



## ANNUAL FINANCIAL REPORT

### Jackson County, Tennessee

*For the Year Ended June 30, 2023*

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



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

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

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

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

*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
<u>INTRODUCTORY SECTION</u>		7
Jackson County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	29-30
Solid Waste/Sanitation Fund	C-6	31
Other General Government Fund	C-7	32
Highway/Public Works Fund	C-8	33
Fiduciary Funds:		
Statement of Net Position	D-1	34
Statement of Changes in Net Position	D-2	35
Index and Notes to the Financial Statements		36-95
REQUIRED SUPPLEMENTARY INFORMATION:		96
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	97
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	98
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Jackson County School Department	E-3	99

	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	100
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Jackson County School Department	E-5	101
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	102
Schedule of Changes in the Total OPEB Liability and Related Ratios - Discretely Presented Jackson County School Department	E-7	103-104
Notes to the Required Supplementary Information		105
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		106
Nonmajor Governmental Funds:		107
Combining Balance Sheet	F-1	108-109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	110-111
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
Drug Control Fund	F-3	112
Major Governmental Fund:		113
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	114
Fiduciary Funds:		115
Combining Statement of Net Position – Custodial Funds	H-1	116
Combining Statement of Changes in Net Position – Custodial Funds	H-2	117
Component Unit:		
Discretely Presented Jackson County School Department:		118
Statement of Activities	I-1	119
Balance Sheet – Governmental Funds	I-2	120-121
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	122
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	123-124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	125
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	I-7	127
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	128-129
School Federal Projects Fund	I-9	130-131
Central Cafeteria Fund	I-10	132

	Exhibit	Page(s)
Miscellaneous Schedules:		133
Schedule of Changes in Long-term Bonds, Notes, and Other Loans	J-1	134
Schedule of Long-term Debt Requirements by Year	J-2	135-136
Schedule of Transfers – Discretely Presented Jackson County School Department	J-3	137
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Jackson County School Department	J-4	138
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	139-152
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Jackson County School Department	J-6	153-155
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	156-169
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Jackson County School Department	J-8	170-182
<u>SINGLE AUDIT SECTION</u>		183
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>		184-185
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		186-189
Schedule of Expenditures of Federal Awards and State Grants		190-192
Summary Schedule of Prior-year Findings		193
Schedule of Findings and Questioned Costs		194-197
Management's Corrective Action Plan		198-200
Best Practice		201

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

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

### ***Scope***

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

### ***Results***

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

Our audit resulted in two 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**

- ◆ The office had deficiencies in purchasing procedures.

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#### **OFFICE OF SHERIFF**

- ◆ Bank statements were not reconciled properly with the general ledger.



# INTRODUCTORY SECTION

## Jackson County Officials

### June 30, 2023

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#### **Officials**

Randy Heady, County Mayor  
Daniel Garrison, 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  
Michelle Hix, Register of Deeds  
Marty Hinson, Sheriff

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

Randy Heady, County Mayor, Chairman  
Paul Ballard  
Anthony Buck  
Darrell Church  
Kevin Cummins  
Joey Denson  
Josh Denson  
Mark Dosch  
Shelby Fox  
Gary Garrison

Richard Head  
Ryan Hopkins  
Brian Lee  
Jackie Meadows  
Jim Morgan  
Jeff Smallwood  
Douglas Stafford  
Thomas Wilmoth  
Troy York

#### **Board of Education**

Mark Brown, Chairman  
Mark Allen  
Kim Denson

Dustin Kennedy  
Emily Trisdale  
Shannon Wilson

#### **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 Audit of the Financial Statements**

#### ***Opinions***

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, Other General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Jackson County School Department (a discretely presented component unit), which represent 1.66 percent, 2.06 percent, and 2.2 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 amounts included for the Jackson County School Department's Internal School Fund, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jackson County, Tennessee, and to meet our other ethical responsibilities, in accordance with the

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jackson County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jackson County's ability to continue as a going concern for a reasonable period of time.

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

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

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

Accounting principles generally accepted in the United States of America require that the 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 other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Jackson County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

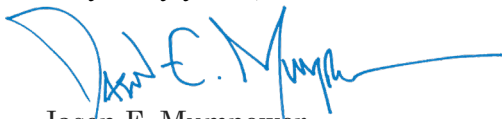
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023, 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 the 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

November 9, 2023

JEM/gc

# BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Jackson County School Department
<u>ASSETS</u>		
Cash	\$ 11,993	\$ 539,366
Equity in Pooled Cash and Investments	7,837,718	14,712,041
Accounts Receivable	510,454	6,974
Allowance for Uncollectibles	(147,772)	0
Due from Other Governments	780,123	1,174,620
Due from Component Units	5,080,265	0
Property Taxes Receivable	4,118,947	1,949,473
Allowance for Uncollectible Property Taxes	(96,409)	(49,542)
Net Pension Asset - Agent Plan	549,546	277,835
Net Pension Asset - Teacher Retirement Plan	0	26,318
Net Pension Asset - Teacher Legacy Pension Plan	0	2,069,160
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	124,281
Capital Assets:		
Assets Not Depreciated:		
Land	399,223	319,507
Construction in Progress	781,678	1,402,410
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,982,133	9,039,201
Infrastructure	15,439,159	78,275
Other Capital Assets	1,847,902	915,502
Total Assets	<u>\$ 44,094,960</u>	<u>\$ 32,585,421</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 164,046	\$ 424,745
Pension Changes in Assumptions	536,437	1,598,264
Pension Changes in Investment Earnings	42,614	65,223
Pension Changes in Proportion	0	12,838
Pension Contributions after Measurement Date	304,027	718,869
OPEB Changes in Experience	0	178,528
OPEB Changes in Assumptions	0	242,503
OPEB Changes in Proportion	0	19,562
OPEB Contributions after Measurement Date	0	60,572
Total Deferred Outflows of Resources	<u>\$ 1,047,124</u>	<u>\$ 3,321,104</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Jackson County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 45,518	\$ 216
Accrued Payroll	0	197,510
Payroll Deductions Payable	56,278	0
Accrued Interest Payable	2,141	0
Due to Primary Government	0	5,080,265
Due to State of Tennessee	0	36,061
Due to Other Governments	2,000,483	0
Noncurrent Liabilities:		
Due Within One Year - Debt	834,070	0
Due Within One Year - Other	72,959	0
Due in More Than One Year - Debt	6,088,747	0
Due in More Than One Year - Other	72,956	1,345,964
Total Liabilities	<u>\$ 9,173,152</u>	<u>\$ 6,660,016</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,914,992	\$ 1,839,030
Pension Changes in Experience	173,404	453,283
Pension Changes in Proportion	0	59,339
OPEB Changes in Experience	0	152,742
OPEB Changes in Assumptions	0	189,572
OPEB Changes in Proportion	0	345,992
Total Deferred Inflows of Resources	<u>\$ 4,088,396</u>	<u>\$ 3,039,958</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 23,607,543	\$ 11,754,895
Restricted for:		
General Government	37,902	0
Finance	30,334	0
Administration of Justice	31,474	0
Public Safety	97,451	0
Public Health and Welfare	262,045	0
Highways	2,126,372	0
Education	0	1,540,499
Capital Outlay	24,324	0
Debt Service	1,389	0
Capital Projects	2,216	0
Pensions	549,546	2,497,594
Unrestricted	<u>5,109,940</u>	<u>10,413,563</u>
Total Net Position	<u>\$ 31,880,536</u>	<u>\$ 26,206,551</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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Jackson County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,002,840	\$ 251,926	\$ 15,164	\$ 35,886	\$ (699,864)	\$ 0
Finance	1,047,361	316,277	0	0	(731,084)	0
Administration of Justice	656,013	137,420	9,000	0	(509,593)	0
Public Safety	3,268,630	1,125,712	65,811	232,401	(1,844,706)	0
Public Health and Welfare	2,001,748	707,930	207,306	0	(1,086,512)	0
Social, Cultural, and Recreational Services	637,354	3,457	471,672	0	(162,225)	0
Agriculture and Natural Resources	121,573	0	10,501	0	(111,072)	0
Highways	3,038,381	52,690	2,670,611	469,945	154,865	0
Interest on Long-term Debt	180,752	0	0	0	(180,752)	0
Total Primary Government	<u>\$ 11,954,652</u>	<u>\$ 2,595,412</u>	<u>\$ 3,450,065</u>	<u>\$ 738,232</u>	<u>\$ (5,170,943)</u>	<u>\$ 0</u>
Component Unit:						
Jackson County School Department	<u>\$ 18,333,435</u>	<u>\$ 92,660</u>	<u>\$ 6,008,459</u>	<u>\$ 936,336</u>	<u>\$ 0</u>	<u>\$ (11,295,980)</u>
Total Component Unit	<u>\$ 18,333,435</u>	<u>\$ 92,660</u>	<u>\$ 6,008,459</u>	<u>\$ 936,336</u>	<u>\$ 0</u>	<u>\$ (11,295,980)</u>

(Continued)

Exhibit B

Jackson County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes	
		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					\$ 3,326,717	\$ 1,934,502
Property Taxes Levied for Debt Service					46,877	0
Local Option Sales Taxes					574,795	1,388,443
Wheel Tax					302,259	181,356
Business Tax					53,466	0
Litigation Taxes					51,935	0
Mixed Drink Tax					0	9,984
Wholesale Beer Tax					83,716	0
Hotel/Motel Tax					73,033	0
Mineral Severance Tax					42,412	0
Other Local Taxes					111	105
Grants and Contributions Not Restricted to Specific Programs					1,041,428	12,249,482
Unrestricted Investment Earnings					74,746	10,475
Miscellaneous					114,801	20,249
Total General Revenues					<u>\$ 5,786,296</u>	<u>\$ 15,794,596</u>
Change in Net Position					\$ 615,353	\$ 4,498,616
Net Position, July 1, 2022					<u>31,265,183</u>	<u>21,707,935</u>
Net Position, June 30, 2023					<u>\$ 31,880,536</u>	<u>\$ 26,206,551</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, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Other General Government Fund	Highway / Public Works	General Debt Service
<u>ASSETS</u>					
Cash	\$ 42	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,731,136	189,921	1,222,137	1,735,713	1,227,264
Accounts Receivable	496,838	3,614	0	5,442	48
Allowance for Uncollectibles	(147,772)	0	0	0	0
Due from Other Governments	390,070	31	0	378,101	7
Due from Other Funds	11,963	0	0	0	0
Property Taxes Receivable	3,040,960	688,546	0	227,264	162,177
Allowance for Uncollectible Property Taxes	(71,765)	(16,137)	0	(5,782)	(2,725)
Total Assets	<u>\$ 6,451,472</u>	<u>\$ 865,975</u>	<u>\$ 1,222,137</u>	<u>\$ 2,340,738</u>	<u>\$ 1,386,771</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 30,000	\$ 15,518	\$ 0	\$ 0	\$ 0
Payroll Deductions Payable	53,044	3,234	0	0	0
Due to Other Funds	0	0	0	0	0
Due to Other Governments	0	0	2,000,483	0	0
Total Liabilities	<u>\$ 83,044</u>	<u>\$ 18,752</u>	<u>\$ 2,000,483</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,888,293	\$ 654,379	\$ 0	\$ 214,366	\$ 157,954
Deferred Delinquent Property Taxes	74,982	16,711	0	4,140	1,389
Other Deferred/Unavailable Revenue	348,396	0	0	181,050	0
Total Deferred Inflows of Resources	<u>\$ 3,311,671</u>	<u>\$ 671,090</u>	<u>\$ 0</u>	<u>\$ 399,556</u>	<u>\$ 159,343</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	Other General Government Fund	Highway / Public Works	General Debt Service
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 37,358	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	30,334	0	0	0	0
Restricted for Administration of Justice	31,474	0	0	0	0
Restricted for Public Safety	11,092	0	0	0	0
Restricted for Public Health and Welfare	69,201	176,133	0	0	0
Restricted for Other Operations	544	0	0	0	0
Restricted for Highways/Public Works	0	0	0	1,941,182	0
Restricted for Capital Outlay	24,324	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Administration of Justice	49,150	0	0	0	0
Committed for Other Operations	0	0	0	0	0
Committed for Debt Service	0	0	0	0	1,227,428
Committed for Capital Projects	0	0	0	0	0
Unassigned	2,803,280	0	(778,346)	0	0
Total Fund Balances	<u>\$ 3,056,757</u>	<u>\$ 176,133</u>	<u>\$ (778,346)</u>	<u>\$ 1,941,182</u>	<u>\$ 1,227,428</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,451,472</u>	<u>\$ 865,975</u>	<u>\$ 1,222,137</u>	<u>\$ 2,340,738</u>	<u>\$ 1,386,771</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 11,951	\$	11,993
Equity in Pooled Cash and Investments	731,547		7,837,718
Accounts Receivable	4,512		510,454
Allowance for Uncollectibles	0		(147,772)
Due from Other Governments	11,914		780,123
Due from Other Funds	0		11,963
Property Taxes Receivable	0		4,118,947
Allowance for Uncollectible Property Taxes	0		(96,409)
Total Assets	<u>\$ 759,924</u>	<u>\$</u>	<u>13,027,017</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$	45,518
Payroll Deductions Payable	0		56,278
Due to Other Funds	11,963		11,963
Due to Other Governments	0		2,000,483
Total Liabilities	<u>\$ 11,963</u>	<u>\$</u>	<u>2,114,242</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$	3,914,992
Deferred Delinquent Property Taxes	0		97,222
Other Deferred/Unavailable Revenue	0		529,446
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$</u>	<u>4,541,660</u>

