	<u>\$ 25,664</u>	<u>\$ 39,946</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 131,940	\$ 131,940
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 131,940</u>	<u>\$ 131,940</u>
Net Change in Fund Balances	\$ 8,910	\$ 157,604	\$ 171,886
Fund Balance, July 1, 2020	<u>81,781</u>	<u>125,458</u>	<u>173,669</u>
Fund Balance, June 30, 2021	<u>\$ 90,691</u>	<u>\$ 283,062</u>	<u>\$ 345,555</u>

## Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,297	\$ 18,000	\$ 18,000	\$ 297
Other Local Revenues	1,549	0	0	1,549
Total Revenues	<u>\$ 19,846</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 1,846</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,564	\$ 17,100	\$ 17,100	\$ 11,536
Total Expenditures	<u>\$ 5,564</u>	<u>\$ 17,100</u>	<u>\$ 17,100</u>	<u>\$ 11,536</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,282</u>	<u>\$ 900</u>	<u>\$ 900</u>	<u>\$ 13,382</u>
Net Change in Fund Balance	\$ 14,282	\$ 900	\$ 900	\$ 13,382
Fund Balance, July 1, 2020	<u>48,211</u>	<u>45,409</u>	<u>45,409</u>	<u>2,802</u>
Fund Balance, June 30, 2021	<u><u>\$ 62,493</u></u>	<u><u>\$ 46,309</u></u>	<u><u>\$ 46,309</u></u>	<u><u>\$ 16,184</u></u>

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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## Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 37,387	\$ 33,864	\$ 33,864	\$ 3,523
State of Tennessee	350,000	350,000	350,000	0
Other Governments and Citizens Groups	449,783	0	449,783	0
Total Revenues	<u>\$ 837,170</u>	<u>\$ 383,864</u>	<u>\$ 833,647</u>	<u>\$ 3,523</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 740	\$ 5,000	\$ 5,000	\$ 4,260
<u>Principal on Debt</u>				
General Government	325,460	341,000	334,175	8,715
Education	408,000	0	408,000	0
<u>Interest on Debt</u>				
General Government	17,548	62,649	69,474	51,926
Education	11,088	0	11,088	0
<u>Other Debt Service</u>				
General Government	17,563	24,000	24,000	6,437
Education	30,695	0	30,695	0
Total Expenditures	<u>\$ 811,094</u>	<u>\$ 432,649</u>	<u>\$ 882,432</u>	<u>\$ 71,338</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,076</u>	<u>\$ (48,785)</u>	<u>\$ (48,785)</u>	<u>\$ 74,861</u>
Net Change in Fund Balance	\$ 26,076	\$ (48,785)	\$ (48,785)	\$ 74,861
Fund Balance, July 1, 2020	<u>1,121,342</u>	<u>1,121,419</u>	<u>1,121,419</u>	<u>(77)</u>
Fund Balance, June 30, 2021	<u>\$ 1,147,418</u>	<u>\$ 1,072,634</u>	<u>\$ 1,072,634</u>	<u>\$ 74,784</u>

# Custodial Funds

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

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

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial 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 the state, cities, other county funds, litigants, heirs, and others.

## Exhibit H-1

Jackson County, Tennessee  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2021

	Custodial Funds		
	Cities -	Constitu -	
	Sales	tional	
	Tax	Officers -	
		Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 593,117	\$ 593,117
Due from Other Governments	57,430	0	57,430
Total Assets	\$ 57,430	\$ 593,117	\$ 650,547
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 57,430	\$ 0	\$ 57,430
Total Liabilities	\$ 57,430	\$ 0	\$ 57,430
Total Deferred Inflows			
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 593,117	\$ 593,117
Total Net Position	\$ 0	\$ 593,117	\$ 593,117



## Exhibit H-2

Jackson County, Tennessee  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 307,159	\$ 0	\$ 307,159
Fines/Fees and Other Collections	0	4,292,902	4,292,902
Total Additions	\$ 307,159	\$ 4,292,902	\$ 4,600,061
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 307,159	\$ 0	\$ 307,159
Payments to State	0	1,309,650	1,309,650
Payments to County/City	0	1,016,993	1,016,993
Payments to Individuals and Others	0	1,820,153	1,820,153
Total Deductions	\$ 307,159	\$ 4,146,796	\$ 4,453,955
Change in Net Position	\$ 0	\$ 146,106	\$ 146,106
Net Position July 1, 2020	\$ 0	\$ 0	\$ 0
Restatement - See Note I.D.9	0	447,011	447,011
Net Position June 30, 2021	\$ 0	\$ 593,117	\$ 593,117

# Jackson County School Department

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This section presents combining and individual fund financial statements for the Jackson County School Department, a discretely presented component unit. The school department uses a General Fund and three Special Revenue Funds.

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Exhibit I-1

Jackson County, Tennessee  
Statement of Activities  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 7,881,054	\$ 13,933	\$ 1,303,496	\$ (6,563,625)
Support Services	7,757,499	32,730	995,030	(6,729,739)
Operation of Non-instructional Services	2,001,126	23,493	1,670,186	(307,447)
Interest on Long-term Debt	11,088	0	0	(11,088)
Total Governmental Activities	<u>\$ 17,650,767</u>	<u>\$ 70,156</u>	<u>\$ 3,968,712</u>	<u>\$ (13,611,899)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,904,368
Local Option Sales Taxes				1,038,113
Wheel Tax				195,007
Other Local Taxes				135
Grants and Contributions Not Restricted to Specific Programs				10,610,456
Unrestricted Investment Earnings				13,485
Miscellaneous				18,792
Total General Revenues				<u>\$ 13,780,356</u>
Insurance Recovery				<u>\$ 1,600</u>
Change in Net Position				\$ 170,057
Net Position, July 1, 2020				16,022,369
Restatement - See Note I.D.9.				<u>453,356</u>
Net Position, June 30, 2021				<u><u>\$ 16,645,782</u></u>

## Exhibit I-2

Jackson County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Jackson County School Department  
June 30, 2021

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 440,637	\$ 440,637
Equity in Pooled Cash and Investments	9,683,203	922,550	10,605,753
Inventories	0	1,226	1,226
Accounts Receivable	0	193	193
Due from Other Governments	395,160	206,079	601,239
Due from Other Funds	36,063	257	36,320
Property Taxes Receivable	1,883,458	0	1,883,458
Allowance for Uncollectible Property Taxes	(64,230)	0	(64,230)
Restricted Assets	74,788	0	74,788
Total Assets	\$ 12,008,442	\$ 1,570,942	\$ 13,579,384
<u>LIABILITIES</u>			
Accrued Payroll	\$ 224,872	\$ 48,558	\$ 273,430
Due to Other Funds	257	36,063	36,320
Due to State of Tennessee	21,301	216	21,517
Total Liabilities	\$ 246,430	\$ 84,837	\$ 331,267
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,795,768	\$ 0	\$ 1,795,768
Deferred Delinquent Property Taxes	20,278	0	20,278
Other Deferred/Unavailable Revenue	101,053	0	101,053
Total Deferred Inflows of Resources	\$ 1,917,099	\$ 0	\$ 1,917,099
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 1,226	\$ 1,226
Restricted:			
Restricted for Education	39,280	884,879	924,159
Restricted for Hybrid Retirement Stabilization Funds	74,788	0	74,788
Committed:			
Committed for Education	325,102	600,000	925,102
Assigned:			
Assigned for Education	77,891	0	77,891
Unassigned	9,327,852	0	9,327,852
Total Fund Balances	\$ 9,844,913	\$ 1,486,105	\$ 11,331,018
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,008,442	\$ 1,570,942	\$ 13,579,384

Exhibit I-3

Jackson County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Discretely Presented Jackson County School Department

June 30, 2021

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 11,331,018
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 319,507	
Add: buildings and improvements net of accumulated depreciation	9,742,700	
Add: infrastructure net of accumulated depreciation	89,261	
Add: other capital assets net of accumulated depreciation	<u>645,953</u>	10,797,421
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for other loans	\$ (6,216,776)	
Less: net OPEB liability	<u>(1,239,547)</u>	(7,456,323)
(3) 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	\$ 1,290,307	
Less: deferred inflows of resources related to pensions	(747,942)	
Add: deferred outflows of resources related to OPEB	407,937	
Less: deferred inflows of resources related to OPEB	<u>(756,085)</u>	194,217
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 357,145	
Add: net pension asset - teacher retirement plan	49,090	
Add: net pension asset - teacher legacy pension plan	<u>1,251,883</u>	1,658,118
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>121,331</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 16,645,782</u></u>

## Exhibit I-4

Jackson County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 3,105,998	\$ 0	\$ 3,105,998
Licenses and Permits	748	0	748
Charges for Current Services	46,663	23,493	70,156
Other Local Revenues	46,044	432,908	478,952
State of Tennessee	10,952,894	0	10,952,894
Federal Government	287,472	2,917,441	3,204,913
Other Governments and Citizens Groups	2,033,948	0	2,033,948
Total Revenues	<u>\$ 16,473,767</u>	<u>\$ 3,373,842</u>	<u>\$ 19,847,609</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,054,518	\$ 1,115,670	\$ 8,170,188
Support Services	4,960,844	451,643	5,412,487
Operation of Non-Instructional Services	409,362	1,590,595	1,999,957
Capital Outlay	2,373,509	0	2,373,509
Debt Service:			
Principal on Debt	408,000	0	408,000
Interest on Debt	11,088	0	11,088
Other Debt Service	30,695	0	30,695
Total Expenditures	<u>\$ 15,248,016</u>	<u>\$ 3,157,908</u>	<u>\$ 18,405,924</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,225,751</u>	<u>\$ 215,934</u>	<u>\$ 1,441,685</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 1,600	\$ 0	\$ 1,600
Transfers In	98,109	425,000	523,109
Transfers Out	(425,000)	(98,109)	(523,109)
Total Other Financing Sources (Uses)	<u>\$ (325,291)</u>	<u>\$ 326,891</u>	<u>\$ 1,600</u>
Net Change in Fund Balances	\$ 900,460	\$ 542,825	\$ 1,443,285
Restatement	0	453,356	453,356
Fund Balance, July 1, 2020	<u>8,944,453</u>	<u>489,924</u>	<u>9,434,377</u>
Fund Balance, June 30, 2021	<u>\$ 9,844,913</u>	<u>\$ 1,486,105</u>	<u>\$ 11,331,018</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,443,285
(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	\$ 96,487	
Less: current-year depreciation expense	<u>(448,544)</u>	(352,057)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(21,217)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 121,331	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(89,706)</u>	31,625
(4) The contribution of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contribution by the school department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Less: other loan proceeds contributed from primary government	\$ (2,033,948)	
Add: principal contributions on other loans to primary government	<u>408,000</u>	(1,625,948)
(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 net pension asset - agent plan	\$ 59,520	
Change in net pension asset - teacher retirement plan	5,060	
Change in net pension asset - teacher legacy pension plan	(529,829)	
Change in deferred outflows related to pensions	94,217	
Change in deferred inflows related to pensions	980,098	
Change in OPEB liability	(46,699)	
Change in deferred outflows related to OPEB	141,809	
Change in deferred inflows related to OPEB	<u>(9,807)</u>	<u>694,369</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 170,057</u>

Exhibit I-6

Jackson County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Jackson County School Department  
June 30, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 440,637	\$ 440,637
Equity in Pooled Cash and Investments	501,236	421,314	0	922,550
Inventories	0	0	1,226	1,226
Accounts Receivable	193	0	0	193
Due from Other Governments	158,652	47,427	0	206,079
Due from Other Funds	257	0	0	257
Total Assets	<u>\$ 660,338</u>	<u>\$ 468,741</u>	<u>\$ 441,863</u>	<u>\$ 1,570,942</u>
<u>LIABILITIES</u>				
Accrued Payroll	\$ 26,959	\$ 21,599	\$ 0	\$ 48,558
Due to Other Funds	33,000	3,063	0	36,063
Due to State of Tennessee	216	0	0	216
Total Liabilities	<u>\$ 60,175</u>	<u>\$ 24,662</u>	<u>\$ 0</u>	<u>\$ 84,837</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 1,226	\$ 1,226
Restricted:				
Restricted for Education	163	444,079	440,637	884,879
Committed:				
Committed for Education	600,000	0	0	600,000
Total Fund Balances	<u>\$ 600,163</u>	<u>\$ 444,079</u>	<u>\$ 441,863</u>	<u>\$ 1,486,105</u>
Total Liabilities and Fund Balances	<u>\$ 660,338</u>	<u>\$ 468,741</u>	<u>\$ 441,863</u>	<u>\$ 1,570,942</u>