(Continued)

Exhibit C-1

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

FUND BALANCES

Restricted:

Restricted for General Government

Restricted for Finance

Restricted for Administration of Justice

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Other Operations

Restricted for Highways/Public Works

Restricted for Capital Outlay

Restricted for Capital Projects

Committed:

Committed for Administration of Justice

Committed for Other Operations

Committed for Debt Service

Committed for Capital Projects

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
\$ 0	\$ 37,358	
0	30,334	
0	31,474	
86,359	97,451	
0	245,334	
0	544	
0	1,941,182	
0	24,324	
2,216	2,216	
0	49,150	
107,733	107,733	
0	1,227,428	
551,653	551,653	
0	2,024,934	
<u>\$ 747,961</u>	<u>\$ 6,371,115</u>	
<u>\$ 759,924</u>	<u>\$ 13,027,017</u>	

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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,371,115
(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	781,678	
Add: buildings and improvements net of accumulated depreciation	6,982,133	
Add: infrastructure net of accumulated depreciation	15,439,159	
Add: other capital assets net of accumulated depreciation	<u>1,847,902</u>	25,450,095
(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	\$ (160,552)	
Less: other loans payable	(6,762,265)	
Add: debt to be contributed by the school department	5,080,265	
Less: compensated absences payable	(145,915)	
Less: accrued interest on bonds	<u>(2,141)</u>	(1,990,608)
(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	\$ 1,047,124	
Less: deferred inflows of resources related to pensions	<u>(173,404)</u>	873,720
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		549,546
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>626,668</u>
Net position of governmental activities (Exhibit A)		<u>\$ 31,880,536</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, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Other General Government Fund	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 3,732,524	\$ 564,206	\$ 0	\$ 267,220	\$ 46,695
Licenses and Permits	42,985	0	0	0	0
Fines, Forfeitures, and Penalties	22,445	0	0	0	0
Charges for Current Services	944,991	4,555	0	0	0
Other Local Revenues	189,465	21,260	4,778	196,588	0
Fees Received From County Officials	476,424	0	0	0	0
State of Tennessee	1,283,969	0	0	2,549,919	350,000
Federal Government	84,146	0	32,853	1,195,497	0
Other Governments and Citizens Groups	131,587	0	0	0	724,567
Total Revenues	\$ 6,908,536	\$ 590,021	\$ 37,631	\$ 4,209,224	\$ 1,121,262
<u>Expenditures</u>					
Current:					
General Government	\$ 725,382	\$ 0	\$ 0	\$ 0	\$ 0
Finance	422,290	0	0	0	0
Administration of Justice	601,718	0	0	0	0
Public Safety	2,587,698	0	0	0	0
Public Health and Welfare	142,280	669,106	0	0	0
Social, Cultural, and Recreational Services	129,974	0	0	0	0
Agriculture and Natural Resources	114,118	0	0	0	0
Other Operations	2,306,216	0	48	0	924
Highways	43,222	0	0	3,475,060	0
Debt Service:					
Principal on Debt	0	0	0	500,000	848,826
Interest on Debt	0	0	0	2,199	179,217
Other Debt Service	0	0	0	0	39,983

(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	Other General Government Fund	Highway / Public Works	General Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 7,072,898	\$ 669,106	\$ 48	\$ 3,977,259	\$ 1,068,950
Excess (Deficiency) of Revenues Over Expenditures	\$ (164,362)	\$ (79,085)	\$ 37,583	\$ 231,965	\$ 52,312
Net Change in Fund Balances	\$ (164,362)	\$ (79,085)	\$ 37,583	\$ 231,965	\$ 52,312
Fund Balance, July 1, 2022	3,221,119	255,218	(815,929)	1,709,217	1,175,116
Fund Balance, June 30, 2023	\$ 3,056,757	\$ 176,133	\$ (778,346)	\$ 1,941,182	\$ 1,227,428

(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	\$ 4,610,645	
Licenses and Permits	0	42,985	
Fines, Forfeitures, and Penalties	133,848	156,293	
Charges for Current Services	100	949,646	
Other Local Revenues	13,221	425,312	
Fees Received From County Officials	0	476,424	
State of Tennessee	0	4,183,888	
Federal Government	774,591	2,087,087	
Other Governments and Citizens Groups	0	856,154	
Total Revenues	<u>\$ 921,760</u>	<u>\$ 13,788,434</u>	
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 725,382	
Finance	100	422,390	
Administration of Justice	0	601,718	
Public Safety	117,792	2,705,490	
Public Health and Welfare	0	811,386	
Social, Cultural, and Recreational Services	0	129,974	
Agriculture and Natural Resources	0	114,118	
Other Operations	52	2,307,240	
Highways	0	3,518,282	
Debt Service:			
Principal on Debt	0	1,348,826	
Interest on Debt	0	181,416	
Other Debt Service	0	39,983	

(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	\$ 1,153,327	\$ 1,153,327	
Total Expenditures	\$ 1,271,271	\$ 14,059,532	
Excess (Deficiency) of Revenues Over Expenditures	\$ (349,511)	\$ (271,098)	
Net Change in Fund Balances	\$ (349,511)	\$ (271,098)	
Fund Balance, July 1, 2022	1,097,472	6,642,213	
Fund Balance, June 30, 2023	\$ 747,961	\$ 6,371,115	

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, 2023

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(271,098)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: assets purchased and capitalized	\$	1,230,180	
Less: current-year depreciation expense		<u>(622,363)</u>	607,817
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	77,456	
Less: book value of capital assets disposed		<u>(43,726)</u>	33,730
(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, 2023	\$	626,668	
Less: deferred delinquent property taxes and other deferred June 30, 2022		<u>(1,330,340)</u>	(703,672)
(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	\$	3,488	
Add: principal payments on notes		547,819	
Add: principal payments on other loans		797,519	
Less: contributions from the school department for other loans		<u>(573,519)</u>	775,307
(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	\$	664	
Change in compensated absences payable		39,772	
Change in net pension liability/asset		(1,251,838)	
Change in deferred outflows related to pensions		22,876	
Change in deferred inflows related to pensions		<u>1,361,795</u>	173,269
Change in net position of governmental activities (Exhibit B)		\$	<u>615,353</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,732,524	\$ 3,696,646	\$ 3,526,646	\$ 205,878
Licenses and Permits	42,985	35,000	35,000	7,985
Fines, Forfeitures, and Penalties	22,445	39,300	39,300	(16,855)
Charges for Current Services	944,991	875,200	876,186	68,805
Other Local Revenues	189,465	153,500	172,552	16,913
Fees Received From County Officials	476,424	455,000	455,000	21,424
State of Tennessee	1,283,969	2,285,800	2,480,355	(1,196,386)
Federal Government	84,146	75,000	75,000	9,146
Other Governments and Citizens Groups	131,587	35,000	35,000	96,587
Total Revenues	\$ 6,908,536	\$ 7,650,446	\$ 7,695,039	\$ (786,503)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 51,969	\$ 75,925	\$ 93,925	\$ 41,956
Beer Board	0	200	200	200
County Mayor/Executive	209,679	204,152	214,657	4,978
County Attorney	10,765	11,400	11,400	635
Election Commission	174,643	183,174	183,174	8,531
Register of Deeds	129,978	129,303	130,289	311
County Buildings	140,681	133,248	145,370	4,689
Preservation of Records	7,667	8,781	8,781	1,114
<u>Finance</u>				
Property Assessor's Office	124,668	129,051	129,051	4,383
County Trustee's Office	136,225	141,020	141,020	4,795
County Clerk's Office	161,397	169,823	169,823	8,426
<u>Administration of Justice</u>				
Circuit Court	214,709	219,669	221,669	6,960
General Sessions Court	181,792	150,551	183,551	1,759
Chancery Court	124,946	125,808	125,808	862
Juvenile Court	37,393	42,900	42,900	5,507
Judicial Commissioners	41,694	42,747	42,747	1,053
Other Administration of Justice	1,184	3,955	3,955	2,771
<u>Public Safety</u>				
Sheriff's Department	1,142,603	1,209,333	1,228,385	85,782
Administration of the Sexual Offender Registry	150	2,000	2,000	1,850
Jail	1,328,645	1,426,335	1,436,335	107,690
Fire Prevention and Control	16,500	16,500	16,500	0
Other Emergency Management	99,800	99,800	99,800	0
<u>Public Health and Welfare</u>				
Local Health Center	120,879	192,410	393,110	272,231
Crippled Children Services	0	900	900	900
Regional Mental Health Center	5,811	5,811	5,811	0
Appropriation to State	15,590	15,590	15,590	0
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	27,335	30,100	38,100	10,765
Senior Citizens Assistance	40,653	65,550	65,550	24,897
Libraries	61,986	69,995	69,995	8,009

(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>Agriculture and Natural Resources</u>				
Agricultural Extension Service	\$ 59,751	\$ 61,234	\$ 61,234	\$ 1,483
Soil Conservation	54,367	82,700	82,700	28,333
<u>Other Operations</u>				
Industrial Development	480	6,040	6,040	5,560
Other Economic and Community Development	26,263	83,000	83,000	56,737
Airport	66,394	263,750	263,750	197,356
Veterans' Services	10,000	10,000	10,000	0
Other Charges	544,763	555,000	555,000	10,237
Contributions to Other Agencies	96,520	107,469	107,469	10,949
Employee Benefits	515,253	543,000	543,000	27,747
American Rescue Plan Act Grant #1	1,000,994	996,000	1,006,000	5,006
Miscellaneous	45,549	54,000	60,000	14,451
<u>Highways</u>				
Litter and Trash Collection	43,222	48,515	48,515	5,293
Total Expenditures	\$ 7,072,898	\$ 7,716,739	\$ 8,047,104	\$ 974,206
Excess (Deficiency) of Revenues Over Expenditures	\$ (164,362)	\$ (66,293)	\$ (352,065)	\$ 187,703
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (350,000)	\$ (350,000)	\$ 350,000
Total Other Financing Sources	\$ 0	\$ (350,000)	\$ (350,000)	\$ 350,000
Net Change in Fund Balance	\$ (164,362)	\$ (416,293)	\$ (702,065)	\$ 537,703
Fund Balance, July 1, 2022	3,221,119	3,464,702	3,464,702	(243,583)
Fund Balance, June 30, 2023	\$ 3,056,757	\$ 3,048,409	\$ 2,762,637	\$ 294,120

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 564,206	\$ 559,072	\$ 559,072	\$ 5,134
Charges for Current Services	4,555	0	0	4,555
Other Local Revenues	21,260	50,000	50,000	(28,740)
State of Tennessee	0	46,000	46,000	(46,000)
Total Revenues	<u>\$ 590,021</u>	<u>\$ 655,072</u>	<u>\$ 655,072</u>	<u>\$ (65,051)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 483,721	\$ 480,500	\$ 480,500	\$ (3,221)
Convenience Centers	185,385	240,500	240,500	55,115
Total Expenditures	<u>\$ 669,106</u>	<u>\$ 721,000</u>	<u>\$ 721,000</u>	<u>\$ 51,894</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (79,085)</u>	<u>\$ (65,928)</u>	<u>\$ (65,928)</u>	<u>\$ (13,157)</u>
Net Change in Fund Balance	\$ (79,085)	\$ (65,928)	\$ (65,928)	\$ (13,157)
Fund Balance, July 1, 2022	<u>255,218</u>	<u>324,220</u>	<u>324,220</u>	<u>(69,002)</u>
Fund Balance, June 30, 2023	<u><u>\$ 176,133</u></u>	<u><u>\$ 258,292</u></u>	<u><u>\$ 258,292</u></u>	<u><u>\$ (82,159)</u></u>

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

Jackson County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other General Government Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 4,778	\$ 0	\$ 30	\$ 4,748
Federal Government	32,853	0	0	32,853
Total Revenues	<u>\$ 37,631</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 37,601</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
COVID-19 Grant #1	\$ 48	\$ 0	\$ 30	\$ (18)
Total Expenditures	<u>\$ 48</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ (18)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 37,583</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,583</u>
Net Change in Fund Balance	\$ 37,583	\$ 0	\$ 0	\$ 37,583
Fund Balance, July 1, 2022	<u>(815,929)</u>	<u>0</u>	<u>0</u>	<u>(815,929)</u>
Fund Balance, June 30, 2023	<u>\$ (778,346)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (778,346)</u>

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



## Exhibit C-8

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 267,220	\$ 264,336	\$ 264,336	\$ 2,884
Other Local Revenues	196,588	115,000	193,325	3,263
State of Tennessee	2,549,919	2,020,397	2,459,300	90,619
Federal Government	1,195,497	398,770	1,195,497	0
Total Revenues	<u>\$ 4,209,224</u>	<u>\$ 2,798,503</u>	<u>\$ 4,112,458</u>	<u>\$ 96,766</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 222,508	\$ 204,746	\$ 265,407	\$ 42,899
Highway and Bridge Maintenance	1,368,283	1,945,092	2,130,620	762,337
Operation and Maintenance of Equipment	615,281	688,500	756,540	141,259
Other Charges	583,613	234,050	821,451	237,838
Employee Benefits	150,904	174,852	182,352	31,448
Capital Outlay	534,471	362,000	781,626	247,155
<u>Principal on Debt</u>				
Highways and Streets	500,000	517,000	500,000	0
<u>Interest on Debt</u>				
Highways and Streets	2,199	0	2,199	0
Total Expenditures	<u>\$ 3,977,259</u>	<u>\$ 4,126,240</u>	<u>\$ 5,440,195</u>	<u>\$ 1,462,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 231,965</u>	<u>\$ (1,327,737)</u>	<u>\$ (1,327,737)</u>	<u>\$ 1,559,702</u>
Net Change in Fund Balance	\$ 231,965	\$ (1,327,737)	\$ (1,327,737)	\$ 1,559,702
Fund Balance, July 1, 2022	1,709,217	1,745,575	1,745,575	(36,358)
Fund Balance, June 30, 2023	<u>\$ 1,941,182</u>	<u>\$ 417,838</u>	<u>\$ 417,838</u>	<u>\$ 1,523,344</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, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 507,293
Accounts Receivable	12
Due from Other Governments	<u>65,772</u>
Total Assets	<u>\$ 573,077</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 65,772</u>
Total Liabilities	<u>\$ 65,772</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 507,305</u>
Total Net Position	<u><u>\$ 507,305</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, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 386,230
Fines/Fees and Other Collections	<u>3,612,250</u>
Total Additions	<u>\$ 3,998,480</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 386,230
Payments to State	1,297,891
Payments to Cities, Individuals, and Others	<u>2,582,101</u>
Total Deductions	<u>\$ 4,266,222</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (267,742)
Net Position, July 1, 2022	<u>775,047</u>
Net Position, June 30, 2023	<u><u>\$ 507,305</u></u>

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	37
B. Government-wide and Fund Financial Statements	38
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	41
2. Receivables and Payables	43
3. Restricted Assets	43
4. Capital Assets	44
5. Deferred Outflows/Inflows of Resources	44
6. Compensated Absences	45
7. Long-term Debt and Long-term Obligations	46
8. Net Position and Fund Balance	46
E. Pension Plans	48
F. Other Postemployment Benefit (OPEB) Plans	48
<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	49
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	49
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	49
B. Fund Deficit	50
C. Expenditures Exceeded Appropriations	50
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	51
B. Capital Assets	54
C. Construction Commitments	57
D. Interfund Receivables, Payables, and Transfers	57
E. Long-term Debt	58
F. Long-term Obligations	62
G. On-Behalf Payments	63
<b>V. Other Information</b>	
A. Risk Management	63
B. Accounting Changes	64
C. Contingent Liabilities	65
D. Changes in Administration	65
E. Joint Venture	66
F. Jointly Governed Organization	66
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	66
2. Deferred Compensation	84
H. Other Postemployment Benefits (OPEB)	85
I. Purchasing Laws	94
J. Subsequent Events	94

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

**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 this 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. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

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.

**Other General Government Fund** - This special revenue fund accounts for transactions related to the American Rescue Plan Act funding.

**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.

Additionally, Jackson County reports the following fund types:

**Capital Projects Funds** – The capital projects funds are used to account for general capital expenditures and for revenues and expenditures related to industrial buildings owned by the county.



**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 funds:

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

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

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 (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) 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 one 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 assets that applies to a future period(s)

and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension and OPEB changes in experience, assumptions, and proportionate share; pension changes in investment earnings; pension and OPEB 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience and proportionate share, OPEB changes in assumptions, 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 and other loans 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, 2023, Jackson County had \$5,080,265 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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

**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**

### **A. 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, 2023, the Jackson County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 542,464

**B. Fund Deficit**

The Other General Government Fund had a fund deficit of \$778,346 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL 21.027). The grant expenditures can only be reported in April of each year, and fund revenues are not recognized until the expenditures are reported. Jackson County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the Waste Pickup and Interest on Debt - General Government major appropriations categories (the legal level of control) of the Solid Waste/Sanitation and General Debt Service funds by \$3,221 and \$7,769, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by

available fund balance in the Solid Waste/Sanitation and General Debt Service funds.

#### **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 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds

with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

### **Investments**

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

repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled or nonpooled investments as of June 30, 2023.

### **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, 2023, the Jackson County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 38,527
Developed Market International Equity	N/A	N/A	17,400
Emerging Market International Equity	N/A	N/A	4,971
U.S. Fixed Income	N/A	N/A	24,856
Real Estate	N/A	N/A	12,428
Short-term Securities	N/A	N/A	1,243
NAV - Private Equity and Strategic Lending	N/A	N/A	24,856
Total			<u>\$ 124,281</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, 2023, was as follows:

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

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 399,223	\$ 0	\$ 0	\$ 399,223
Construction in Progress	182,997	598,681	0	781,678
Total Capital Assets Not Depreciated	\$ 582,220	\$ 598,681	\$ 0	\$ 1,180,901
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,425,291	\$ 73,768	\$ 0	\$ 10,499,059
Infrastructure	19,664,019	63,683	(20,752)	19,706,950
Other Capital Assets	5,029,974	571,504	(381,479)	5,219,999
Total Capital Assets Depreciated	\$ 35,119,284	\$ 708,955	\$ (402,231)	\$ 35,426,008
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,296,818	\$ 220,108	\$ 0	\$ 3,516,926
Infrastructure	4,106,382	170,099	(8,690)	4,267,791
Other Capital Assets	3,489,756	232,156	(349,815)	3,372,097
Total Accumulated Depreciation	\$ 10,892,956	\$ 622,363	\$ (358,505)	\$ 11,156,814
Total Capital Assets Depreciated, Net	\$ 24,226,328	\$ 86,592	\$ (43,726)	\$ 24,269,194
Governmental Activities Capital Assets, Net	\$ 24,808,548	\$ 685,273	\$ (43,726)	\$ 25,450,095

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

**Governmental Activities:**

General Government	\$ 90,208
Public Safety	198,662
Public Health and Welfare	111,890
Social, Cultural, and Recreational Services	90
Highways/Public Works	<u>221,513</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 622,363</u></u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 25,450,095
Add:	
Debt for school purposes	5,080,265
Less:	
Outstanding principal of capital debt and other capital borrowings	(6,025,817)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	<u>(897,000)</u>
Net Investment in Capital Assets	<u><u>\$ 23,607,543</u></u>

## Discretely Presented Jackson County School Department

### Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 319,507	\$ 0	\$ 0	\$ 319,507
Construction in Progress	0	1,402,410	0	1,402,410
Total Capital Assets Not Depreciated	<u>\$ 319,507</u>	<u>\$ 1,402,410</u>	<u>\$ 0</u>	<u>\$ 1,721,917</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	2,054,101	256,716	(185,862)	2,124,955
Total Capital Assets Depreciated	<u>\$ 18,774,720</u>	<u>\$ 256,716</u>	<u>\$ (185,862)</u>	<u>\$ 18,845,574</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 7,219,808	\$ 351,750	\$ 0	\$ 7,571,558
Infrastructure	26,092	5,493	0	31,585
Other Capital Assets	1,278,426	111,313	(180,286)	1,209,453
Total Accumulated Depreciation	<u>\$ 8,524,326</u>	<u>\$ 468,556</u>	<u>\$ (180,286)</u>	<u>\$ 8,812,596</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,250,394</u>	<u>\$ (211,840)</u>	<u>\$ (5,576)</u>	<u>\$ 10,032,978</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,569,901</u>	<u>\$ 1,190,570</u>	<u>\$ (5,576)</u>	<u>\$ 11,754,895</u>

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

### Governmental Activities:

Instruction	\$ 360,097
Support Services	107,290
Non-Instructional Services	<u>1,169</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 468,556</u></u>



**C. Construction Commitments**

At June 30, 2023, the county had construction in progress of approximately \$204,381 for airport projects. The county plans to fund these future expenditures through grant proceeds.

At June 30, 2023, the county had construction in progress of approximately \$50,527 for renovations for the courthouse annex. Funding has been received for these future expenditures.

At June 30, 2023, the county had construction in progress of approximately \$526,770 for a highway bridge project. The county plans to fund these future expenditures through grant proceeds.

The discretely presented Jackson County School Department had construction in progress of approximately \$884,445 for roof projects and \$517,965 for safe entrances projects at June 30, 2023. The school department plans to fund these future expenditures through grant proceeds.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 11,963

This balance 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:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	School Department	
Governmental Activities	Component Unit:	
	Governmental Activities	\$ 5,080,265

The Due to Primary Government of \$5,080,265 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, 2023, consisted of the following amounts:

#### Discretely Presented Jackson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 81,159	Indirect costs
Nonmajor governmental funds	67,000	Supervisor's salary
Total	<u>\$ 148,159</u>	

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.