## Exhibit I-7

Jackson County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 23,493	\$ 0	\$ 23,493
Other Local Revenues	0	4,943	427,965	432,908
Federal Government	1,675,859	1,241,582	0	2,917,441
Total Revenues	<u>\$ 1,675,859</u>	<u>\$ 1,270,018</u>	<u>\$ 427,965</u>	<u>\$ 3,373,842</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 1,115,670	\$ 0	\$ 0	\$ 1,115,670
Support Services	451,643	0	0	451,643
Operation of Non-Instructional Services	88,702	1,062,435	439,458	1,590,595
Total Expenditures	<u>\$ 1,656,015</u>	<u>\$ 1,062,435</u>	<u>\$ 439,458</u>	<u>\$ 3,157,908</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,844</u>	<u>\$ 207,583</u>	<u>\$ (11,493)</u>	<u>\$ 215,934</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 425,000	\$ 0	\$ 0	\$ 425,000
Transfers Out	(38,109)	(60,000)	0	(98,109)
Total Other Financing Sources (Uses)	<u>\$ 386,891</u>	<u>\$ (60,000)</u>	<u>\$ 0</u>	<u>\$ 326,891</u>
Net Change in Fund Balances	\$ 406,735	\$ 147,583	\$ (11,493)	\$ 542,825
Restatement	0	0	453,356	453,356
Fund Balance, July 1, 2020	<u>193,428</u>	<u>296,496</u>	<u>0</u>	<u>489,924</u>
Fund Balance, June 30, 2021	<u><u>\$ 600,163</u></u>	<u><u>\$ 444,079</u></u>	<u><u>\$ 441,863</u></u>	<u><u>\$ 1,486,105</u></u>

Exhibit I-8

Jackson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Jackson County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,105,998	\$ 0	\$ 0	\$ 3,105,998	\$ 2,600,761	\$ 2,600,761	\$ 505,237
Licenses and Permits	748	0	0	748	600	600	148
Charges for Current Services	46,663	0	0	46,663	77,000	77,000	(30,337)
Other Local Revenues	46,044	0	0	46,044	29,000	29,000	17,044
State of Tennessee	10,952,894	0	0	10,952,894	10,742,465	11,091,268	(138,374)
Federal Government	287,472	0	0	287,472	136,487	222,286	65,186
Other Governments and Citizens Groups	2,033,948	0	0	2,033,948	0	2,033,948	0
Total Revenues	\$ 16,473,767	\$ 0	\$ 0	\$ 16,473,767	\$ 13,586,313	\$ 16,054,863	\$ 418,904
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 5,669,495	\$ (67,185)	\$ 0	\$ 5,602,310	\$ 6,948,427	\$ 7,240,725	\$ 1,638,415
Alternative Instruction Program	86,179	0	0	86,179	173,292	173,292	87,113
Special Education Program	906,438	0	0	906,438	1,031,707	1,031,707	125,269
Career and Technical Education Program	392,406	(8,524)	0	383,882	486,890	486,890	103,008
<u>Support Services</u>							
Attendance	144,345	0	0	144,345	175,382	178,946	34,601
Health Services	226,848	0	0	226,848	240,774	243,992	17,144
Other Student Support	268,839	0	4,000	272,839	417,633	417,633	144,794
Regular Instruction Program	451,891	0	623	452,514	530,696	540,297	87,783
Special Education Program	196,870	0	0	196,870	203,433	203,433	6,563
Career and Technical Education Program	705	0	0	705	7,987	7,987	7,282
Technology	92,290	0	0	92,290	144,842	144,842	52,552
Other Programs	82,045	0	0	82,045	0	82,045	0
Board of Education	363,348	0	4,000	367,348	428,301	428,301	60,953
Director of Schools	130,169	0	0	130,169	152,529	152,529	22,360
Office of the Principal	721,631	0	0	721,631	831,336	840,207	118,576
Fiscal Services	290,290	(3,774)	0	286,516	351,384	351,384	64,868
Operation of Plant	950,351	0	0	950,351	1,204,079	1,206,494	256,143

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 224,775	\$ 0	\$ 0	\$ 224,775	\$ 306,705	\$ 306,705	\$ 81,930
Transportation	816,447	(78,982)	0	737,465	1,081,496	1,109,086	371,621
<u>Operation of Non-Instructional Services</u>							
Food Service	64,409	0	0	64,409	91,667	96,667	32,258
Community Services	33,086	0	0	33,086	70,954	70,954	37,868
Early Childhood Education	311,867	0	0	311,867	319,368	319,367	7,500
<u>Capital Outlay</u>							
Regular Capital Outlay	2,373,509	(223,433)	69,268	2,219,344	2,800,000	2,800,000	580,656
<u>Principal on Debt</u>							
Education	408,000	0	0	408,000	604,000	604,000	196,000
<u>Interest on Debt</u>							
Education	11,088	0	0	11,088	127,000	127,000	115,912
<u>Other Debt Service</u>							
Education	30,695	0	0	30,695	91,000	91,000	60,305
Total Expenditures	\$ 15,248,016	\$ (381,898)	\$ 77,891	\$ 14,944,009	\$ 18,820,882	\$ 19,255,483	\$ 4,311,474
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,225,751	\$ 381,898	\$ (77,891)	\$ 1,529,758	\$ (5,234,569)	\$ (3,200,620)	\$ 4,730,378
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,600	\$ 0	\$ 0	\$ 1,600	\$ 0	\$ 0	\$ 1,600
Transfers In	98,109	0	0	98,109	2,093,948	60,000	38,109
Transfers Out	(425,000)	0	0	(425,000)	(3,940)	(428,940)	3,940
Total Other Financing Sources	\$ (325,291)	\$ 0	\$ 0	\$ (325,291)	\$ 2,090,008	\$ (368,940)	\$ 43,649
Net Change in Fund Balance							
Fund Balance, July 1, 2020	\$ 8,944,453	(381,898)	0	8,562,555	(3,144,561)	(3,569,560)	4,774,027
Fund Balance, June 30, 2021	\$ 9,844,913	\$ 0	\$ (77,891)	\$ 9,767,022	\$ 5,286,943	\$ 4,861,944	\$ 4,905,078

Exhibit I-9

Jackson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Jackson County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,675,859	\$ 0	\$ 0	\$ 1,675,859	\$ 3,534,407	\$ 3,809,998	\$ (2,134,139)
Total Revenues	\$ 1,675,859	\$ 0	\$ 0	\$ 1,675,859	\$ 3,534,407	\$ 3,809,998	\$ (2,134,139)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 719,602	\$ 0	\$ 204,310	\$ 923,912	\$ 1,248,971	\$ 1,414,307	\$ 490,395
Special Education Program	366,188	(6,622)	0	359,566	456,977	514,617	155,051
Career and Technical Education Program	29,880	0	0	29,880	18,077	29,880	0
<u>Support Services</u>							
Health Services	22,998	0	0	22,998	53,466	37,238	14,240
Other Student Support	11,750	0	0	11,750	76,094	77,726	65,976
Regular Instruction Program	233,378	(5,000)	0	228,378	281,575	315,131	86,753
Special Education Program	16,418	0	0	16,418	18,006	19,628	3,210
Career and Technical Education Program	177	0	0	177	1,500	177	0
Technology	6,125	0	35,975	42,100	97,360	97,360	55,260
Office of the Principal	12,500	0	0	12,500	13,000	12,500	0
Fiscal Services	0	0	0	0	70,900	70,900	70,900
Operation of Plant	113,150	0	3,258	116,408	230,000	227,672	111,264
Maintenance of Plant	20,718	0	0	20,718	10,000	21,380	662
Transportation	14,429	0	0	14,429	212,239	212,239	197,810
<u>Operation of Non-Instructional Services</u>							
Food Service	6,146	0	0	6,146	16,600	16,600	10,454
Community Services	82,556	0	0	82,556	102,491	102,492	19,936
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	28,680	28,680	601,826	601,826	573,146
Total Expenditures	\$ 1,656,015	\$ (11,622)	\$ 272,223	\$ 1,916,616	\$ 3,509,082	\$ 3,771,673	\$ 1,855,057
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,844	\$ 11,622	\$ (272,223)	\$ (240,757)	\$ 25,325	\$ 38,325	\$ (279,082)

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 425,000	\$ 0	\$ 0	\$ 425,000	\$ 0	\$ 425,000	\$ 0
Transfers Out	(38,109)	0	0	(38,109)	(25,325)	(38,325)	216
Total Other Financing Sources	<u>\$ 386,891</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 386,891</u>	<u>\$ (25,325)</u>	<u>\$ 386,675</u>	<u>\$ 216</u>
Net Change in Fund Balance	\$ 406,735	\$ 11,622	\$ (272,223)	\$ 146,134	\$ 0	\$ 425,000	\$ (278,866)
Fund Balance, July 1, 2020	<u>193,428</u>	<u>(11,622)</u>	<u>0</u>	<u>181,806</u>	<u>0</u>	<u>0</u>	<u>181,806</u>
Fund Balance, June 30, 2021	<u>\$ 600,163</u>	<u>\$ 0</u>	<u>\$ (272,223)</u>	<u>\$ 327,940</u>	<u>\$ 0</u>	<u>\$ 425,000</u>	<u>\$ (97,060)</u>

## Exhibit I-10

Jackson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Jackson County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 23,493	\$ 90,000	\$ 90,000	\$ (66,507)
Other Local Revenues	4,943	12,080	15,143	(10,200)
Federal Government	1,241,582	1,122,020	1,122,020	119,562
Total Revenues	<u>\$ 1,270,018</u>	<u>\$ 1,224,100</u>	<u>\$ 1,227,163</u>	<u>\$ 42,855</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,062,435	\$ 1,255,600	\$ 1,258,663	\$ 196,228
Total Expenditures	<u>\$ 1,062,435</u>	<u>\$ 1,255,600</u>	<u>\$ 1,258,663</u>	<u>\$ 196,228</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 207,583</u>	<u>\$ (31,500)</u>	<u>\$ (31,500)</u>	<u>\$ 239,083</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (60,000)	\$ (67,500)	\$ (67,500)	\$ 7,500
Total Other Financing Sources	<u>\$ (60,000)</u>	<u>\$ (67,500)</u>	<u>\$ (67,500)</u>	<u>\$ 7,500</u>
Net Change in Fund Balance	\$ 147,583	\$ (99,000)	\$ (99,000)	\$ 246,583
Fund Balance, July 1, 2020	<u>296,496</u>	<u>433,067</u>	<u>433,067</u>	<u>(136,571)</u>
Fund Balance, June 30, 2021	<u><u>\$ 444,079</u></u>	<u><u>\$ 334,067</u></u>	<u><u>\$ 334,067</u></u>	<u><u>\$ 110,012</u></u>