### E. Long-term Debt

#### Primary Government

##### General Obligation Bonds 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, 2023, 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 and other capital outlay purchases, such as equipment, 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 5 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 other loans included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	4 %	2-22-49	\$ 194,600	\$ 160,552
Direct Borrowing and Direct Placement:				
Other Loans	variable	5-25-31	14,765,000	4,788,000
Other Loans	1.5	6-1-37	2,235,776	1,974,265

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, 2023, the variable interest rate for these loans was 3.11 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, 2023, the variable interest rate was 3.13 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, 2023, the variable interest rate was 3.12 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, 2023, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2029-2033	23,907	26,343	50,250
2034-2038	29,086	21,164	50,250
2039-2043	35,388	14,862	50,250
2044-2048	43,055	7,195	50,250
2049	9,466	584	10,050
Total	\$ 160,552	\$ 100,748	\$ 261,300

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2024	\$ 830,442	\$ 179,348	\$ 35,204	\$ 1,044,994
2025	861,400	155,478	30,639	1,047,517
2026	893,383	130,678	25,888	1,049,949
2027	922,402	104,906	20,943	1,048,251
2028	953,456	78,254	15,820	1,047,530
2029-2033	1,703,059	116,174	14,143	1,833,376
2034-2037	598,123	22,024	0	620,147
Total	\$ 6,762,265	\$ 786,862	\$ 142,637	\$ 7,691,764

There is \$1,227,428 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 \$596, 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 6-30-23
<u>Other Loans Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Construction	\$ 2,209,000
Refunding/School Construction	897,000
Energy Efficiency Schools Initiative Loan	<u>1,974,265</u>
Total	<u>\$ 5,080,265</u>

#### Changes in Long-term Debt

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

#### **Governmental Activities:**

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2022	\$ 164,040	\$ 547,819	\$ 7,559,784
Reductions	(3,488)	(547,819)	(797,519)
Balance, June 30, 2023	<u>\$ 160,552</u>	<u>\$ 0</u>	<u>\$ 6,762,265</u>
Balance Due Within One Year	<u>\$ 3,628</u>	<u>\$ 0</u>	<u>\$ 830,442</u>

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

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 6,922,817
Less: Balance Due Within One Year - Debt	<u>(834,070)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 6,088,747</u>

**F. Long-term Obligations**

**Changes in Long-term Obligations**

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

<b>Governmental Activities:</b>	<b>Compensated Absences</b>
	<hr/>
Balance, July 1, 2022	\$ 185,687
Additions	104,503
Reductions	<hr/> (144,275)
Balance, June 30, 2023	<hr/> \$ 145,915 <hr/>
Balance Due Within One Year	<hr/> \$ 72,959 <hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 145,915
Less: Balance Due Within One Year - Other	<hr/> (72,959)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<hr/> \$ 72,956 <hr/>

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, 2023, was as follows:

<b>Governmental Activities:</b>	<b>Other Postemployment Benefits</b>
	<hr/>
Balance, July 1, 2022	\$ 1,514,523
Additions	77,986
Reductions	<hr/> (246,545)
Balance, June 30, 2023	<hr/> \$ 1,345,964 <hr/>
Balance Due Within One Year	<hr/> \$ 0 <hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 1,345,964
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,345,964</u>

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

**G. 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, 2023, were \$40,985 and \$24,830, 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 2022, 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 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. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.



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

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

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**C. 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 estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**D. Changes in Administration**

Edward Anderson left the Office of Road Superintendent on August 31, 2022, and was succeeded by Daniel Garrison.

Kim Barham left the Office of Register of Deeds on August 31, 2022, and was succeeded by Michelle Hix.

**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, 2023, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General  
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 66.42 percent, the non-certified employees of the discretely presented school department comprise 33.58 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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	95
Inactive Employees Entitled to But Not Yet Receiving Benefits	233
Active Employees	<u>225</u>
Total	<u><u>553</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, 2023, the employer contribution for Jackson County was \$488,673 based on a rate of 6.95 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, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 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	4.88	31
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to

determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2021	\$ 15,064,387	\$ 17,806,221	\$ (2,741,834)
Changes for the Year:			
Service Cost	\$ 618,099	\$ 0	\$ 618,099
Interest	1,039,632	0	1,039,632
Differences Between Expected and Actual Experience	308,727	0	308,727
Contributions-Employer	0	440,063	(440,063)
Contributions-Employees	0	316,879	(316,879)
Net Investment Income	0	(684,555)	684,555
Benefit Payments, Including Refunds of Employee Contributions	(561,066)	(561,066)	0
Administrative Expense	0	(20,382)	20,382
Net Changes	\$ 1,405,392	\$ (509,061)	\$ 1,914,453
Balance, June 30, 2022	\$ 16,469,779	\$ 17,297,160	\$ (827,381)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	66.42%	\$ 10,939,227	\$ 11,488,774	\$ (549,546)
School Department	33.58%	5,530,552	5,808,386	(277,835)
Total		<u>\$ 16,469,779</u>	<u>\$ 17,297,160</u>	<u>\$ (827,381)</u>

*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 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 1,631,702 \$ (827,381) \$ (2,831,974)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, Jackson County recognized pension expense (negative pension expense) of \$274,604.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 246,982	\$ 261,072
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	64,159	0
Changes in Assumptions	807,643	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	488,673	N/A
Total	<u>\$ 1,607,457</u>	<u>\$ 261,072</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,047,123	\$ 173,404
School Department	560,334	87,668
Total	<u>\$ 1,607,457</u>	<u>\$ 261,072</u>

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



Year Ending June 30	Amount
2024	\$ 106,880
2025	153,203
2026	157,408
2027	440,225
2028	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 66.42 percent and the non-certified employees of the discretely presented school department comprise 33.58 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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer

contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$57,807, which is 2.87 percent of covered payroll. In addition, employer contributions of \$19,658, which is 1.13 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$26,318) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (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, 2022, the school department's proportion was .086880 percent. The proportion as of June 30, 2021, was .080946 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$37,248.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,439	\$ 15,990
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,296	0
Changes in Assumptions	30,830	0
Changes in Proportion of Net Pension Liability (Asset)	6,110	6,680
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	57,807	N/A
Total	<u>\$ 104,482</u>	<u>\$ 22,670</u>

The school department's employer contributions of \$57,807, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 658
2025	742
2026	(621)
2027	13,828
2028	1,578
Thereafter	7,820

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 138,155 \$ (26,318) \$ (146,434)

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Jackson County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$476,416, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$2,069,160) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .168717 percent. The proportion measured at June 30, 2021, was .164781 percent.

*Pension Expense (negative pension expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$4,353.



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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 340,369	\$ 349,625
Changes in Assumptions	1,296,229	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	35,382	0
Changes in Proportion of Net Pension Liability (Asset)	6,728	52,659
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	476,416	N/A
Total	<u>\$ 2,155,124</u>	<u>\$ 402,284</u>

The school department's employer contributions of \$476,416 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 193,495
2025	367,978
2026	(377,151)
2027	1,092,101
2028	0
Thereafter	0

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 4,098,293 \$ (2,069,160) \$ (7,206,239)

*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 \$100,568 and teachers contributed \$98,960 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, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2020, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. 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, projected generationally from 2018 with MP-2020.

*Changes in Assumptions.* The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

#### **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, 2022, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	8
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>142</u>
Total	<u><u>150</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 \$60,516 to the LEP for OPEB benefits as they came due.

### Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Jackson County School Department 62.14%	State of TN 37.86%	Total OPEB Liability
Balance July 1, 2021	\$ 1,513,145	\$ 851,735	\$ 2,364,880
Changes for the Year:			
Service Cost	\$ 79,946	\$ 48,708	\$ 128,654
Interest	32,714	19,931	52,645
Difference between Expected and Actuarial Experience	(34,810)	(21,208)	(56,018)
Changes in Proportionate Share	(43,650)	43,650	0
Changes in Assumption and Other Inputs	(132,326)	(80,622)	(212,948)
Benefit Payments	(70,274)	(42,816)	(113,090)
Net Changes	\$ (168,400)	\$ (32,357)	\$ (200,757)
Balance June 30, 2022	\$ 1,344,745	\$ 819,378	\$ 2,164,123

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 \$85,198 in revenue for subsidies provided by non-employer 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 62.14 percent and the State of Tennessee's share was 37.86 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$204,642, including the state's share of the expense. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:



	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 178,295	\$ 152,460
Changes of Assumptions/Inputs	242,330	189,114
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	19,562	68,364
Benefits Paid After the Measurement Date June 30, 2022	<u>60,516</u>	<u>0</u>
Total	<u>\$ 500,703</u>	<u>\$ 409,938</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:

Year Ending June 30	School Department
2024	\$ 6,788
2025	6,788
2026	6,788
2027	6,788
2028	10,431
Thereafter	(7,334)

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,437,172	\$ 1,344,745	\$ 1,256,176
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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 7.37 to 3.5%	Current Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,212,505	\$ 1,344,745	\$ 1,497,698
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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, 2021, 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 non-employer 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	45
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	18
Active Employees Eligible for Benefits	<u>102</u>
Total	<u>165</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, 2022, the school department paid \$56 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability			
	Jackson County	State of		Total OPEB
	School Department	TN		Liability
	0.23%	99.77%		
Balance July 1, 2021	\$ 1,378	\$ 612,397	\$	613,775
Changes for the Year:				
Service Cost	\$ 28	\$ 12,021	\$	12,049
Interest	31	13,255		13,286
Difference between Expected and Actuarial Experience	78	33,888		33,966
Changes in Proportionate Share	8	(8)		0
Changes in Assumption and Other Inputs	(254)	(109,992)		(110,246)
Benefit Payments	(50)	(21,502)		(21,552)
Net Changes	\$ (159)	\$ (72,338)	\$	(72,497)
Balance June 30, 2022	\$ 1,219	\$ 540,059	\$	541,278

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 non-employer contributing entities for benefits paid by the TNM for school department employees. The amount of the subsidy is equal to the non-employer share of collective OPEB expenses. The school department recognized \$66,721 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 .23 percent and the State of Tennessee's share was 99.77 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2022, the school department recognized OPEB negative expense of (\$12,734) including the state's share of the OPEB expense.

At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 233	\$ 282
Changes of Assumptions/Inputs	173	458
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	277,628
Benefits Paid After the Measurement Date of June 30, 2022	56	0
Total	<u>\$ 462</u>	<u>\$ 278,368</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
2024	\$ (79,513)
2025	(79,513)
2026	(79,513)
2027	(36,163)
2028	(3,248)
Thereafter	(12)

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,393	\$ 1,219	\$ 1,077
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*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 \$25,000 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.

## **J. Subsequent Events**

Director of Schools Kristy Brown resigned July 14, 2023, and was succeeded by Jason Hardy effective July 20, 2023.

On October 17, 2023, the county's General Debt Service Fund issued a \$125,000 tax anticipation note to the Solid Waste/Sanitation Fund for temporary operating funds.