## MISCELLANEOUS SCHEDULES

Exhibit J-1

Jackson County, Tennessee  
Schedule of Changes in Long-term Bonds, Notes and Other Loans  
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-21
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Health Department (USDA)	\$ 194,600	4	%	2-22-11	2-22-49	\$ 170,619	\$ 0	\$ 3,225	\$ 167,394
Total Bonds Payable						\$ 170,619	\$ 0	\$ 3,225	\$ 167,394
<u>NOTES PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Two Tri-Axle Mack Dump Trucks	330,111	1.9		11-21-16	11-21-21	\$ 135,784	\$ 0	\$ 67,253	\$ 68,531
Trash Truck	230,000	1.98		11-13-17	11-13-22	140,695	0	45,982	94,713
Total Notes Payable						\$ 276,479	\$ 0	\$ 113,235	\$ 163,244
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Jail Construction	3,500,000	Variable		8-9-04	5-25-29	\$ 1,608,000	\$ 0	\$ 158,000	\$ 1,450,000
Jail Construction	1,200,000	Variable		10-23-06	5-25-31	723,000	0	51,000	672,000
Total Payable through General Debt Service Fund						\$ 2,331,000	\$ 0	\$ 209,000	\$ 2,122,000
<u>Contributions Due by School Department from the General Purpose</u>									
<u>School Fund to the General Debt Service Fund</u>									
School Construction	6,300,000	Variable		3-5-01	5-25-29	\$ 3,094,000	\$ 0	\$ 281,000	\$ 2,813,000
Refunding/School Construction	3,765,000	Variable		12-15-09	5-25-29	1,295,000	0	127,000	1,168,000
Energy Efficient Schools Initiative Loan	2,235,776	1.5		2-24-20	6-1-37	201,828	2,033,948	0	2,235,776
Total Contributions Due by the school department from the General Purpose						\$ 4,590,828	\$ 2,033,948	\$ 408,000	\$ 6,216,776
School Fund to the General Debt Service Fund									
Total Other Loans Payable						\$ 6,921,828	\$ 2,033,948	\$ 617,000	\$ 8,338,776



## Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 3,354	\$ 6,696	\$ 10,050
2023	3,488	6,562	10,050
2024	3,628	6,422	10,050
2025	3,773	6,277	10,050
2026	3,924	6,126	10,050
2027	4,081	5,969	10,050
2028	4,244	5,806	10,050
2029	4,414	5,636	10,050
2030	4,590	5,460	10,050
2031	4,774	5,276	10,050
2032	4,965	5,085	10,050
2033	5,164	4,886	10,050
2034	5,370	4,680	10,050
2035	5,585	4,465	10,050
2036	5,808	4,242	10,050
2037	6,041	4,009	10,050
2038	6,282	3,768	10,050
2039	6,534	3,516	10,050
2040	6,795	3,255	10,050
2041	7,067	2,983	10,050
2042	7,349	2,701	10,050
2043	7,643	2,407	10,050
2044	7,949	2,101	10,050
2045	8,267	1,783	10,050
2046	8,598	1,452	10,050
2047	8,942	1,108	10,050
2048	9,299	751	10,050
2049	9,466	584	10,050
Total	\$ 167,394	\$ 114,006	\$ 281,400

(Continued)

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2022	\$ 115,424	\$ 3,177	\$ 118,601
2023	47,820	947	48,767
Total	\$ 163,244	\$ 4,124	\$ 167,368

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2022	\$ 768,463	\$ 47,713	\$ 43,750	\$ 859,926
2023	797,358	44,359	39,565	881,282
2024	830,279	40,918	35,204	906,401
2025	861,234	37,371	30,639	929,244
2026	893,215	33,733	25,888	952,836
2027	922,230	29,992	20,943	973,165
2028	953,283	26,153	15,820	995,256
2029	965,358	22,224	10,510	998,092
2030	219,459	18,249	2,073	239,781
2031	225,594	15,941	1,560	243,095
2032	144,767	13,585	0	158,352
2033	146,974	11,378	0	158,352
2034	149,207	9,145	0	158,352
2035	151,487	6,865	0	158,352
2036	153,790	4,562	0	158,352
2037	156,078	2,209	0	158,287
Total	\$ 8,338,776	\$ 364,397	\$ 225,952	\$ 8,929,125

Exhibit J-3

Jackson County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	To fund capital projects	<u>\$ 131,940</u>
Total Transfers Primary Government			<u><u>\$ 131,940</u></u>
<u>DISCRETELY PRESENTED JACKSON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 425,000
School Federal Projects	General Purpose School	Indirect costs	38,109
Central Cafeteria	"	Supervisor's salary	<u>60,000</u>
Total Transfers Discretely Presented Jackson County School Department			<u><u>\$ 523,109</u></u>

Exhibit J-4

Jackson County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 82,199	\$ (7)	
Road Superintendent	Section 8-24-102, <i>TCA</i> , and Jackson County Commission	83,168 (1)	(7)	
Director of Schools	State Board of Education and Jackson County Board of Education	83,157 (2)	100,000	(8) Western Surety Company
Trustee	Section 8-24-102, <i>TCA</i>	71,169	576,114	The Cincinnati Insurance Company
Assessor of Property				
Tim Bowman (7-1-20 to 8-31-20)	Section 8-24-102, <i>TCA</i>	11,862	50,000	(8) Western Surety Company
Kaleb Allen (9-1-20 to 6-30-21)	Section 8-24-102, <i>TCA</i>	59,307	(7)	
County Clerk:				
Vacant (7-1-20 to 8-31-20) (3)				
Brandon Stafford (9-1-20 to 6-30-21)	Section 8-24-102, <i>TCA</i>	59,307	(7)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	71,169 (4)	(7)	
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	71,169 (5)	(7)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,169	(7)	
Sheriff	Section 8-24-102, <i>TCA</i>	78,286 (6)	(7)	
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

- (1) Includes an additional appropriation of \$4,882.  
(2) Does not include salary equity payment of \$1,129 or a stipend of \$500.  
(3) The chief deputy performed the duties of the official until the former official's term expired on August 31, 2020.  
(4) Does not include special commissioner fees of \$13,140.  
(5) Does not include special commissioner fees of \$16,080.  
(6) Does not include a law enforcement training supplement of \$800.  
(7) The official is covered by the \$400,000 employee blanket bond.  
(8) The official is covered by an individual bond with Western Surety Company and the \$400,000 employee blanket bond.

Exhibit J-5

Jackson County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2021

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,379,586	\$ 528,526	\$ 0	\$ 0	\$ 194,371	\$ 35,237
Trustee's Collections - Prior Year	59,348	13,188	0	0	4,261	879
Trustee's Collections - Bankruptcy	88	18	0	0	7	1
Circuit Clerk/Clerk and Master Collections - Prior Years	47,941	10,653	0	0	3,128	710
Interest and Penalty	11,517	2,560	0	0	939	171
Payments in-Lieu-of Taxes - T.V.A.	0	5,610	0	0	2,057	374
Payments in-Lieu-of Taxes - Other	26,270	228	0	0	83	15
<u>County Local Option Taxes</u>						
Local Option Sales Tax	430,362	0	0	0	0	0
Hotel/Motel Tax	42,558	0	0	0	0	0
Wheel Tax	309,778	0	0	0	0	0
Litigation Tax - General	13,590	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	5,420	0	0	0	0	0
Business Tax	42,577	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	36,021	0
Other County Local Option Taxes	153	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	65,557	0	0	0	0	0
Wholesale Beer Tax	94,061	0	0	0	0	0
Beer Privilege Tax	1,140	0	0	0	0	0
Other Statutory Local Taxes	143	0	0	0	0	0
Total Local Taxes	\$ 3,530,089	\$ 560,783	\$ 0	\$ 0	\$ 240,867	\$ 37,387

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 30,811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	238	0	0	0	0	0
Total Licenses and Permits	<u>\$ 31,049</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 1,264	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,324	0	0	0	0	0
Data Entry Fee - Circuit Court	10,766	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	6,886	0	0	0	0	0
Officers Costs	9,896	0	0	0	0	0
Game and Fish Fines	990	0	0	0	0	0
Drug Control Fines	0	0	7,738	0	0	0
DUI Treatment Fines	1,805	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	48	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	274	0	0	0	0	0
Data Entry Fee - Chancery Court	832	0	0	0	0	0
<u>Other Courts - In-county</u>						
Officers Costs	13	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	10,559	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 34,098</u>	<u>\$ 0</u>	<u>\$ 18,297</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 4,871	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	625,098	0	0	0	0	0
Other General Service Charges	10,184	0	0	0	0	0
Service Charges	968	0	0	0	0	0
<u>Fees</u>						
Airport Fees	29,470	0	0	0	0	0
Copy Fees	1,684	0	0	0	0	0
Library Fees	525	0	0	0	0	0
Archives and Records Management Fee	3,292	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	66,884	0	0	0	0	0
Constitutional Officers' Fees and Commissions	70,000	0	0	66	0	0
Data Processing Fee - Register	5,530	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,950	0	0	0	0	0
Data Processing Fee - County Clerk	895	0	0	0	0	0
<u>Education Charges</u>						
Tuition - Other	9,276	0	0	0	0	0
Total Charges for Current Services	\$ 825,956	\$ 4,871	\$ 0	\$ 66	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 62,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	4,004	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	1,672	0
Commissary Sales	37,421	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Gasoline	\$ 377	\$ 0	\$ 0	\$ 0	\$ 61,036	\$ 0
Sale of Recycled Materials	0	0	0	0	2,890	0
Miscellaneous Refunds	31,014	860	1,549	0	52,434	0
<u>Nonrecurring Items</u>						
Sale of Property	9,200	0	0	0	0	0
Contributions and Gifts	5,353	0	0	0	0	0
Performance Bond Forfeitures	51,456	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	3,760	29,674	0	0	0	0
Total Other Local Revenues	\$ 205,403	\$ 30,534	\$ 1,549	\$ 0	\$ 118,032	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 118,095	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	12,005	0	0	0	0	0
General Sessions Court Clerk	41,860	0	0	0	0	0
Clerk and Master	33,878	0	0	0	0	0
Register	68,849	0	0	0	0	0
Sheriff	6,732	0	0	0	0	0
Trustee	176,113	0	0	0	0	0
Total Fees Received From County Officials	\$ 457,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)



Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>General Government Grants (Cont.)</u>						
Airport Maintenance Program	\$ 84,386	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	5,124	0	0	0	0	0
Solid Waste Grants	0	16,362	0	0	0	0
Other General Government Grants	97,347	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	38,932	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	182,397	0
Litter Program	8,355	0	0	0	0	0
Other Public Works Grants	27,618	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	6,614	0	0	0	0	0
Income Tax	74,438	0	0	0	0	0
Beer Tax	70,313	0	0	0	0	0
Vehicle Certificate of Title Fees	2,109	0	0	0	0	0
State Revenue Sharing - T.V.A.	392,603	0	0	0	0	0
State Revenue Sharing - Telecommunications	189,716	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	3,945	0	0	0	0	0
Contracted Prisoner Boarding	165,658	0	0	0	0	350,000
Gasoline and Motor Fuel Tax	0	0	0	0	2,012,077	0
Petroleum Special Tax	0	0	0	0	8,397	0
Other State Grants	1,185,342	0	0	0	0	0
Other State Revenues	4,854	0	0	0	0	0
Total State of Tennessee	\$ 2,379,154	\$ 16,362	\$ 0	\$ 0	\$ 2,202,871	\$ 350,000

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 104,749	\$ 0
Appalachian Regional Commission	0	0	0	0	0	0
Disaster Relief	0	0	0	0	240,359	0
COVID-19 Grant #2	6,800	0	0	0	0	0
COVID-19 Grant #3	6,330	0	0	0	0	0
COVID-19 Grant #4	176,370	0	0	0	0	0
COVID-19 Grant #5	1,575	0	0	0	0	0
COVID-19 Grant B	2,875	0	0	0	0	0
Other Federal through State	148,388	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	9,767	0	0	0	0	0
Other Direct Federal Revenue	5,200	0	0	0	0	0
Total Federal Government	\$ 357,305	\$ 0	\$ 0	\$ 0	\$ 345,108	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 16,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	0	449,783
Total Other Governments and Citizens Groups	\$ 16,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 449,783
Total	\$ 7,837,161	\$ 612,550	\$ 19,846	\$ 66	\$ 2,906,878	\$ 837,170