# 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	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 339,415	\$ 316,157	\$ 370,312	\$ 452,741	\$ 442,342	\$ 497,586	\$ 511,467	\$ 507,812	\$ 618,099
Interest	596,379	648,615	675,606	743,465	789,294	861,879	909,936	953,610	1,039,632
Differences Between Actual and Expected Experience	160,378	(270,416)	193,111	(16,604)	188,106	(207,779)	(323,970)	(149,881)	308,727
Changes in Assumptions	0	0	0	254,391	(447,601)	0	0	1,346,073	0
Benefit Payments, Including Refunds of Employee Contributions	(357,248)	(395,628)	(381,639)	(451,700)	0	(500,020)	(505,412)	(477,322)	(561,066)
Net Change in Total Pension Liability	\$ 738,924	\$ 298,728	\$ 857,390	\$ 982,293	\$ 972,141	\$ 651,666	\$ 592,021	\$ 2,180,292	\$ 1,405,392
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	12,884,095	15,064,387
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	\$ 15,064,387	\$ 16,469,779
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 291,604	\$ 255,793	\$ 295,218	\$ 319,681	\$ 369,685	\$ 387,334	\$ 405,683	\$ 407,531	\$ 440,063
Contributions - Employee	204,780	213,744	228,950	248,202	267,936	276,668	290,639	291,095	316,879
Net Investment Income	1,272,730	279,487	250,792	1,113,700	920,052	905,713	656,195	3,630,639	(684,555)
Benefit Payments, Including Refunds of Employee Contributions	(357,248)	(395,628)	(381,639)	(451,700)	(447,601)	(500,020)	(505,412)	(477,322)	(561,066)
Administrative Expense	(6,336)	(8,333)	(14,042)	(15,195)	(17,628)	(17,198)	(17,734)	(18,011)	(20,382)
Other Changes	0	0	0	19,373	0	0	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	\$ 3,833,932	\$ (509,061)
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	13,972,289	17,806,221
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	\$ 17,806,221	\$ 17,297,160
Net Pension Liability (Asset), Ending (a - b)	\$ (509,718)	\$ (556,053)	\$ (77,942)	\$ (329,710)	\$ (450,013)	\$ (850,844)	\$ (1,088,194)	\$ (2,741,834)	\$ (827,381)
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%	118.20%	105.02%
Covered Payroll	\$ 4,095,566	\$ 3,971,936	\$ 4,583,407	\$ 4,984,554	\$ 5,228,742	\$ 5,533,324	\$ 5,795,473	\$ 5,821,856	\$ 6,282,312
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.45)%	(14.00)%	(1.70)%	(6.61)%	(8.61)%	(15.38)%	(18.78)%	(47.10)%	(13.17)%

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	2022	2023
Actuarially Determined Contribution	\$ 291,604	\$ 255,793	\$ 295,218	\$ 218,822	\$ 335,685	\$ 355,240	\$ 379,604	\$ 381,333	\$ 205,572	\$ 488,673
Less: Contributions in Relation to the Actuarially Determined Contribution	(291,604)	(255,793)	(295,218)	(319,681)	(369,685)	(387,334)	(405,683)	(407,531)	(440,063)	(488,673)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (100,859)	\$ (34,000)	\$ (32,094)	\$ (26,079)	\$ (26,198)	\$ (234,491)	\$ 0
Covered Payroll	\$ 4,095,566	\$ 3,971,936	\$ 4,583,407	\$ 4,984,554	\$ 5,228,742	\$ 5,533,324	\$ 5,795,473	\$ 5,821,856	\$ 6,282,312	\$ 7,027,524
Contributions as a Percentage of Covered Payroll	7.12%	6.44%	6.44%	6.41%	7.07%	7.00%	7.00%	7.00%	7.00%	6.95%

Note: 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	2022	2023
Contractually Required Contribution	\$ 10,055	\$ 18,173	\$ 23,187	\$ 29,338	\$ 16,013	\$ 22,115	\$ 23,598	\$ 29,821	\$ 57,807
Less: Contributions in Relation to the Contractually Required Contribution	(10,055)	(18,173)	(23,187)	(29,338)	(16,013)	(22,115)	(23,598)	(29,821)	(57,807)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 251,380	\$ 454,322	\$ 579,682	\$ 733,441	\$ 825,393	\$ 1,089,422	\$ 1,168,219	\$ 1,483,622	\$ 2,014,198
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

Exhibit 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	2022	2023
Contractually Required Contribution	\$ 534,462	\$ 532,095	\$ 524,609	\$ 533,050	\$ 531,074	\$ 607,788	\$ 580,807	\$ 555,443	\$ 571,896	\$ 476,416
Less: Contributions in Relation to the Contractually Required Contribution	(534,462)	(532,095)	(524,609)	(533,050)	(531,074)	(607,788)	(580,807)	(555,443)	(571,896)	(476,416)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 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	\$ 5,408,404	\$ 5,552,384	\$ 5,482,341
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit 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	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.118491%	0.103254%	0.088320%	0.083930%	0.078000%	0.086329%	0.080946%	0.086880%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,867)	\$ (10,749)	\$ (23,300)	\$ (38,064)	\$ (44,030)	\$ (49,090)	\$ (87,682)	\$ (26,318)
Covered Payroll	\$ 251,380	\$ 454,322	\$ 579,682	\$ 733,441	\$ 825,393	\$ 1,089,422	\$ 1,168,219	\$ 1,483,622
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit 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	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.153343%	0.157233%	0.160763%	0.166808%	0.167030%	0.173288%	0.164165%	0.164781%	0.168717%
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)	\$ (7,107,413)	\$ (2,069,160)
Covered Payroll	\$ 6,018,713	\$ 5,886,004	\$ 5,803,210	\$ 5,896,577	\$ 5,848,832	\$ 5,810,594	\$ 5,463,843	\$ 5,408,404	\$ 5,552,384
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

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**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 98,676	\$ 91,167	\$ 83,868	\$ 86,138	\$ 85,811	\$ 128,654
Interest	54,348	64,720	63,670	67,955	42,654	52,645
Differences Between Actual and Expected Experience	0	(128,348)	307,463	(197,728)	149,442	(56,018)
Changes in Assumptions or Other Inputs	(74,756)	43,375	(154,044)	182,824	325,863	(212,948)
Benefit Payments	(109,277)	(118,738)	(127,868)	(124,164)	(165,353)	(113,090)
Net Change in Total OPEB Liability	\$ (31,009)	\$ (47,824)	\$ 173,089	\$ 15,025	\$ 438,417	\$ (200,757)
Total OPEB Liability, Beginning	1,817,182	1,786,173	1,738,349	1,911,438	1,926,463	2,364,880
Total OPEB Liability, Ending	\$ 1,786,173	\$ 1,738,349	\$ 1,911,438	\$ 1,926,463	\$ 2,364,880	\$ 2,164,123
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 624,537	\$ 620,439	\$ 720,386	\$ 688,705	\$ 851,735	\$ 819,378
Employer Proportionate Share of the Total OPEB Liability	1,161,636	1,118,110	1,191,052	1,237,758	1,513,145	1,344,745
Covered Employee Payroll	\$ 8,520,868	\$ 8,571,125	\$ 8,348,203	\$ 8,648,505	\$ 9,100,092	\$ 10,134,314
Net OPEB Liability as a Percentage of Covered Employee Payroll	13.63%	13.05%	14.27%	14.31%	16.63%	13.27%

**State Administered Medicare Plan**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 34,412	\$ 27,981	\$ 13,990	\$ 16,300	\$ 12,472	\$ 12,049
Interest	39,452	44,817	19,737	24,053	15,169	13,286
Changes in Benefit Terms	0	(642,770)	0	0	0	0
Differences Between Actual and Expected Experience	0	(98,454)	119,014	(136,299)	17,541	33,966
Changes in Assumptions or Other Inputs	(125,093)	(4,548)	3,371	119,902	(95,559)	(110,246)
Benefit Payments	(33,600)	(35,438)	(18,189)	(18,545)	(19,423)	(21,552)
Net Change in Total OPEB Liability	\$ (84,829)	\$ (708,412)	\$ 137,923	\$ 5,411	\$ (69,800)	\$ (72,497)
Total OPEB Liability, Beginning	1,333,482	1,248,653	540,241	678,164	683,575	613,775
Total OPEB Liability, Ending	\$ 1,248,653	\$ 540,241	\$ 678,164	\$ 683,575	\$ 613,775	\$ 541,278
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 568,072	\$ 492,538	\$ 676,368	\$ 681,786	\$ 612,397	\$ 540,059
Employer Proportionate Share of the Total OPEB Liability	680,581	47,703	1,796	1,789	1,378	1,219
Covered Employee Payroll	N/A	N/A	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	N/A	N/A

(Continued)

Jackson County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios (Cont.)  
Discretely Presented Jackson County School Department

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

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

For the 2019 plan year - from 5.4% to 6.75%  
For the 2020 plan year - from 6.75% to 6.03%  
For the 2021 plan year - from 6.03% to 9.02%  
For the 2022 plan year - from 9.02% to 7.36%  
For the 2023 plan year - from 7.36% to 8.37%

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



**JACKSON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.125%

*Changes in Assumptions:* In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

## Capital Projects Funds

---

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

---

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

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, 2023

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>				
Cash	\$ 0	\$ 11,951	\$ 11,951	\$ 0
Equity in Pooled Cash and Investments	86,359	0	86,359	539,739
Accounts Receivable	0	12	12	0
Due from Other Governments	0	0	0	11,914
Total Assets	<u>\$ 86,359</u>	<u>\$ 11,963</u>	<u>\$ 98,322</u>	<u>\$ 551,653</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 11,963	\$ 11,963	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 11,963</u>	<u>\$ 11,963</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 86,359	\$ 0	\$ 86,359	\$ 0
Restricted for Capital Projects	0	0	0	0
Committed:				
Committed for Other Operations	0	0	0	0
Committed for Capital Projects	0	0	0	551,653
Total Fund Balances	<u>\$ 86,359</u>	<u>\$ 0</u>	<u>\$ 86,359</u>	<u>\$ 551,653</u>
Total Liabilities and Fund Balances	<u>\$ 86,359</u>	<u>\$ 11,963</u>	<u>\$ 98,322</u>	<u>\$ 551,653</u>

(Continued)

Exhibit F-1

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

ASSETS

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

LIABILITIES

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>			
Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds	
\$ 0	\$ 0	\$ 11,951	
105,449	645,188	731,547	
4,500	4,500	4,512	
0	11,914	11,914	
\$ 109,949	\$ 661,602	\$ 759,924	
\$ 0	\$ 0	\$ 11,963	
\$ 0	\$ 0	\$ 11,963	
\$ 0	\$ 0	\$ 86,359	
2,216	2,216	2,216	
107,733	107,733	107,733	
0	551,653	551,653	
\$ 109,949	\$ 661,602	\$ 747,961	
\$ 109,949	\$ 661,602	\$ 759,924	