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General	Community	
	Capital	Development/	
	Projects	Industrial	
		Park	Total
<hr/>			
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 0	\$ 3,137,720
Trustee's Collections - Prior Year	0	0	77,676
Trustee's Collections - Bankruptcy	0	0	114
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	62,432
Interest and Penalty	0	0	15,187
Payments in-Lieu-of Taxes - T.V.A.	0	0	8,041
Payments in-Lieu-of Taxes - Other	0	0	26,596
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	430,362
Hotel/Motel Tax	0	0	42,558
Wheel Tax	0	0	309,778
Litigation Tax - General	0	0	13,590
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	5,420
Business Tax	0	0	42,577
Mineral Severance Tax	0	0	36,021
Other County Local Option Taxes	0	0	153
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	0	65,557
Wholesale Beer Tax	0	0	94,061
Beer Privilege Tax	0	0	1,140
Other Statutory Local Taxes	0	0	143
Total Local Taxes	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,369,126</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Community Development/ Industrial Park	Total
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$ 0	\$ 0	\$ 30,811
<u>Permits</u>			
Beer Permits	0	0	238
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,049</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 1,264
Officers Costs	0	0	1,324
Data Entry Fee - Circuit Court	0	0	10,766
<u>General Sessions Court</u>			
Fines	0	0	6,886
Officers Costs	0	0	9,896
Game and Fish Fines	0	0	990
Drug Control Fines	0	0	7,738
DUI Treatment Fines	0	0	1,805
<u>Juvenile Court</u>			
Fines	0	0	48
<u>Chancery Court</u>			
Officers Costs	0	0	274
Data Entry Fee - Chancery Court	0	0	832
<u>Other Courts - In-county</u>			
Officers Costs	0	0	13
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	10,559
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,395</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General	Community	
	Capital	Development/	
	Projects	Industrial	
		Park	Total
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 4,871
Patient Charges	0	0	625,098
Other General Service Charges	0	0	10,184
Service Charges	0	0	968
<u>Fees</u>			
Airport Fees	0	0	29,470
Copy Fees	0	0	1,684
Library Fees	0	0	525
Archives and Records Management Fee	0	0	3,292
Greenbelt Late Application Fee	0	0	200
Telephone Commissions	0	0	66,884
Constitutional Officers' Fees and Commissions	0	0	70,066
Data Processing Fee - Register	0	0	5,530
Sexual Offender Registration Fee - Sheriff	0	0	1,950
Data Processing Fee - County Clerk	0	0	895
<u>Education Charges</u>			
Tuition - Other	0	0	9,276
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 830,893</u>
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 62,818
Lease/Rentals	0	9,000	13,004
Sale of Materials and Supplies	0	0	1,672
Commissary Sales	0	0	37,421

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Community Development/ Industrial Park	Total
<hr/>			
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
Sale of Gasoline	\$ 0	\$ 0	\$ 61,413
Sale of Recycled Materials	0	0	2,890
Miscellaneous Refunds	0	0	85,857
<u>Nonrecurring Items</u>			
Sale of Property	0	0	9,200
Contributions and Gifts	0	0	5,353
Performance Bond Forfeitures	0	0	51,456
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	33,434
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 9,000</u>	<u>\$ 364,518</u>
<hr/>			
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 118,095
Circuit Court Clerk	0	0	12,005
General Sessions Court Clerk	0	0	41,860
Clerk and Master	0	0	33,878
Register	0	0	68,849
Sheriff	0	0	6,732
Trustee	0	0	176,113
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 457,532</u>
<hr/>			
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Community Development/ Industrial Park	Total
<u>State of Tennessee (Cont.)</u>			
<u>General Government Grants (Cont.)</u>			
Airport Maintenance Program	\$ 0	\$ 0	\$ 84,386
Aging Programs	0	0	5,124
Solid Waste Grants	0	0	16,362
Other General Government Grants	0	0	97,347
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	12,800
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	38,932
<u>Public Works Grants</u>			
State Aid Program	0	0	182,397
Litter Program	0	0	8,355
Other Public Works Grants	0	0	27,618
<u>Other State Revenues</u>			
Flood Control	0	0	6,614
Income Tax	0	0	74,438
Beer Tax	0	0	70,313
Vehicle Certificate of Title Fees	0	0	2,109
State Revenue Sharing - T.V.A.	0	0	392,603
State Revenue Sharing - Telecommunications	0	0	189,716
State Shared Sports Gaming Privilege Tax	0	0	3,945
Contracted Prisoner Boarding	0	0	515,658
Gasoline and Motor Fuel Tax	0	0	2,012,077
Petroleum Special Tax	0	0	8,397
Other State Grants	0	0	1,185,342
Other State Revenues	0	0	4,854
Total State of Tennessee	\$ 0	\$ 0	\$ 4,948,387

(Continued)

Exhibit J-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Community Development/ Industrial Park	Total
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	\$ 0	\$ 0	\$ 104,749
Appalachian Regional Commission	46,143	0	46,143
Disaster Relief	0	0	240,359
COVID-19 Grant #2	0	0	6,800
COVID-19 Grant #3	0	0	6,330
COVID-19 Grant #4	0	0	176,370
COVID-19 Grant #5	0	0	1,575
COVID-19 Grant B	0	0	2,875
Other Federal through State	278,803	0	427,191
<u>Direct Federal Revenue</u>			
Police Service (Lake Area)	0	0	9,767
Other Direct Federal Revenue	0	0	5,200
Total Federal Government	\$ 324,946	\$ 0	\$ 1,027,359
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$ 0	\$ 0	\$ 16,575
Contributions	0	0	449,783
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 466,358
Total	\$ 324,946	\$ 9,000	\$ 12,547,617



## Exhibit J-6

Jackson County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,780,337	\$ 0	\$ 0	\$ 0	\$ 1,780,337	
Trustee's Collections - Prior Year	43,373	0	0	0	43,373	
Trustee's Collections - Bankruptcy	65	0	0	0	65	
Circuit Clerk/Clerk and Master Collections - Prior Years	33,639	0	0	0	33,639	
Interest and Penalty	8,617	0	0	0	8,617	
Payments in-Lieu-of Taxes - T.V.A.	18,888	0	0	0	18,888	
Payments in-Lieu-of Taxes - Other	766	0	0	0	766	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,025,171	0	0	0	1,025,171	
Wheel Tax	195,007	0	0	0	195,007	
Other County Local Option Taxes	135	0	0	0	135	
Total Local Taxes	\$ 3,105,998	\$ 0	\$ 0	\$ 0	\$ 3,105,998	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 748	\$ 0	\$ 0	\$ 0	\$ 748	
Total Licenses and Permits	\$ 748	\$ 0	\$ 0	\$ 0	\$ 748	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 8,379	\$ 0	\$ 8,379	
A la Carte Sales	0	0	15,114	0	15,114	
Contract for Instructional Services with Other LEA's	32,730	0	0	0	32,730	
Receipts from Individual Schools	13,933	0	0	0	13,933	
Total Charges for Current Services	\$ 46,663	\$ 0	\$ 23,493	\$ 0	\$ 70,156	

(Continued)

## Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,228	\$ 0	\$ 1,257	\$ 0	\$ 13,485
E-Rate Funding	15,970	0	0	0	15,970
Rebates	0	0	1,061	0	1,061
Miscellaneous Refunds	14,701	0	2,625	0	17,326
<u>Nonrecurring Items</u>					
Sale of Equipment	1,525	0	0	0	1,525
Damages Recovered from Individuals	80	0	0	0	80
Contributions and Gifts	1,540	0	0	0	1,540
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	427,965	427,965
Total Other Local Revenues	\$ 46,044	\$ 0	\$ 4,943	\$ 427,965	\$ 478,952
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 82,045	\$ 0	\$ 0	\$ 0	\$ 82,045
<u>State Education Funds</u>					
Basic Education Program	10,013,500	0	0	0	10,013,500
Early Childhood Education	319,368	0	0	0	319,368
School Food Service	8,302	0	0	0	8,302
Other State Education Funds	472,239	0	0	0	472,239
Career Ladder Program	27,828	0	0	0	27,828
<u>Other State Revenues</u>					
Other State Grants	29,612	0	0	0	29,612
Total State of Tennessee	\$ 10,952,894	\$ 0	\$ 0	\$ 0	\$ 10,952,894

(Continued)

## Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 695,092	\$ 0	\$ 695,092
USDA - Commodities	0	0	70,111	0	70,111
Breakfast	0	0	359,088	0	359,088
USDA - Other	0	0	117,291	0	117,291
Vocational Education - Basic Grants to States	0	32,455	0	0	32,455
Title I Grants to Local Education Agencies	0	521,515	0	0	521,515
Special Education - Grants to States	0	388,473	0	0	388,473
Special Education Preschool Grants	0	13,943	0	0	13,943
Rural Education	0	104,687	0	0	104,687
COVID-19 Grant #1	0	286,840	0	0	286,840
COVID-19 Grant #3	0	40,000	0	0	40,000
COVID-19 Grant #4	85,799	0	0	0	85,799
COVID-19 Grant B	0	170,565	0	0	170,565
COVID-19 Grant D	0	31,000	0	0	31,000
Other Federal through State	201,673	86,381	0	0	288,054
Total Federal Government	\$ 287,472	\$ 1,675,859	\$ 1,241,582	\$ 0	\$ 3,204,913
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 2,033,948	\$ 0	\$ 0	\$ 0	\$ 2,033,948
Total Other Governments and Citizens Groups	\$ 2,033,948	\$ 0	\$ 0	\$ 0	\$ 2,033,948
Total	\$ 16,473,767	\$ 1,675,859	\$ 1,270,018	\$ 427,965	\$ 19,847,609

## Exhibit J-7

Jackson County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2021

General FundGeneral GovernmentCounty Commission

Other Per Diem and Fees	\$	20,141	
Social Security		1,515	
Audit Services		28,745	
Dues and Memberships		1,430	
Total County Commission			\$ 51,831

County Mayor/Executive

County Official/Administrative Officer	\$	82,199	
Accountants/Bookkeepers		40,140	
Computer Programmer(s)		769	
Clerical Personnel		25,388	
Social Security		11,237	
Bank Charges		1,073	
Communication		2,977	
Dues and Memberships		1,366	
Travel		1,151	
Office Supplies		4,104	
Data Processing Equipment		12,845	
Total County Mayor/Executive			183,249

County Attorney

County Official/Administrative Officer	\$	10,000	
Social Security		765	
Total County Attorney			10,765

Election Commission

County Official/Administrative Officer	\$	64,052	
Election Commission		9,521	
Election Workers		29,580	
Social Security		5,858	
Communication		2,046	
Legal Notices, Recording, and Court Costs		1,602	
Printing, Stationery, and Forms		128	
Travel		92	
Other Contracted Services		30,863	
Office Supplies		1,724	
Data Processing Equipment		8,386	
Voting Machines		10,500	
Total Election Commission			164,352

Register of Deeds

County Official/Administrative Officer	\$	71,169	
Clerical Personnel		25,388	
Social Security		7,387	
Communication		2,535	
Data Processing Services		4,835	
Dues and Memberships		532	

(Continued)

## Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Travel	\$	550	
Office Supplies		1,498	
Office Equipment		125	
Total Register of Deeds			\$ 114,019

Planning

Other Contracted Services	\$	60,000	
Total Planning			60,000

County Buildings

Custodial Personnel	\$	9,465	
Communication		491	
Maintenance and Repair Services - Buildings		25,312	
Pest Control		3,400	
Custodial Supplies		5,033	
Electricity		35,754	
Natural Gas		5,582	
Water and Sewer		5,909	
Other Supplies and Materials		920	
Building Improvements		11,328	
Total County Buildings			103,194

Preservation of Records

Part-time Personnel	\$	4,652	
Social Security		356	
Communication		1,365	
Office Supplies		126	
Total Preservation of Records			6,499

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	71,169	
Clerical Personnel		22,026	
Social Security		7,129	
Audit Services		5,439	
Communication		677	
Data Processing Services		6,380	
Travel		946	
Office Supplies		1,046	
Total Property Assessor's Office			114,812

County Trustee's Office

County Official/Administrative Officer	\$	71,169	
Deputy(ies)		25,388	
Social Security		7,387	
Communication		1,558	
Dues and Memberships		952	

(Continued)

## Exhibit J-7

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

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

Travel	\$	1,219	
Other Contracted Services		4,960	
Office Supplies		2,773	
Data Processing Equipment		11,811	
Total County Trustee's Office			\$ 127,217