## 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, 2023

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 133,848	\$ 0	\$ 133,848	\$ 0
Charges for Current Services	0	100	100	0
Other Local Revenues	3,471	0	3,471	0
Federal Government	0	0	0	774,591
Total Revenues	<u>\$ 137,319</u>	<u>\$ 100</u>	<u>\$ 137,419</u>	<u>\$ 774,591</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 100	\$ 100	\$ 0
Public Safety	117,792	0	117,792	0
Other Operations	0	0	0	0
Capital Projects	0	0	0	1,153,327
Total Expenditures	<u>\$ 117,792</u>	<u>\$ 100</u>	<u>\$ 117,892</u>	<u>\$ 1,153,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,527</u>	<u>\$ 0</u>	<u>\$ 19,527</u>	<u>\$ (378,736)</u>
Net Change in Fund Balances	\$ 19,527	\$ 0	\$ 19,527	\$ (378,736)
Fund Balance, July 1, 2022	<u>66,832</u>	<u>0</u>	<u>66,832</u>	<u>930,389</u>
Fund Balance, June 30, 2023	<u>\$ 86,359</u>	<u>\$ 0</u>	<u>\$ 86,359</u>	<u>\$ 551,653</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	\$ 133,848
Charges for Current Services	0	0	100
Other Local Revenues	9,750	9,750	13,221
Federal Government	0	774,591	774,591
Total Revenues	<u>\$ 9,750</u>	<u>\$ 784,341</u>	<u>\$ 921,760</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 100
Public Safety	0	0	117,792
Other Operations	52	52	52
Capital Projects	0	1,153,327	1,153,327
Total Expenditures	<u>\$ 52</u>	<u>\$ 1,153,379</u>	<u>\$ 1,271,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,698</u>	<u>\$ (369,038)</u>	<u>\$ (349,511)</u>
Net Change in Fund Balances	\$ 9,698	\$ (369,038)	\$ (349,511)
Fund Balance, July 1, 2022	<u>100,251</u>	<u>1,030,640</u>	<u>1,097,472</u>
Fund Balance, June 30, 2023	<u>\$ 109,949</u>	<u>\$ 661,602</u>	<u>\$ 747,961</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 133,848	\$ 18,000	\$ 67,700	\$ 66,148
Other Local Revenues	3,471	0	0	3,471
Total Revenues	<u>\$ 137,319</u>	<u>\$ 18,000</u>	<u>\$ 67,700</u>	<u>\$ 69,619</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 117,792	\$ 27,100	\$ 117,800	\$ 8
Total Expenditures	<u>\$ 117,792</u>	<u>\$ 27,100</u>	<u>\$ 117,800</u>	<u>\$ 8</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,527</u>	<u>\$ (9,100)</u>	<u>\$ (50,100)</u>	<u>\$ 69,627</u>
Net Change in Fund Balance	\$ 19,527	\$ (9,100)	\$ (50,100)	\$ 69,627
Fund Balance, July 1, 2022	<u>66,832</u>	<u>71,488</u>	<u>71,488</u>	<u>(4,656)</u>
Fund Balance, June 30, 2023	<u><u>\$ 86,359</u></u>	<u><u>\$ 62,388</u></u>	<u><u>\$ 21,388</u></u>	<u><u>\$ 64,971</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 46,695	\$ 43,030	\$ 43,030	\$ 3,665
State of Tennessee	350,000	350,000	350,000	0
Other Governments and Citizens Groups	724,567	0	724,567	0
Total Revenues	<u>\$ 1,121,262</u>	<u>\$ 393,030</u>	<u>\$ 1,117,597</u>	<u>\$ 3,665</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 924	\$ 5,000	\$ 5,000	\$ 4,076
<u>Principal on Debt</u>				
General Government	275,307	357,000	350,438	75,131
Education	573,519	0	573,519	0
<u>Interest on Debt</u>				
General Government	53,343	39,012	45,574	(7,769)
Education	125,874	0	125,874	0
<u>Other Debt Service</u>				
General Government	14,809	24,000	24,000	9,191
Education	25,174	0	25,174	0
Total Expenditures	<u>\$ 1,068,950</u>	<u>\$ 425,012</u>	<u>\$ 1,149,579</u>	<u>\$ 80,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 52,312</u>	<u>\$ (31,982)</u>	<u>\$ (31,982)</u>	<u>\$ 84,294</u>
Net Change in Fund Balance	\$ 52,312	\$ (31,982)	\$ (31,982)	\$ 84,294
Fund Balance, July 1, 2022	<u>1,175,116</u>	<u>1,174,290</u>	<u>1,174,290</u>	<u>826</u>
Fund Balance, June 30, 2023	<u><u>\$ 1,227,428</u></u>	<u><u>\$ 1,142,308</u></u>	<u><u>\$ 1,142,308</u></u>	<u><u>\$ 85,120</u></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 a custodial capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, litigants, heirs, and others.

## Exhibit H-1

Jackson County, Tennessee  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2023

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	
		<u>Custodial</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 507,293	\$ 507,293
Accounts Receivable	0	12	12
Due from Other Governments	65,772	0	65,772
Total Assets	<u>\$ 65,772</u>	<u>\$ 507,305</u>	<u>\$ 573,077</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 65,772	\$ 0	\$ 65,772
Total Liabilities	<u>\$ 65,772</u>	<u>\$ 0</u>	<u>\$ 65,772</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 507,305	\$ 507,305
Total Net Position	<u>\$ 0</u>	<u>\$ 507,305</u>	<u>\$ 507,305</u>

## Exhibit H-2

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 386,230	\$ 0	\$ 386,230
Fines/Fees and Other Collections	0	3,612,250	3,612,250
Total Additions	\$ 386,230	\$ 3,612,250	\$ 3,998,480
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 386,230	\$ 0	\$ 386,230
Payments to State	0	1,297,891	1,297,891
Payments to Cities, Individuals, and Others	0	2,582,101	2,582,101
Total Deductions	\$ 386,230	\$ 3,879,992	\$ 4,266,222
Change in Net Position	\$ 0	\$ (267,742)	\$ (267,742)
Net Position July 1, 2022	0	775,047	775,047
Net Position June 30, 2023	\$ 0	\$ 507,305	\$ 507,305

# 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.

---

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 8,958,971	\$ 20,243	\$ 1,793,874	\$ 102,000	\$ (7,042,854)
Support Services	6,751,226	34,436	2,090,593	834,336	(3,791,861)
Operation of Non-instructional Services	2,497,364	37,981	2,123,992	0	(335,391)
Interest on Long-term Debt	125,874	0	0	0	(125,874)
Total Governmental Activities	\$ 18,333,435	\$ 92,660	\$ 6,008,459	\$ 936,336	\$ (11,295,980)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,934,502
Local Option Sales Taxes					1,388,443
Wheel Tax					181,356
Mixed Drink Tax					9,984
Other Local Taxes					105
Grants and Contributions Not Restricted to Specific Programs					12,249,482
Unrestricted Investment Earnings					10,475
Miscellaneous					20,249
Total General Revenues					\$ 15,794,596
Change in Net Position					\$ 4,498,616
Net Position, July 1, 2022					21,707,935
Net Position, June 30, 2023					\$ 26,206,551

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 539,366	\$ 539,366
Equity in Pooled Cash and Investments	13,551,105	313,807	847,129	14,712,041
Accounts Receivable	5,740	1,234	0	6,974
Due from Other Governments	742,154	323,873	108,593	1,174,620
Property Taxes Receivable	1,949,473	0	0	1,949,473
Allowance for Uncollectible Property Taxes	(49,542)	0	0	(49,542)
Restricted Assets	124,281	0	0	124,281
Total Assets	<u>\$ 16,323,211</u>	<u>\$ 638,914</u>	<u>\$ 1,495,088</u>	<u>\$ 18,457,213</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 216	\$ 0	\$ 0	\$ 216
Accrued Payroll	166,951	30,559	0	197,510
Due to State of Tennessee	36,061	0	0	36,061
Total Liabilities	<u>\$ 203,228</u>	<u>\$ 30,559</u>	<u>\$ 0</u>	<u>\$ 233,787</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,839,030	\$ 0	\$ 0	\$ 1,839,030
Deferred Delinquent Property Taxes	56,586	0	0	56,586
Other Deferred/Unavailable Revenue	123,629	0	0	123,629
Total Deferred Inflows of Resources	<u>\$ 2,019,245</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,019,245</u>

(Continued)



Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 37,056	\$ 8,355	\$ 1,495,088	\$ 1,540,499
Restricted for Hybrid Retirement Stabilization Funds	124,281	0	0	124,281
Committed:				
Committed for Education	6,911,117	600,000	0	7,511,117
Assigned:				
Assigned for Education	542,464	0	0	542,464
Unassigned	6,485,820	0	0	6,485,820
Total Fund Balances	<u>\$ 14,100,738</u>	<u>\$ 608,355</u>	<u>\$ 1,495,088</u>	<u>\$ 16,204,181</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,323,211</u>	<u>\$ 638,914</u>	<u>\$ 1,495,088</u>	<u>\$ 18,457,213</u>

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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 16,204,181
(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: construction in progress	1,402,410	
Add: buildings and improvements net of accumulated depreciation	9,039,201	
Add: infrastructure net of accumulated depreciation	78,275	
Add: other capital assets net of accumulated depreciation	<u>915,502</u>	11,754,895
(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	\$ (5,080,265)	
Less: net OPEB liability	<u>(1,345,964)</u>	(6,426,229)
(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	\$ 2,819,939	
Less: deferred inflows of resources related to pensions	(512,622)	
Add: deferred outflows of resources related to OPEB	501,165	
Less: deferred inflows of resources related to OPEB	<u>(688,306)</u>	2,120,176
(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	\$ 277,835	
Add: net pension asset - teacher retirement plan	26,318	
Add: net pension asset - teacher legacy pension plan	<u>2,069,160</u>	2,373,313
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>180,215</u>
Net position of governmental activities (Exhibit A)		<u>\$ 26,206,551</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, 2023

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 3,469,707	\$ 0	\$ 0	\$ 3,469,707
Licenses and Permits	656	0	0	656
Charges for Current Services	54,679	0	37,981	92,660
Other Local Revenues	44,167	0	508,192	552,359
State of Tennessee	12,286,072	0	0	12,286,072
Federal Government	110,685	4,609,146	1,539,990	6,259,821
Total Revenues	<u>\$ 15,965,966</u>	<u>\$ 4,609,146</u>	<u>\$ 2,086,163</u>	<u>\$ 22,661,275</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,190,484	\$ 1,931,009	\$ 0	\$ 9,121,493
Support Services	5,106,046	1,604,213	0	6,710,259
Operation of Non-Instructional Services	420,510	212,157	1,863,528	2,496,195
Capital Outlay	678,229	834,336	0	1,512,565
Debt Service:				
Principal on Debt	573,519	0	0	573,519
Interest on Debt	125,874	0	0	125,874
Other Debt Service	25,174	0	0	25,174
Total Expenditures	<u>\$ 14,119,836</u>	<u>\$ 4,581,715</u>	<u>\$ 1,863,528</u>	<u>\$ 20,565,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,846,130</u>	<u>\$ 27,431</u>	<u>\$ 222,635</u>	<u>\$ 2,096,196</u>

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 148,159	\$ 0	\$ 0	\$ 148,159
Transfers Out	0	(81,159)	(67,000)	(148,159)
Total Other Financing Sources (Uses)	<u>\$ 148,159</u>	<u>\$ (81,159)</u>	<u>\$ (67,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,994,289	\$ (53,728)	\$ 155,635	\$ 2,096,196
Fund Balance, July 1, 2022	<u>12,106,449</u>	<u>662,083</u>	<u>1,339,453</u>	<u>14,107,985</u>
Fund Balance, June 30, 2023	<u>\$ 14,100,738</u>	<u>\$ 608,355</u>	<u>\$ 1,495,088</u>	<u>\$ 16,204,181</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, 2023

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,096,196
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,659,126	
Less: current-year depreciation expense	<u>(468,556)</u>	1,190,570
(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		(5,576)
(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, 2023	\$ 180,215	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(135,532)</u>	44,683
(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.		
Add: principal contributions on other loans to primary government		573,519
(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	\$ (662,614)	
Change in net pension asset - teacher retirement plan	(61,364)	
Change in net pension asset - teacher legacy pension plan	(5,038,253)	
Change in deferred outflows related to pensions	(283,715)	
Change in deferred inflows related to pensions	6,624,587	
Change in OPEB liability	168,559	
Change in deferred outflows related to OPEB	(99,055)	
Change in deferred inflows related to OPEB	<u>(48,921)</u>	<u>599,224</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,498,616</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 0	\$ 539,366	\$ 539,366
Equity in Pooled Cash and Investments	847,129	0	847,129
Due from Other Governments	108,593	0	108,593
Total Assets	<u>\$ 955,722</u>	<u>\$ 539,366</u>	<u>\$ 1,495,088</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	<u>\$ 955,722</u>	<u>\$ 539,366</u>	<u>\$ 1,495,088</u>
Total Fund Balances	<u>\$ 955,722</u>	<u>\$ 539,366</u>	<u>\$ 1,495,088</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, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 37,981	\$ 0	\$ 37,981
Other Local Revenues	6,453	501,739	508,192
Federal Government	1,539,990	0	1,539,990
Total Revenues	<u>\$ 1,584,424</u>	<u>\$ 501,739</u>	<u>\$ 2,086,163</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,418,529	\$ 444,999	\$ 1,863,528
Total Expenditures	<u>\$ 1,418,529</u>	<u>\$ 444,999</u>	<u>\$ 1,863,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 165,895</u>	<u>\$ 56,740</u>	<u>\$ 222,635</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (67,000)	\$ 0	\$ (67,000)
Total Other Financing Sources (Uses)	<u>\$ (67,000)</u>	<u>\$ 0</u>	<u>\$ (67,000)</u>
Net Change in Fund Balances	\$ 98,895	\$ 56,740	\$ 155,635
Fund Balance, July 1, 2022	<u>856,827</u>	<u>482,626</u>	<u>1,339,453</u>
Fund Balance, June 30, 2023	<u>\$ 955,722</u>	<u>\$ 539,366</u>	<u>\$ 1,495,088</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,469,707	\$ 0	\$ 0	\$ 3,469,707	\$ 2,872,550	\$ 2,872,550	\$ 597,157
Licenses and Permits	656	0	0	656	600	600	56
Charges for Current Services	54,679	0	0	54,679	77,000	77,000	(22,321)
Other Local Revenues	44,167	0	0	44,167	29,000	31,000	13,167
State of Tennessee	12,286,072	0	0	12,286,072	11,950,283	13,998,900	(1,712,828)
Federal Government	110,685	0	0	110,685	107,550	115,929	(5,244)
Total Revenues	\$ 15,965,966	\$ 0	\$ 0	\$ 15,965,966	\$ 15,036,983	\$ 17,095,979	\$ (1,130,013)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 5,794,309	\$ (46,242)	\$ 9,129	\$ 5,757,196	\$ 7,632,482	\$ 7,778,180	\$ 2,020,984
Alternative Instruction Program	97,811	0	0	97,811	173,832	173,832	76,021
Special Education Program	893,147	0	0	893,147	1,097,045	1,097,045	203,898
Career and Technical Education Program	405,217	(33,785)	40,210	411,642	529,432	2,331,432	1,919,790
<u>Support Services</u>							
Attendance	157,620	0	0	157,620	187,501	187,501	29,881
Health Services	104,193	0	0	104,193	253,570	253,570	149,377
Other Student Support	197,345	0	0	197,345	407,927	407,927	210,582
Regular Instruction Program	453,629	(6,910)	2,285	449,004	587,711	573,480	124,476
Special Education Program	204,793	0	0	204,793	213,669	213,669	8,876
Career and Technical Education Program	1,689	0	0	1,689	5,523	5,523	3,834
Technology	92,258	0	0	92,258	152,855	152,855	60,597
Other Programs	65,815	0	0	65,815	0	65,815	0
Board of Education	383,553	(6,615)	4,000	380,938	413,007	417,092	36,154
Director of Schools	149,772	0	52	149,824	165,674	165,674	15,850
Office of the Principal	778,524	0	362	778,886	951,963	957,078	178,192
Fiscal Services	302,768	(1,440)	948	302,276	377,554	380,724	78,448
Operation of Plant	1,004,075	0	12,753	1,016,828	1,296,333	1,305,066	288,238
Maintenance of Plant	316,175	(7,358)	0	308,817	396,160	396,160	87,343

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 893,837	\$ (1,300)	\$ 5,195	\$ 897,732	\$ 1,181,219	\$ 1,208,808	\$ 311,076
<u>Operation of Non-Instructional Services</u>							
Food Service	83,086	0	0	83,086	84,482	91,904	8,818
Community Services	29,612	0	0	29,612	71,562	71,562	41,950
Early Childhood Education	307,812	0	5,849	313,661	323,661	313,661	0
<u>Capital Outlay</u>							
Regular Capital Outlay	678,229	(13,000)	461,681	1,126,910	850,000	1,250,000	123,090
<u>Principal on Debt</u>							
Education	573,519	0	0	573,519	560,000	580,000	6,481
<u>Interest on Debt</u>							
Education	125,874	0	0	125,874	127,000	141,000	15,126
<u>Other Debt Service</u>							
Education	25,174	0	0	25,174	91,000	57,000	31,826
Total Expenditures	<u>\$ 14,119,836</u>	<u>\$ (116,650)</u>	<u>\$ 542,464</u>	<u>\$ 14,545,650</u>	<u>\$ 18,131,162</u>	<u>\$ 20,576,558</u>	<u>\$ 6,030,908</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,846,130</u>	<u>\$ 116,650</u>	<u>\$ (542,464)</u>	<u>\$ 1,420,316</u>	<u>\$ (3,094,179)</u>	<u>\$ (3,480,579)</u>	<u>\$ 4,900,895</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 148,159	0	0	\$ 148,159	\$ 30,000	\$ 16,000	\$ 132,159
Transfers Out	0	0	0	0	(1,500)	0	0
Total Other Financing Sources	<u>\$ 148,159</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,159</u>	<u>\$ 28,500</u>	<u>\$ 16,000</u>	<u>\$ 132,159</u>
Net Change in Fund Balance	\$ 1,994,289	\$ 116,650	\$ (542,464)	\$ 1,568,475	\$ (3,065,679)	\$ (3,464,579)	\$ 5,033,054
Fund Balance, July 1, 2022	<u>12,106,449</u>	<u>(116,650)</u>	<u>0</u>	<u>11,989,799</u>	<u>11,050,651</u>	<u>11,050,651</u>	<u>939,148</u>
Fund Balance, June 30, 2023	<u><u>\$ 14,100,738</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (542,464)</u></u>	<u><u>\$ 13,558,274</u></u>	<u><u>\$ 7,984,972</u></u>	<u><u>\$ 7,586,072</u></u>	<u><u>\$ 5,972,202</u></u>

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 4,609,146	\$ 0	\$ 4,609,146	\$ 6,245,761	\$ 6,485,309	\$ (1,876,163)
Total Revenues	\$ 4,609,146	\$ 0	\$ 4,609,146	\$ 6,245,761	\$ 6,485,309	\$ (1,876,163)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,420,322	\$ 0	\$ 1,420,322	\$ 1,593,791	\$ 1,844,453	\$ 424,131
Special Education Program	452,431	0	452,431	739,113	624,522	172,091
Career and Technical Education Program	58,256	0	58,256	55,411	58,256	0
<u>Support Services</u>						
Attendance	7,251	0	7,251	6,317	7,251	0
Health Services	160,636	0	160,636	71,180	189,422	28,786
Other Student Support	261,607	0	261,607	1,365,707	604,213	342,606
Regular Instruction Program	475,681	0	475,681	569,137	607,901	132,220
Special Education Program	66,306	0	66,306	61,124	113,944	47,638
Career and Technical Education Program	3,104	0	3,104	2,000	3,104	0
Technology	74,507	0	74,507	79,496	74,508	1
Office of the Principal	128,816	0	128,816	5,615	275,594	146,778
Fiscal Services	96,360	(44,500)	51,860	57,297	51,860	0
Operation of Plant	62,925	(2,817)	60,108	266,388	60,108	0
Maintenance of Plant	46,251	0	46,251	107,770	46,251	0
Transportation	220,769	(193,980)	26,789	114,901	32,926	6,137
<u>Operation of Non-Instructional Services</u>						
Food Service	15,308	0	15,308	39,864	17,309	2,001
Community Services	196,849	0	196,849	203,450	196,849	0

(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 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Capital Outlay</u>						
Regular Capital Outlay	\$ 834,336	\$ 0	\$ 834,336	\$ 691,200	\$ 1,595,679	\$ 761,343
Total Expenditures	\$ 4,581,715	\$ (241,297)	\$ 4,340,418	\$ 6,029,761	\$ 6,404,150	\$ 2,063,732
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 27,431	\$ 241,297	\$ 268,728	\$ 216,000	\$ 81,159	\$ 187,569
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (81,159)	\$ 0	\$ (81,159)	\$ (216,000)	\$ (81,159)	\$ 0
Total Other Financing Sources	\$ (81,159)	\$ 0	\$ (81,159)	\$ (216,000)	\$ (81,159)	\$ 0
Net Change in Fund Balance						
Fund Balance, July 1, 2022	\$ (53,728)	\$ 241,297	\$ 187,569	\$ 0	\$ 0	\$ 187,569
	662,083	(241,297)	420,786	0	0	420,786
Fund Balance, June 30, 2023						
	\$ 608,355	\$ 0	\$ 608,355	\$ 0	\$ 0	\$ 608,355

## 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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 37,981	\$ 80,000	\$ 80,000	\$ (42,019)
Other Local Revenues	6,453	3,000	3,000	3,453
Federal Government	1,539,990	1,207,223	1,261,913	278,077
Total Revenues	<u>\$ 1,584,424</u>	<u>\$ 1,290,223</u>	<u>\$ 1,344,913</u>	<u>\$ 239,511</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,418,529	\$ 1,340,833	\$ 1,565,523	\$ 146,994
Total Expenditures	<u>\$ 1,418,529</u>	<u>\$ 1,340,833</u>	<u>\$ 1,565,523</u>	<u>\$ 146,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 165,895</u>	<u>\$ (50,610)</u>	<u>\$ (220,610)</u>	<u>\$ 386,505</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (67,000)	\$ (67,000)	\$ (67,000)	0
Total Other Financing Sources	<u>\$ (67,000)</u>	<u>\$ (67,000)</u>	<u>\$ (67,000)</u>	<u>0</u>
Net Change in Fund Balance	\$ 98,895	\$ (117,610)	\$ (287,610)	\$ 386,505
Fund Balance, July 1, 2022	856,827	698,000	698,000	158,827
Fund Balance, June 30, 2023	<u><u>\$ 955,722</u></u>	<u><u>\$ 580,390</u></u>	<u><u>\$ 410,390</u></u>	<u><u>\$ 545,332</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, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<b><u>BONDS PAYABLE</u></b>							
<u>Payable through General Debt Service Fund</u>							
Health Department (USDA)	\$ 194,600	4 %	2-22-11	2-22-49	\$ 164,040	\$ 3,488	\$ 160,552
Total Bonds Payable					\$ 164,040	\$ 3,488	\$ 160,552
<b><u>NOTES PAYABLE</u></b>							
<u>Payable through General Debt Service Fund</u>							
Trash Truck	230,000	1.98	11-13-17	11-13-22	\$ 47,819	\$ 47,819	\$ 0
<u>Payable through Highway Public Works Fund</u>							
Capital Outlay Note Series 2022	500,000	3	6-10-22	8-31-22	\$ 500,000	\$ 500,000	\$ 0
Total Notes Payable					\$ 547,819	\$ 547,819	\$ 0
<b><u>OTHER LOANS PAYABLE</u></b>							
<u>Payable through General Debt Service Fund</u>							
Jail Construction	3,500,000	Variable	8-9-04	5-25-29	\$ 1,287,000	\$ 168,000	\$ 1,119,000
Jail Construction	1,200,000	Variable	10-23-06	5-25-31	619,000	56,000	563,000
Total Payable through General Debt Service Fund					\$ 1,906,000	\$ 224,000	\$ 1,682,000
<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	\$ 2,518,000	\$ 309,000	\$ 2,209,000
Refunding/School Construction	3,765,000	Variable	12-15-09	5-25-29	1,035,000	138,000	897,000
Energy Efficient Schools Initiative Loan	2,235,776	1.5	2-24-20	6-1-37	2,100,784	126,519	1,974,265
Total Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund					\$ 5,653,784	\$ 573,519	\$ 5,080,265
Total Other Loans Payable					\$ 7,559,784	\$ 797,519	\$ 6,762,265

## Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 160,552	\$ 100,748	\$ 261,300