County Clerk's Office

County Official/Administrative Officer	\$	59,307	
Deputy(ies)		52,163	
Other Salaries and Wages		2,800	
Social Security		8,742	
Communication		1,966	
Data Processing Services		43	
Dues and Memberships		617	
Printing, Stationery, and Forms		270	
Remittance of Revenue Collected		40,514	
Office Supplies		3,732	
Data Processing Equipment		12,435	
Total County Clerk's Office			182,589

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	71,169	
Deputy(ies)		84,696	
Jury and Witness Expense		7,749	
Other Per Diem and Fees		517	
Social Security		11,924	
Communication		2,418	
Office Supplies		4,998	
Data Processing Equipment		16,464	
Total Circuit Court			199,935

General Sessions Court

Judge(s)	\$	103,344	
Secretary(ies)		25,388	
Social Security		9,848	
Communication		843	
Office Supplies		1,177	
Building Improvements		1,469	
Total General Sessions Court			142,069

Chancery Court

County Official/Administrative Officer	\$	71,169	
Deputy(ies)		25,388	
Social Security		7,387	
Communication		1,707	
Data Processing Services		5,772	

(Continued)

## Exhibit J-7

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

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

Dues and Memberships	\$	597	
Printing, Stationery, and Forms		237	
Office Supplies		923	
Total Chancery Court			\$ 113,180

Juvenile Court

Youth Service Officer(s)	\$	28,300	
Social Security		2,165	
Communication		1,769	
Other Contracted Services		3,150	
Office Supplies		43	
Total Juvenile Court			35,427

Judicial Commissioners

County Official/Administrative Officer	\$	37,802	
Social Security		2,892	
Total Judicial Commissioners			40,694

Other Administration of Justice

County Official/Administrative Officer	\$	1,600	
Clerical Personnel		1,200	
Social Security		214	
Total Other Administration of Justice			3,014

Public SafetySheriff's Department

County Official/Administrative Officer	\$	78,286	
Supervisor/Director		30,562	
Deputy(ies)		340,064	
Captain(s)		40,256	
Sergeant(s)		35,414	
Salary Supplements		12,800	
Secretary(ies)		28,833	
School Resource Officer		129,509	
Overtime Pay		62,192	
In-service Training		4,125	
Social Security		57,981	
Communication		17,066	
Contracts with Government Agencies		4,296	
Dues and Memberships		1,800	
Maintenance and Repair Services - Vehicles		46,790	
Printing, Stationery, and Forms		973	
Towing Services		1,785	
Travel		3,169	
Gasoline		50,751	
Law Enforcement Supplies		2,981	
Office Supplies		8,781	

(Continued)

## Exhibit J-7

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

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

Tires and Tubes	\$	3,780	
Uniforms		2,178	
Data Processing Equipment		9,720	
Total Sheriff's Department			\$ 974,092

Administration of the Sexual Offender Registry

Constitutional Officers' Operating Expenses	\$	1,919	
Total Administration of the Sexual Offender Registry			1,919

Jail

Supervisor/Director	\$	33,820	
Captain(s)		27,019	
Sergeant(s)		6,804	
Guards		426,584	
Cafeteria Personnel		48,911	
Overtime Pay		45,176	
In-service Training		2,998	
Social Security		44,944	
Communication		18,000	
Evaluation and Testing		6,055	
Maintenance Agreements		7,726	
Maintenance and Repair Services - Buildings		10,762	
Maintenance and Repair Services - Equipment		18,791	
Medical and Dental Services		177,205	
Pest Control		1,100	
Custodial Supplies		16,997	
Electricity		45,705	
Food Preparation Supplies		10,916	
Food Supplies		129,282	
Natural Gas		10,261	
Prisoners Clothing		7,649	
Uniforms		315	
Water and Sewer		47,403	
Other Supplies and Materials		5,829	
Building Improvements		81	
Total Jail			1,150,333

Fire Prevention and Control

Contracts with Government Agencies	\$	1,500	
Contributions		15,000	
Total Fire Prevention and Control			16,500

Other Emergency Management

Contributions	\$	89,300	
Total Other Emergency Management			89,300

(Continued)



## Exhibit J-7

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Custodial Personnel	\$	5,400	
Other Salaries and Wages		36,165	
In-service Training		200	
Social Security		2,767	
Communication		5,015	
Maintenance and Repair Services - Buildings		6,703	
Custodial Supplies		325	
Drugs and Medical Supplies		62	
Instructional Supplies and Materials		454	
Office Supplies		363	
Utilities		8,858	
Total Local Health Center			\$ 66,312

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,434	
Medical Personnel		384,997	
Overtime Pay		133,186	
In-service Training		3,289	
Social Security		43,763	
Communication		3,625	
Contracts with Government Agencies		7,263	
Dues and Memberships		1,500	
Laundry Service		3,402	
Licenses		2,160	
Maintenance and Repair Services - Equipment		8,446	
Maintenance and Repair Services - Vehicles		25,222	
Other Contracted Services		48,598	
Custodial Supplies		3,174	
Diesel Fuel		14,475	
Drugs and Medical Supplies		41,123	
Electricity		7,157	
Gasoline		2,568	
Natural Gas		1,870	
Office Supplies		1,806	
Uniforms		3,092	
Water and Sewer		1,284	
Other Equipment		5,665	
Total Ambulance/Emergency Medical Services			803,099

Regional Mental Health Center

Contributions	\$	4,648	
Total Regional Mental Health Center			4,648

Appropriation to State

Contributions	\$	7,795	
Total Appropriation to State			7,795

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	11,469	
Social Security		877	
Communication		889	
Maintenance and Repair Services - Buildings		6	
Travel		149	
Electricity		2,345	
Natural Gas		2,364	
Office Supplies		317	
Water and Sewer		641	
Total Adult Activities			\$ 19,057

Senior Citizens Assistance

Supervisor/Director	\$	11,851	
Other Salaries and Wages		1,955	
Social Security		1,056	
Communication		1,212	
Electricity		968	
Office Supplies		50	
Water and Sewer		288	
Total Senior Citizens Assistance			17,380

Libraries

Assistant(s)	\$	11,056	
Supervisor/Director		25,388	
Custodial Personnel		600	
Social Security		2,788	
Communication		2,226	
Dues and Memberships		150	
Travel		87	
Library Books/Media		12,670	
Office Supplies		1,554	
Other Supplies and Materials		372	
Data Processing Equipment		6,265	
Total Libraries			63,156

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	17,020	
Secretary(ies)		9,271	
Social Security		1,547	
Extension Service Medicare		360	
Pensions		2,963	
Medical Insurance		1,354	
Unemployment Compensation		8	
Local Retirement		670	
Communication		2,410	
Contracts with Private Agencies		10,120	
Workers' Compensation Insurance		37	
Total Agricultural Extension Service			45,760

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Salary Supplements	\$	55,587	
Social Security		4,252	
Total Soil Conservation			\$ 59,839

Other Operations

Industrial Development

Advertising	\$	540	
Total Industrial Development			540

Other Economic and Community Development

Other Contracted Services	\$	8,000	
Other Supplies and Materials		5,833	
Building Improvements		49,347	
Total Other Economic and Community Development			63,180

Airport

Supervisor/Director	\$	6,493	
Social Security		497	
Communication		1,214	
Maintenance and Repair Services - Buildings		19,960	
Electricity		2,115	
Water and Sewer		824	
Airport Improvement		163,117	
Total Airport			194,220

Veterans' Services

Supervisor/Director	\$	6,226	
Total Veterans' Services			6,226

Other Charges

Liability Insurance	\$	249,271	
Premiums on Corporate Surety Bonds		1,762	
Trustee's Commission		79,288	
Workers' Compensation Insurance		152,956	
Total Other Charges			483,277

Contributions to Other Agencies

Contributions	\$	50,295	
Total Contributions to Other Agencies			50,295

Employee Benefits

Pensions	\$	202,262	
Medical Insurance		199,869	
Unemployment Compensation		11,322	
Total Employee Benefits			413,453

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant #1

Drugs and Medical Supplies	\$	16,000	
Total COVID-19 Grant #1			\$ 16,000

COVID-19 Grant #2

Election Workers	\$	6,760	
Office Supplies		437	
Voting Machines		40	
Total COVID-19 Grant #2			7,237

COVID-19 Grant #3

Part-time Personnel	\$	9,030	
Social Security		691	
Total COVID-19 Grant #3			9,721

COVID-19 Grant #4

Contributions	\$	9,000	
Total COVID-19 Grant #4			9,000

COVID-19 Grant #5

Food Supplies	\$	796	
Total COVID-19 Grant #5			796

COVID-19 Grant #6

Maintenance and Repair Services - Buildings	\$	15,675	
Total COVID-19 Grant #6			15,675

COVID-19 Grant #7

Maintenance and Repair Services - Vehicles	\$	2,875	
Total COVID-19 Grant #7			2,875

Miscellaneous

Legal Notices, Recording, and Court Costs	\$	4,000	
Postal Charges		8,107	
Other Contracted Services		12,000	
Other Charges		8,399	
Total Miscellaneous			32,506

HighwaysLitter and Trash Collection

Guards	\$	25,920	
Social Security		1,983	
Maintenance and Repair Services - Vehicles		21	
Gasoline		1,168	
Instructional Supplies and Materials		1,250	
Other Supplies and Materials		1,099	
Total Litter and Trash Collection			31,441

Total General Fund			\$ 6,308,478
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(Continued)

## Exhibit J-7

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

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$	36,800	
Foremen		54,942	
Truck Drivers		28,496	
Overtime Pay		6,466	
Social Security		9,693	
Maintenance and Repair Services - Equipment		3,587	
Maintenance and Repair Services - Vehicles		47,504	
Contracts for Landfill Facilities		173,146	
Diesel Fuel		14,495	
Gasoline		8,064	
Tires and Tubes		14,417	
Other Supplies and Materials		4,061	
Solid Waste Equipment		2,975	
Total Waste Pickup			\$ 404,646

Convenience Centers

Guards	\$	115,754	
Social Security		8,855	
Pensions		14,462	
Communication		3,881	
Electricity		9,668	
Water and Sewer		2,535	
Trustee's Commission		11,116	
Building Improvements		21,394	
Solid Waste Equipment		638	
Total Convenience Centers			188,303

Total Solid Waste/Sanitation Fund \$ 592,949

Drug Control FundPublic SafetyDrug Enforcement

Confidential Drug Enforcement Payments	\$	3,000	
Animal Food and Supplies		2,073	
Trustee's Commission		491	
Total Drug Enforcement			\$ 5,564

Total Drug Control Fund 5,564

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	66	
Total County Trustee's Office			\$ 66

Total Constitutional Officers - Fees Fund 66

(Continued)

## Exhibit J-7

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

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	83,168	
Accountants/Bookkeepers		54,504	
Other Salaries and Wages		1,000	
Pensions		9,707	
Dues and Memberships		2,512	
Maintenance and Repair Services - Office Equipment		11,096	
Postal Charges		440	
Printing, Stationery, and Forms		1,581	
Office Supplies		2,782	
Other Charges		4,392	
Total Administration			\$ 171,182

Highway and Bridge Maintenance

Foremen	\$	66,281	
Equipment Operators		85,462	
Truck Drivers		62,295	
Laborers		251,863	
Overtime Pay		60,871	
Pensions		34,574	
Other Contracted Services		4,746	
Asphalt - Cold Mix		68,311	
Asphalt - Liquid		111,958	
Concrete		3,504	
Crushed Stone		222,352	
General Construction Materials		3,081	
Other Road Materials		4,123	
Pipe		24,467	
Road Signs		11,925	
Small Tools		696	
Structural Steel		1,023	
Wood Products		331	
Other Supplies and Materials		234	
Total Highway and Bridge Maintenance			1,018,097

Operation and Maintenance of Equipment

Mechanic(s)	\$	61,947	
Nightwatchmen		38,592	
Overtime Pay		28,880	
Pensions		8,695	
Diesel Fuel		77,266	
Equipment and Machinery Parts		100,689	
Garage Supplies		1,870	
Gasoline		50,268	
Lubricants		9,399	
Small Tools		3,255	
Tires and Tubes		18,772	
Uniforms		4,260	
Other Supplies and Materials		4,422	
Total Operation and Maintenance of Equipment			408,315

(Continued)

## Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Communication	\$	4,328	
Electricity		2,950	
Natural Gas		3,709	
Water and Sewer		324	
Building and Contents Insurance		3,220	
Liability Insurance		5,815	
Premiums on Corporate Surety Bonds		575	
Trustee's Commission		24,339	
Vehicle and Equipment Insurance		23,923	
Highway Construction		152,111	
Total Other Charges			\$ 221,294

Employee Benefits

Social Security	\$	60,807	
Medical Insurance		20,591	
Unemployment Compensation		5,769	
Workers' Compensation Insurance		62,425	
Total Employee Benefits			149,592

Capital Outlay

Communication Equipment	\$	1,361	
Highway Construction		62,352	
State Aid Projects		186,120	
Total Capital Outlay			249,833

Total Highway/Public Works Fund \$ 2,218,313

General Debt Service FundOther OperationsOther Charges

Trustee's Commission	\$	740	
Total Other Charges			\$ 740

Principal on DebtGeneral Government

Principal on Bonds	\$	3,225	
Principal on Notes		113,235	
Principal on Other Loans		209,000	
Total General Government			325,460

Education

Principal on Other Loans	\$	408,000	
Total Education			408,000

Interest on DebtGeneral Government

Interest on Bonds	\$	6,825	
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(Continued)

## Exhibit J-7

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

General Debt Service Fund (Cont.)Interest on Debt (Cont.)General Government (Cont.)

Interest on Notes	\$ 5,369	
Interest on Other Loans	5,354	
Total General Government		\$ 17,548

Education

Interest on Other Loans	\$ 11,088	
Total Education		11,088

Other Debt ServiceGeneral Government

Other Debt Service	\$ 17,563	
Total General Government		17,563

Education

Other Debt Service	\$ 30,695	
Total Education		<u>30,695</u>

Total General Debt Service Fund \$ 811,094

General Capital Projects FundOther OperationsHousing and Urban Development

Other Contracted Services	\$ 13,249	
Total Housing and Urban Development		\$ 13,249

Capital ProjectsAdministration of Justice Projects

Equipment and Machinery Parts	\$ 12,655	
Total Administration of Justice Projects		12,655

Social, Cultural, and Recreation Projects

Other Contracted Services	\$ 1,675	
Building Construction	272,913	
Building Improvements	7,700	
Total Social, Cultural, and Recreation Projects		<u>282,288</u>

Total General Capital Projects Fund 308,192

Community Development/Industrial Park FundOther OperationsOther Charges

Trustee's Commission	\$ 90	
Total Other Charges		<u>\$ 90</u>

Total Community Development/Industrial Park Fund 90

(Continued)



Exhibit J-7

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Other Capital Outlay	\$ 2,033,948	
Total Capital Projects Donated to School Department		\$ 2,033,948
Total Education Capital Projects Fund		\$ 2,033,948
Total Governmental Funds - Primary Government		\$ 12,278,694

## Exhibit J-8

Jackson County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2021

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$	4,111,235	
Career Ladder Program		12,970	
Homebound Teachers		540	
Educational Assistants		72,436	
Other Salaries and Wages		13,471	
Certified Substitute Teachers		12,737	
Non-certified Substitute Teachers		67,556	
Social Security		245,364	
Pensions		396,216	
Medical Insurance		400,699	
Unemployment Compensation		3,769	
Employer Medicare		57,736	
Other Fringe Benefits		8,400	
Contracts with Private Agencies		2,002	
Maintenance and Repair Services - Equipment		1,182	
Printing, Stationery, and Forms		1,107	
Other Contracted Services		31,219	
Instructional Supplies and Materials		77,451	
Textbooks - Bound		96,683	
Other Supplies and Materials		12,610	
Other Charges		2,188	
Regular Instruction Equipment		41,924	
Total Regular Instruction Program			\$ 5,669,495

Alternative Instruction Program

Teachers	\$	50,162	
Educational Assistants		16,044	
Social Security		3,782	
Pensions		4,669	
Medical Insurance		9,869	
Unemployment Compensation		63	
Employer Medicare		885	
Other Fringe Benefits		100	
Instructional Supplies and Materials		245	
Other Equipment		360	
Total Alternative Instruction Program			86,179

Special Education Program

Teachers	\$	593,969
Career Ladder Program		2,000
Homebound Teachers		1,750
Educational Assistants		83,915
Certified Substitute Teachers		238
Non-certified Substitute Teachers		5,831
Social Security		38,923
Pensions		63,689

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	74,026	
Unemployment Compensation		609	
Employer Medicare		9,109	
Other Fringe Benefits		1,300	
Contracts with Private Agencies		26,911	
Instructional Supplies and Materials		3,000	
Other Supplies and Materials		1,168	
Total Special Education Program			\$ 906,438

Career and Technical Education Program

Teachers	\$	220,093	
Career Ladder Program		1,000	
Non-certified Substitute Teachers		3,879	
Social Security		12,902	
Pensions		22,706	
Medical Insurance		21,027	
Unemployment Compensation		141	
Employer Medicare		3,020	
Other Fringe Benefits		400	
Contracts with Other School Systems		76,060	
Maintenance and Repair Services - Equipment		128	
Instructional Supplies and Materials		16,195	
Other Supplies and Materials		14,855	
Total Career and Technical Education Program			392,406

Support Services

Attendance

Supervisor/Director	\$	68,395	
Career Ladder Program		1,000	
Clerical Personnel		40,783	
Social Security		6,262	
Pensions		9,964	
Medical Insurance		11,516	
Unemployment Compensation		115	
Employer Medicare		1,465	
Other Fringe Benefits		100	
Travel		1,988	
Other Contracted Services		883	
Other Supplies and Materials		89	
Attendance Equipment		1,785	
Total Attendance			144,345

Health Services

Supervisor/Director	\$	54,061
Medical Personnel		53,844
Other Salaries and Wages		62,632

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Social Security	\$	9,805	
Pensions		12,283	
Medical Insurance		19,886	
Unemployment Compensation		146	
Employer Medicare		2,293	
Other Fringe Benefits		200	
Communication		500	
Postal Charges		100	
Printing, Stationery, and Forms		330	
Travel		38	
Drugs and Medical Supplies		632	
Other Supplies and Materials		7,798	
Other Charges		2,300	
Total Health Services			\$ 226,848

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		168,050	
Social Security		10,343	
Pensions		16,048	
Unemployment Compensation		132	
Employer Medicare		2,452	
Other Fringe Benefits		350	
Evaluation and Testing		464	
Other Contracted Services		70,000	
Total Other Student Support			268,839

Regular Instruction Program

Supervisor/Director	\$	113,152	
Career Ladder Program		5,000	
Librarians		173,682	
Non-certified Substitute Teachers		3,580	
Social Security		16,641	
Pensions		29,971	
Medical Insurance		30,708	
Unemployment Compensation		188	
Employer Medicare		3,892	
Other Fringe Benefits		550	
Contracts with Private Agencies		11,200	
Travel		2,190	
Library Books/Media		7,576	
Other Supplies and Materials		28,899	
In Service/Staff Development		9,026	
Other Equipment		15,636	
Total Regular Instruction Program			451,891

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	69,771	
Career Ladder Program		1,000	
Psychological Personnel		60,454	
Social Security		7,202	
Pensions		13,477	
Medical Insurance		17,756	
Unemployment Compensation		63	
Employer Medicare		1,684	
Other Fringe Benefits		200	
Travel		1,135	
Other Contracted Services		21,732	
Other Supplies and Materials		558	
In Service/Staff Development		1,838	
Total Special Education Program			\$ 196,870

Career and Technical Education Program

Travel	\$	705	
Total Career and Technical Education Program			705

Technology

Instructional Computer Personnel	\$	15,103	
Other Salaries and Wages		34,750	
Social Security		2,865	
Pensions		3,490	
Medical Insurance		4,688	
Unemployment Compensation		63	
Employer Medicare		670	
Internet Connectivity		23,145	
Software		7,516	
Total Technology			92,290

Other Programs

On-behalf Payments to OPEB	\$	82,045	
Total Other Programs			82,045

Board of Education

Other Salaries and Wages	\$	7,500	
Social Security		465	
Life Insurance		7,685	
Employer Medicare		109	
Dues and Memberships		8,217	
Other Contracted Services		5,702	
Other Supplies and Materials		3,442	
Liability Insurance		137,811	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		68,102	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Workers' Compensation Insurance	\$	123,770	
In Service/Staff Development		195	
Total Board of Education			\$ 363,348

Director of Schools

County Official/Administrative Officer	\$	83,157	
Social Security		4,790	
Pensions		8,540	
Medical Insurance		7,215	
Unemployment Compensation		32	
Employer Medicare		1,120	
Other Fringe Benefits		100	
Communication		8,007	
Postal Charges		12	
Travel		480	
Other Contracted Services		15,354	
Office Supplies		458	
In Service/Staff Development		594	
Administration Equipment		310	
Total Director of Schools			130,169

Office of the Principal

Principals	\$	272,387	
Career Ladder Program		1,000	
Assistant Principals		126,958	
Secretary(ies)		91,507	
Clerical Personnel		66,884	
Social Security		32,714	
Pensions		52,147	
Medical Insurance		40,116	
Unemployment Compensation		469	
Employer Medicare		7,651	
Other Fringe Benefits		600	
Communication		22,959	
Other Contracted Services		519	
Office Supplies		1,842	
In Service/Staff Development		798	
Administration Equipment		3,080	
Total Office of the Principal			721,631

Fiscal Services

Supervisor/Director	\$	44,819	
Accountants/Bookkeepers		59,308	
Secretary(ies)		31,190	
Clerical Personnel		38,162	
Other Salaries and Wages		21,411	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Social Security	\$	11,176	
Pensions		13,290	
Medical Insurance		33,953	
Unemployment Compensation		204	
Employer Medicare		2,614	
Travel		294	
Other Contracted Services		25,230	
Data Processing Supplies		1,417	
Office Supplies		366	
Administration Equipment		6,856	
Total Fiscal Services			\$ 290,290

Operation of Plant

Custodial Personnel	\$	357,946	
Social Security		21,622	
Pensions		23,116	
Medical Insurance		20,342	
Unemployment Compensation		706	
Employer Medicare		5,057	
Rentals		33,941	
Custodial Supplies		50,201	
Electricity		356,046	
Natural Gas		40,370	
Water and Sewer		34,540	
Plant Operation Equipment		6,464	
Total Operation of Plant			950,351

Maintenance of Plant

Other Salaries and Wages	\$	84,204	
Social Security		5,218	
Pensions		5,443	
Unemployment Compensation		92	
Employer Medicare		1,220	
Maintenance and Repair Services - Buildings		24,009	
Maintenance and Repair Services - Equipment		413	
Other Contracted Services		34,065	
Other Supplies and Materials		52,098	
Administration Equipment		1,129	
Maintenance Equipment		16,884	
Total Maintenance of Plant			224,775

Transportation

Supervisor/Director	\$	1,500	
Mechanic(s)		34,087	
Bus Drivers		282,070	
Other Salaries and Wages		15,007	

(Continued)

## Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Social Security	\$	20,345	
Pensions		14,926	
Medical Insurance		7,907	
Unemployment Compensation		585	
Employer Medicare		4,758	
Contracts with Vehicle Owners		154,817	
Maintenance and Repair Services - Vehicles		10,463	
Travel		2,116	
Other Contracted Services		14,077	
Diesel Fuel		2,738	
Gasoline		69,362	
Lubricants		3,623	
Tires and Tubes		18,358	
Vehicle Parts		31,232	
Other Supplies and Materials		9,763	
Vehicle and Equipment Insurance		23,888	
Other Charges		6,311	
Transportation Equipment		88,514	
Total Transportation			\$ 816,447

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	48,976	
Social Security		2,741	
Pensions		3,381	
Medical Insurance		7,041	
Unemployment Compensation		37	
Employer Medicare		641	
Other Fringe Benefits		100	
Food Supplies		1,492	
Total Food Service			64,409

Community Services

Supervisor/Director	\$	26,899	
Social Security		1,584	
Pensions		1,336	
Medical Insurance		2,897	
Employer Medicare		370	
Total Community Services			33,086

Early Childhood Education

Supervisor/Director	\$	21,000	
Teachers		140,539	
Educational Assistants		53,737	
Non-certified Substitute Teachers		686	
Social Security		12,448	

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Pensions	\$	20,107	
Medical Insurance		19,302	
Unemployment Compensation		208	
Employer Medicare		2,915	
Other Fringe Benefits		300	
Communication		1,930	
Postal Charges		299	
Other Contracted Services		400	
Other Supplies and Materials		35,604	
Other Equipment		2,392	
Total Early Childhood Education			\$ 311,867

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	2,373,509	
Total Regular Capital Outlay			2,373,509

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	408,000	
Total Education			408,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	11,088	
Total Education			11,088

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	30,695	
Total Education			30,695

Total General Purpose School Fund \$ 15,248,016

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	142,265
Educational Assistants		104,107
Other Salaries and Wages		50,859
Non-certified Substitute Teachers		16,861
Social Security		15,559
Pensions		23,483
Medical Insurance		38,810
Unemployment Compensation		392
Employer Medicare		3,717

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Fringe Benefits	\$	300	
Instructional Supplies and Materials		156,187	
Software		43,026	
Regular Instruction Equipment		124,036	
Total Regular Instruction Program			\$ 719,602

Special Education Program

Teachers	\$	40,527	
Educational Assistants		159,924	
Speech Pathologist		65,635	
Other Salaries and Wages		10,227	
Social Security		16,506	
Pensions		20,414	
Medical Insurance		21,193	
Unemployment Compensation		362	
Employer Medicare		3,860	
Other Fringe Benefits		200	
Contracts with Private Agencies		13,955	
Instructional Supplies and Materials		3,085	
Other Supplies and Materials		976	
Special Education Equipment		9,324	
Total Special Education Program			366,188

Career and Technical Education Program

Instructional Supplies and Materials	\$	2,384	
Vocational Instruction Equipment		27,496	
Total Career and Technical Education Program			29,880

Support Services

Health Services

Medical Personnel	\$	1,500	
Social Security		93	
Pensions		105	
Employer Medicare		22	
Other Supplies and Materials		17,403	
Health Equipment		3,875	
Total Health Services			22,998

Other Student Support

Bus Drivers	\$	475	
Other Salaries and Wages		1,040	
Social Security		94	
Pensions		140	
Unemployment Compensation		3	
Employer Medicare		22	
In Service/Staff Development		624	
Other Charges		9,352	
Total Other Student Support			11,750

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	68,265	
Other Salaries and Wages		59,916	
Social Security		4,072	
Pensions		7,046	
Medical Insurance		4,991	
Unemployment Compensation		94	
Employer Medicare		1,814	
Other Fringe Benefits		100	
Travel		330	
Other Supplies and Materials		6,159	
In Service/Staff Development		79,435	
Other Equipment		1,156	
Total Regular Instruction Program			\$ 233,378

Special Education Program

Evaluation and Testing	\$	209	
Postal Charges		50	
Other Contracted Services		10,000	
Other Supplies and Materials		2,012	
In Service/Staff Development		4,061	
Other Charges		86	
Total Special Education Program			16,418

Career and Technical Education Program

In Service/Staff Development	\$	177	
Total Career and Technical Education Program			177

Technology

Software	\$	6,125	
Total Technology			6,125

Office of the Principal

In Service/Staff Development	\$	12,500	
Total Office of the Principal			12,500

Operation of Plant

Custodial Supplies	\$	47,672	
Other Supplies and Materials		4,023	
Plant Operation Equipment		61,455	
Total Operation of Plant			113,150

Maintenance of Plant

Other Salaries and Wages	\$	6,140	
Social Security		381	
Pensions		430	
Employer Medicare		89	
Other Supplies and Materials		13,678	
Total Maintenance of Plant			20,718

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Other Salaries and Wages	\$	12,606	
Social Security		780	
Pensions		842	
Unemployment Compensation		19	
Employer Medicare		182	
Total Transportation			\$ 14,429

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$	1,000	
Social Security		62	
Pensions		70	
Employer Medicare		14	
Other Supplies and Materials		5,000	
Total Food Service			6,146

Community Services

Supervisor/Director	\$	2,700	
Clerical Personnel		6,400	
Other Salaries and Wages		49,875	
Social Security		3,698	
Pensions		5,797	
Unemployment Compensation		130	
Employer Medicare		865	
Other Fringe Benefits		100	
Instructional Supplies and Materials		4,392	
Other Supplies and Materials		7,009	
Other Equipment		1,590	
Total Community Services			82,556

Total School Federal Projects Fund \$ 1,656,015

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	352,707	
Social Security		21,078	
Pensions		22,303	
Medical Insurance		22,757	
Unemployment Compensation		779	
Employer Medicare		4,945	
Communication		2,592	
Maintenance and Repair Services - Equipment		8,489	
Travel		2,035	
Other Contracted Services		12,511	
Food Supplies		457,304	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

USDA - Commodities	\$	70,111	
Other Supplies and Materials		45,823	
In Service/Staff Development		1,307	
Food Service Equipment		37,694	
Total Food Service			\$ 1,062,435

Total Central Cafeteria Fund \$ 1,062,435

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	439,458	
Total Community Services			\$ 439,458

Total Internal School Fund 439,458

Total Governmental Funds - Jackson County School Department \$ 18,405,924

Exhibit J-9

Jackson County, Tennessee  
Schedule of Detailed Additions, Deductions, and  
Changes in Net Position - City Custodial Fund  
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund
<hr/>	
<u>Additions</u>	
Local Option Sales Tax	\$ 307,159
Total Additions	<u>\$ 307,159</u>
<u>Deductions</u>	
Remittance of Revenues Collected	\$ 304,088
Trustee's Commission	<u>3,071</u>
Total Deductions	<u>\$ 307,159</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2020	<u>0</u>
Net Position, June 30, 2021	<u><u>\$ 0</u></u>

## **SINGLE AUDIT SECTION**



JASON E. MUMPOWER  
*Comptroller*

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

Independent Auditor's Report

Jackson County Mayor and  
Board of County Commissioners  
Jackson 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jackson County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Jackson County School Department (a discretely presented component unit) as described in our report on Jackson County's financial statements. This report does not include the results of the other auditor's 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 Jackson 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 Jackson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson County's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2021-001, 2021-002, and 2021-005.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jackson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2021-003 and 2021-004.

### **Jackson County's Responses to the Findings**

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

### **Purpose of this Report**

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

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 28, 2021

JEM/tg



JASON E. MUMPOWER  
*Comptroller*

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

**Independent Auditor's Report**

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Jackson 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 Jackson County's major federal programs for the year ended June 30, 2021. Jackson 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 Jackson 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 Jackson 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 Jackson County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Jackson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of Jackson 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 Jackson 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 Jackson 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jackson County's basic financial statements. We issued our report thereon dated October 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 28, 2021

JEM/tg

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (11) (12)  
For the Year Ended June 30, 2021

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 104,749
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	359,088
National School Lunch Program	10.555	N/A	695,092 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	70,111 (6)
National School Lunch Program (Commodities Distribution Rebate)	10.555	N/A	4,183 (6)
Passed-through East Tennessee Human Resource Agency:			
Child and Adult Care Food Program	10.558	N/A	113,108
Total U.S. Department of Agriculture			<u>\$ 1,346,331</u>
U.S. Department of Housing and Urban Development:			
Passed through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-18-11	<u>\$ 278,803</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	<u>\$ 52,175</u>
U.S. Department of the Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention	16.540	(4)	<u>\$ 10,888</u>
U.S. Department of the Labor:			
Upper Cumberland Local Workforce Development Board:			
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	20-UC-SPC-JACKSON	<u>\$ 6,330</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(7)	\$ 109,542 (6)
COVID 19 - Airport Improvement Program	20.106	40100-22520	15,675 (6)
Total U.S. Department of Transportation			<u>\$ 125,217</u>
U. S. Department of the Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	\$ 125,799 (6)
Passed-through State Department of Health:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	2,875 (6)
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	(4)	176,370 (6)
Total U.S. Department of Treasury			<u>\$ 305,044</u>
Appalachian Regional Commission:			
Passed through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	33004-40020	<u>\$ 46,143</u>
National Endowment for the Humanities:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	<u>\$ 1,000</u>

(Continued)

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (11) (12) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 527,691
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	383,911
Special Education - Preschool Grants	84.173	N/A	13,943
Career and Technical Education - Basic Grants to States	84.048	N/A	32,455
Twenty-first Century Community Learning Centers	84.287	(4)	73,493
Rural Education	84.358	N/A	110,153
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER 1.0)	84.425D	N/A	319,840 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER 2.0)	84.425D	N/A	170,565 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Z21-56421	11,184
Passed-through Tennessee Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	136,498
Total U.S. Department of Education			<u>\$ 1,779,733</u>
U.S. Department of Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA CARES Act Grant	90.404	30501-03020-44	\$ 6,800 (6)
2020 HAVA CARES Act Grant (Noncash Assistance)	90.404	30501-03020-44	5,231 (6)
Total U.S. Election Assistance Commission			<u>\$ 12,031</u>
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Aging Cluster: (5)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 6,416 (6)
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers - CARES Act	93.044	(8)	1,575 (6)
Passed-through State Department of Education:			
TANF Cluster: (5)			
Temporary Assistance for Needy Families	93.558	(4)	65,175
Total U.S. Department of Health and Human Services			<u>\$ 73,166</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(9)	\$ 240,359
Total Expenditures of Federal Awards			<u>\$ 4,277,220</u>

(Continued)

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (11) (12) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Contract Number	Expenditures
<u>State Grants</u>			
ThreeStar Grant Program - State Department of Economic and Community	N/A	(4)	\$ 49,347
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,162,372
Aging Program - Upper Cumberland Development District	N/A	(4)	5,124
Litter Program - State Department of Transportation	N/A	(4)	8,355
Local Health Services Grant - State Department of Health	N/A	GG2167149	38,932
Adverse Childhood Experiences Initiative Grant Program - State Department of Children Services	N/A	(4)	7,806
State of Tennessee Airport Maintenance - State Department of Transportation	N/A	(4)	65,367
State Supplement Juvenile Court Improvement Funds Grant - State Department of Children Services	N/A	(4)	9,000
Local Parks and Recreation Fund Grants - State Department of Environment and Conservation	N/A	(4)	48,000
Material Management Waste Reduction Grant - State Department of Environment and Conservation	N/A	(4)	16,362
Coordinated School Health - State Department of Education	N/A	(4)	100,000
Family Resource - State Department of Education	N/A	(4)	29,612
Early Childhood Education - State Department of Education	N/A	(4)	319,368
Safe Schools Act - State Department of Education	N/A	(4)	1,129
School Resource Officer Grant - State Department of Education	N/A	(4)	70,000
Tennessee Learning Loss Remediation and Student Acceleration Act Grant Program - State Department of Education	N/A	(4)	<u>108,099</u>
Total State Grants			<u>\$ 2,038,873</u>

FAL = Federal Assistance Listings  
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Jackson County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.  
(3) No amounts (\$0) were passed-through to subrecipients.  
(4) Information not available.  
(5) Child Nutrition Cluster total \$1,128,474; Special Education Cluster total \$397,854; Aging Cluster total \$7,991; TANF Cluster total \$65,175.  
(6) Total for FAL No. 10.555 is \$769,386; Total for FAL No. 20.019 is \$305,044; Total for FAL No. 20.106 is \$125,217; Total for FAL No. 84.425D is \$490,405; Total for FAL No. 90.404 is \$12,031; Total for FAL No. 93.044 is \$7,991.  
(7) 40100-00118 (\$35,416); 40100-00420 (\$74,126).  
(8) 06-2021-66 (\$725); 06-2021-67 (\$850).  
(9) FEMA-4427-DR-TN (\$118,003); FEMA-4594-DR-TN (\$122,356).  
(10) For the year ended June 30, 2021, Jackson County received donated PPE valued at \$108,516 (\$81,387 federal and \$27,129 state) from the Tennessee Department of Military. These donations were unaudited.  
(11) AMOUNTS TRANSFERRED

Program Title	Amounts Transferred
From Title II, Part A (Assistance Listings No. 84.367) to Title I, Part A (Assistance Listings No. 84.010)	\$ 32,959
From Title II, Part A (Assistance Listings No. 84.367) to Title V, Part B (Assistance Listings No. 84.358)	70,245
From Title IV, Part A (Assistance Listings No. 84.424) to Title I, Part A (Assistance Listings No. 84.010)	33,377
From Title IV, Part A (Assistance Listings No. 84.424) to Title V, Part B (Assistance Listings No. 84.358)	<u>37,575</u>
Total amounts transferred	<u>\$ 174,156</u>

(12) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:	Federal Assistance Listings Number	Amount Provided to Consolidated Administration
Program Title		
Title I Grants to Local Educational Agencies	84.010	\$ 89,546
Rural Education	84.358	<u>467</u>
Total amounts consolidated for administration purposes		<u>\$ 90,013</u>

Jackson County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2021

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings, along with their current status from the Annual Financial Report for Jackson County, Tennessee, for the year ended June 30, 2021.

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

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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**OFFICE OF COUNTY MAYOR**

2020	178	2020-001	The General Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
2020	179	2020-002	General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2020	179	2020-003	The office had deficiencies in purchasing procedures.	N/A	Not Corrected - See Explanation on Corrective Action Plan

**OFFICE OF COUNTY CLERK**

2020	180	2020-004	The former county clerk misappropriated county funds.	N/A	Corrected
2020	181	2020-005	A cash shortage of \$40,514.33 existed in the County Clerk's Office at June 30, 2020.	N/A	Corrected
2020	181	2020-006	The clerk failed to properly document changes and deletions to receipts.	N/A	Corrected
2020	182	2020-007	The office did not deposit some funds within three days of collection.	N/A	Corrected
2020	182	2020-008	Duties were not segregated adequately.	N/A	Corrected
2020	183	2020-009	The office did not review its software audit logs.	N/A	Corrected
2020	183	2020-010	Access to the accounting software was not properly restricted.	N/A	Corrected

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

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



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**JACKSON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2021**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Jackson County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* Assistance Listings Numbers: 10.553 and 10.555 Nutrition Cluster:  
School Breakfast Program and  
National School Lunch Program
  - \* Assistance Listings Number: 14.239 Home Investment Partnerships Program
  - \* Assistance Listings Number: 84.010 Title I Grants to Local Educational  
Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2021-001**

#### **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED WITH SUBSIDIARY PAYROLL RECORDS AND PAYMENTS**

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

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments. Sound business practices dictate that payroll liability accounts should be reconciled with billings and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

#### **RECOMMENDATION**

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

I concur with this finding. As in previous years, we have been working hard to reconcile this finding, with that being said, our office has made a big swing the last 2 months. We will be going to a sole provider on the supplemental insurance in Jackson County. Five Points Benefits will be coordinating with Bookkeeper Ciara Jones in helping with rectifying this finding.

#### **FINDING 2021-002**

#### **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 47 disbursements totaling \$307,294 from a population of 2,377 vendor checks totaling \$4,198,075. Our examination revealed the

following purchasing deficiencies, which are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

- A. In five of 47 applicable instances, invoices were paid without documentation that goods had been received and/or services has been rendered. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.
- B. In five of 47 applicable instances, purchases were coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

#### RECOMMENDATION

Adequate documentation should be maintained to support all disbursements and should include evidence that goods have been received or services have been rendered. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding. In Part A of finding, I did not have adequate control over other departments who are responsible for signing that they received goods or services. We have made strong suggestions that this must improve moving forward with county government, but this is a department issue in the end. In Part B of finding, my office will be making the necessary changes to clear this finding up.

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#### OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

##### FINDING 2021-003

##### **SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

To obtain reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued for the months of April 2021 through June 2021 in Circuit Court and for the month of April 2021 in General Sessions Court to trace to deposits. In Circuit Court, 22 of the 37 receipts tested were held for longer than three business days before being deposited, and in General Sessions Court, 138 receipts were tested and none of them were deposited within three business days. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

#### RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute.

## MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with this finding.

---

### OFFICE OF SHERIFF

#### FINDING 2021-004

#### **THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF CONFIDENTIAL FUNDS** (Noncompliance Under Government Auditing Standards)

Section 39-17-402(e), *Tennessee Code Annotated*, requires confidential drug enforcement funds to be administered under guidelines established by the Comptroller of the Treasury. Comptroller guidelines require certain minimum documentation for the unique transactions created by confidential drug enforcement activities. Our examination of the administration of confidential drug funds revealed the following deficiencies. These deficiencies were the result of a lack of management oversight.

- A. The sheriff's department did not utilize the Accountability of Confidential Funds form included in the guidelines. This form details the agent's confidential expenditures, such as the case number, type and quantity of evidence associated with the transaction, undercover vehicle expenses, informant expenses, and any miscellaneous expenses related to the investigation. This form should be completed for each entry on the agent's activity log. Without this form, auditors were not able to verify certain confidential expenditures.
- B. When an agent pays cash to a confidential informant, Comptroller guidelines require a receipt to be signed by the agent, the confidential informant, and a witness. We reviewed five receipts and noted that one did not include the informant's signature, one did not include the agent's signature, and four of the five receipts did not include a witness signature.
- C. The guidelines include an Agent's Activity Log for Confidential Funds, this log is a checkbook-type list to be maintained by agents for the confidential funds in their possession. This log should include any receipts and disbursements of confidential funds, as well as a running balance of the confidential funds in the agent's possession. We noted two agents utilizing the same log; therefore, we were unable to determine the confidential activity related to each agent or which agent had possession of the confidential funds during the year. At June 30, 2021, there were no confidential funds being held by the agents.

### RECOMMENDATION

Confidential drug transactions should be administered in accordance with guidelines established by the Comptroller of the Treasury. All required documentation should be completed and signed in accordance with the guidelines, and each agent should maintain a separate Agent Activity Log to document the custody of confidential funds.

## MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding. The officer that was in that position was new to this job and was unaware of all the forms that had to be filled out, he has since left that position and someone else is learning this job.

---

### FINDING 2021-005

#### **BANK STATEMENTS WERE NOT RECONCILED PROPERLY WITH THE GENERAL LEDGER**

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

Monthly bank statements for the commissary were not reconciled properly with the general ledger. Sound business practices require the monthly reconciliation of bank statements with general ledger accounts to ensure all collections and disbursements are recorded in the accounting records accurately. The failure to reconcile bank statements with the general ledger monthly allows errors to remain undiscovered and uncorrected.

### RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any discrepancies discovered should be investigated and corrected promptly.

## MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

**Jackson County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2021**

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

2021-001	General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.	192
2021-002	The office had deficiencies in purchasing procedures.	192

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

2021-003	Some funds were not deposited within three days of collection.	194
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**OFFICE OF SHERIFF**

2021-004	The office had deficiencies in the administration of confidential funds.	195
2021-005	Bank statements were not reconciled properly with the general ledger.	195

Randy Heady  
County Mayor



# Jackson County Mayor

## Corrective Action Plan

**FINDING:** GENERAL LEDGER PAYROLL LIABILITY  
ACCOUNTS WERE NOT RECONCILED WITH  
SUBSIDIARY PAYROLL RECORDS AND PAYMENTS

**Response and Corrective Action Plan Prepared by:**  
Randy Heady, County Mayor

**Person Responsible for Implementing the Corrective Action:**  
Randy Heady, County Mayor  
Ciara Jones, County Bookkeeper

**Anticipated Completion Date of Corrective Action:**  
June 30, 2022

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:** We have been slowly trying to fix this in our office but with little satisfaction. The number of insurance vendors and personal changes has made this a serious challenge.

**Planned Corrective Action:**  
As in previous years we have been working hard to reconcile this finding, with that being said, our office has made a big swing the last 2 months. We will be going to a sole provider on the supplemental insurance in Jackson County. Five Points Benefits will be coordinating with Bookkeeper Ciara Jones in helping with rectifying this finding.

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**FINDING:** THE OFFICE HAD DEFICIENCIES IN PURCHASING  
PROCEDURES

**Response and Corrective Action Plan Prepared by:**  
Randy Heady, County Mayor

**Person Responsible for Implementing the Corrective Action:**  
Randy Heady  
Michelle Hix, Administrative Assistant



**Anticipated Completion Date of Corrective Action:**  
June 30<sup>th</sup>, 2022

**Repeat Finding:**  
Yes

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

It is my opinion that we have made significant improvements in the past 2 years but will agree that there is much more that needs to be done.

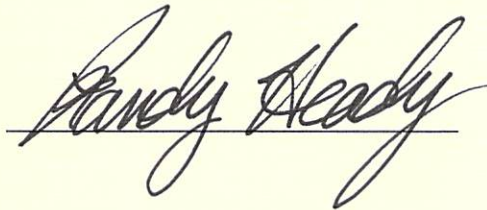
We have had major improvements in this area, please note that there were no findings in regard to PO's this year!

**Planned Corrective Action:**

In Part A of finding, I do not have control over other departments who are responsible for signing that they received goods or services. We have made **strong** suggestions that this must improve moving forward with County Government, but this is a department issue in the end. In Part B of finding, my office will be making the necessary changes to clear this finding up.

Signature:

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**JEFF HARDY**  
**CIRCUIT COURT CLERK**  
**JACKSON COUNTY, TENNESSEE**

**Corrective Action Plan**

**FINDING: SOME FUNDS WERE NOT DEPOSITED  
WITHIN THREE DAYS OF COLLECTION**

**Response and Corrective Action Plan Prepared by:**

Jeff Hardy, Circuit and General Sessions Courts Clerk

**Person Responsible for Implementing the Corrective Action:**

Jeff Hardy, Circuit and General Sessions Courts Clerk

**Anticipated Completion Date of Corrective Action:**

October 19, 2021

**Repeat Finding:**

No

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

No formal bank deposit schedule previously in place.

**Planned Corrective Action:**

Effective immediately, a bank deposit schedule will be implemented in the Court Clerk's Office. That bank deposit schedule is as follows: Bank deposits will be made on Mondays, Tuesdays, Thursdays, and Fridays, excluding red-letter holidays.

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

P.O. BOX 205  
GAINESBORO, TN 38562

# Jackson County Sheriff Department

P.O. Box 275 - 620 Hospital Drive Sainesboro, Tennessee 38562



*Marty Hinson, Sheriff*



## Corrective Action Plan

**FINDING:** THE OFFICE HAD DEFICIENCIES IN THE  
ADMINISTRATION OF CONFIDENTIAL FUNDS

**Response and Corrective Action Plan Prepared by:**  
Marty Hinson, Sheriff

**Person Responsible for Implementing the Corrective Action:**  
Kamron Johnston, Narcotics Officer

**Anticipated Completion Date of Corrective Action:**  
10/01/2021

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
The officer that was in that position was new to this job and was unaware of the all the forms that had to be filled out, he has since left that position and someone else is learning the job.

**FINDING:** BANK STATEMENTS WERE NOT RECONCILED  
PROPERLY WITH THE GENERAL LEDGER

**Response and Corrective Action Plan Prepared by:**  
Marty Hinson, Sheriff

**Person Responsible for Implementing the Corrective Action:**  
Tamorah Ryan, Jail Administrator

**Anticipated Completion Date of Corrective Action:**  
07/31/2021

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Officer has retired and a new officer is learning the computer system.

Signature: *Sheriff Marty Hinson*  
195

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below us a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Jackson County.

### **JACKSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Jackson County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Jackson County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.