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2024	\$ 830,442	\$ 179,348	\$ 35,204	\$ 1,044,994
2025	861,400	155,478	30,639	1,047,517
2026	893,383	130,678	25,888	1,049,949
2027	922,402	104,906	20,943	1,048,251
2028	953,456	78,254	15,820	1,047,530
2029	965,534	50,672	10,510	1,026,716
2030	219,637	22,753	2,073	244,463
2031	225,776	18,157	1,560	245,493
2032	144,951	13,401	0	158,352
2033	147,161	11,191	0	158,352
2034	149,397	8,955	0	158,352
2035	151,679	6,673	0	158,352
2036	153,986	4,366	0	158,352
2037	143,061	2,030	0	145,091
Total	<u>\$ 6,762,265</u>	<u>\$ 786,862</u>	<u>\$ 142,637</u>	<u>\$ 7,691,764</u>



Exhibit J-3

Jackson County, Tennessee  
Schedule of Transfers  
Discretely Presented Jackson County School Department  
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 81,159
Central Cafeteria	"	Supervisor's salary	<u>67,000</u>
Total Transfers Discretely Presented Jackson County School Department			<u><u>\$ 148,159</u></u>

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, 2023

Official	Authorization	Bond	Surety
<b>County Mayor</b>	Section 8-24-102, TCA	\$ (1)	Local Government Insurance Pool
Base salary/Total compensation			
\$ 88,815			
<b>Road Superintendent - Edward Anderson</b> (7/1/22-8/31/22)	Section 8-24-102, TCA , and Jackson County Commission	100,000	Local Government Insurance Pool
Base salary			
\$ 14,098			
Additional appropriation			
748			
Total compensation			
\$ 14,846			
<b>Road Superintendent - Daniel Garrison</b> (9/1/22-6/30/23)			
Base salary			
\$ 70,488			
Additional appropriation			
3,742			
Total compensation			
\$ 74,230			
Total Road Superintendent compensation			
\$ 89,076			
<b>Director of Schools</b>	State Board of Education and Jackson County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			
\$ 100,515			
Retention bonus			
700			
Equity pay			
1,129			
Supervisor supplement			
1,000			
Insurance supplement			
100			
Chief executive officer training supplement			
1,000			
Total compensation			
\$ 104,444			
<b>Trustee</b>	Section 8-24-102, TCA	751,274	The Cincinnati Insurance Company
Base salary/Total compensation			
\$ 76,896			
<b>Assessor of Property</b>	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation			
\$ 76,896			
<b>County Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation			
\$ 76,896			
<b>Circuit and General Sessions Courts Clerk</b>	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation			
\$ 76,896			
<b>Clerk and Master</b>	Section 8-24-102, TCA , and Chancery Court Judge	(1)	Local Government Insurance Pool
Base salary			
\$ 76,896			
Special commissioner fees			
7,830			
Total compensation			
\$ 84,726			
<b>Register of Deeds - Kim Barham</b> (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Local Government Insurance Pool
Base salary/Total compensation			
\$ 12,816			
<b>Register of Deeds - Michelle Hix</b> (9/1/22-6/30/23)			
Base salary/Total compensation			
\$ 64,080			
Total Register Compensation			
\$ 76,896			
<b>Sheriff</b>	Section 8-24-102, TCA	100,000	Local Government Insurance Pool
Base salary			
\$ 84,586			
Law enforcement training supplement			
800			
Total compensation			
\$ 85,386			
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Local Government Insurance Pool
Employee Fidelity - School Department		400,000	Tennessee Risk Management Trust

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

## Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,399,599	\$ 534,801	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	35,600	8,988	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	52,185	11,597	0	0	0
Interest and Penalty	10,914	2,432	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	27,642	6,161	0	0	0
Payments in-Lieu-of Taxes - Other	1,017	227	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	562,530	0	0	0	0
Hotel/Motel Tax	73,033	0	0	0	0
Wheel Tax	302,259	0	0	0	0
Litigation Tax - General	13,911	0	0	0	0
Litigation Tax - Office of Public Defender	8,158	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	12,162	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	4,703	0	0	0	0
Litigation Tax - Courthouse Security	13,001	0	0	0	0
Business Tax	53,466	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	78,517	0	0	0	0
Wholesale Beer Tax	82,956	0	0	0	0
Beer Privilege Tax	760	0	0	0	0
Other Statutory Local Taxes	111	0	0	0	0
Total Local Taxes	\$ 3,732,524	\$ 564,206	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 42,448	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>					
Beer Permits	475	0	0	0	0
Other Permits	62	0	0	0	0
Total Licenses and Permits	\$ 42,985	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 665	\$ 0	\$ 0	\$ 0	0
Officers Costs	1,230	0	0	0	0
Data Entry Fee - Circuit Court	182	0	0	0	0
<u>Criminal Court</u>					
Drug Control Fines	0	0	1,306	0	0
<u>General Sessions Court</u>					
Fines	4,710	0	0	0	0
Officers Costs	10,824	0	0	0	0
Game and Fish Fines	38	0	0	0	0
Drug Control Fines	0	0	5,989	0	0
DUI Treatment Fines	1,401	0	0	0	0
Data Entry Fee - General Sessions Court	2,225	0	0	0	0
<u>Juvenile Court</u>					
Fines	52	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	570	0	0	0	0
Data Entry Fee - Chancery Court	432	0	0	0	0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county</u>					
Officers Costs	\$ 116	\$ 0	\$ 0	\$ 0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	126,553	0	0
Total Fines, Forfeitures, and Penalties	\$ 22,445	\$ 0	\$ 133,848	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 4,555	\$ 0	\$ 0	0
Patient Charges	728,758	0	0	0	0
Other General Service Charges	14,261	0	0	0	0
Service Charges	1,320	0	0	0	0
<u>Fees</u>					
Airport Fees	30,420	0	0	0	0
Copy Fees	1,700	0	0	0	0
Library Fees	173	0	0	0	0
Archives and Records Management Fee	3,284	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0
Telephone Commissions	62,846	0	0	0	0
Additional Fees - Titling and Registration	10,511	0	0	0	0
Constitutional Officers' Fees and Commissions	70,000	0	0	0	100
Data Processing Fee - Register	5,068	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,950	0	0	0	0
Data Processing Fee - County Clerk	1,126	0	0	0	0
<u>Education Charges</u>					
Tuition - Other	13,474	0	0	0	0
Total Charges for Current Services	\$ 944,991	\$ 4,555	\$ 0	\$ 0	100

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 69,968	\$ 0	\$ 0	\$ 4,778	\$ 0
Lease/Rentals	12,407	0	0	0	0
Sale of Materials and Supplies	400	0	0	0	0
Commissary Sales	47,780	0	0	0	0
Sale of Diesel	0	0	0	0	0
Sale of Gasoline	184	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	41,588	470	3,471	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	9,100	0	0	0	0
Sale of Property	900	0	0	0	0
Contributions and Gifts	770	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	6,368	20,790	0	0	0
Total Other Local Revenues	\$ 189,465	\$ 21,260	\$ 3,471	\$ 4,778	\$ 0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 121,804	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	13,734	0	0	0	0
General Sessions Court Clerk	43,199	0	0	0	0
Clerk and Master	37,273	0	0	0	0
Register	61,141	0	0	0	0
Sheriff	6,180	0	0	0	0
Trustee	193,093	0	0	0	0
Total Fees Received From County Officials	\$ 476,424	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Aging Programs	6,187	0	0	0	0
Other General Government Grants	8,000	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	12,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	10,468	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	45,728	0	0	0	0
Other Public Works Grants	0	0	0	0	0
<u>Other State Revenues</u>					
Flood Control	29,171	0	0	0	0
Income Tax	28	0	0	0	0
Beer Tax	19,200	0	0	0	0
Vehicle Certificate of Title Fees	1,643	0	0	0	0
Alcoholic Beverage Tax	59,215	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	69,201	0	0	0	0
State Revenue Sharing - T.V.A.	440,173	0	0	0	0
State Revenue Sharing - Telecommunications	174,030	0	0	0	0
State Shared Sports Gaming Privilege Tax	17,446	0	0	0	0
Contracted Prisoner Boarding	297,308	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	0
Other State Grants	14,755	0	0	0	0
Other State Revenues	55,252	0	0	0	0
Total State of Tennessee	\$ 1,283,969	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	0	0	0	0	0
Disaster Relief	0	0	0	0	0
COVID-19 Grant #1	0	0	0	32,853	0
American Rescue Plan Act Grant #1	0	0	0	0	0
American Rescue Plan Act Grant #2	0	0	0	0	0
Other Federal through State	63,293	0	0	0	0
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	15,053	0	0	0	0
Other Direct Federal Revenue	5,800	0	0	0	0
Total Federal Government	\$ 84,146	\$ 0	\$ 0	\$ 32,853	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 67,275	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	0
<u>Other</u>					
Other	10,501	0	0	0	0

(Continued)



Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other (Cont.)</u>					
Opioid Settlement Funds - Past Remediation	\$ 53,811	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 131,587	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 6,908,536	 \$ 590,021	 \$ 137,319	 \$ 37,631	 \$ 100

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 211,078	\$ 44,437	\$ 0	\$ 0	\$ 3,189,915
Trustee's Collections - Prior Year	6,003	747	0	0	51,338
Circuit Clerk/Clerk and Master Collections - Prior Years	4,252	773	0	0	68,807
Interest and Penalty	954	202	0	0	14,502
Payments in-Lieu-of Taxes - T.V.A.	2,431	517	0	0	36,751
Payments in-Lieu-of Taxes - Other	90	19	0	0	1,353
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	562,530
Hotel/Motel Tax	0	0	0	0	73,033
Wheel Tax	0	0	0	0	302,259
Litigation Tax - General	0	0	0	0	13,911
Litigation Tax - Office of Public Defender	0	0	0	0	8,158
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	12,162
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	4,703
Litigation Tax - Courthouse Security	0	0	0	0	13,001
Business Tax	0	0	0	0	53,466
Mineral Severance Tax	42,412	0	0	0	42,412
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	78,517
Wholesale Beer Tax	0	0	0	0	82,956
Beer Privilege Tax	0	0	0	0	760
Other Statutory Local Taxes	0	0	0	0	111
Total Local Taxes	\$ 267,220	\$ 46,695	\$ 0	\$ 0	\$ 4,610,645

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	42,448
<u>Permits</u>					
Beer Permits	0	0	0	0	475
Other Permits	0	0	0	0	62
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	42,985
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	665
Officers Costs	0	0	0	0	1,230
Data Entry Fee - Circuit Court	0	0	0	0	182
<u>Criminal Court</u>					
Drug Control Fines	0	0	0	0	1,306
<u>General Sessions Court</u>					
Fines	0	0	0	0	4,710
Officers Costs	0	0	0	0	10,824
Game and Fish Fines	0	0	0	0	38
Drug Control Fines	0	0	0	0	5,989
DUI Treatment Fines	0	0	0	0	1,401
Data Entry Fee - General Sessions Court	0	0	0	0	2,225
<u>Juvenile Court</u>					
Fines	0	0	0	0	52
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	570
Data Entry Fee - Chancery Court	0	0	0	0	432

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	116
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	126,553
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	156,293
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	4,555
Patient Charges	0	0	0	0	728,758
Other General Service Charges	0	0	0	0	14,261
Service Charges	0	0	0	0	1,320
<u>Fees</u>					
Airport Fees	0	0	0	0	30,420
Copy Fees	0	0	0	0	1,700
Library Fees	0	0	0	0	173
Archives and Records Management Fee	0	0	0	0	3,284
Greenbelt Late Application Fee	0	0	0	0	100
Telephone Commissions	0	0	0	0	62,846
Additional Fees - Titling and Registration	0	0	0	0	10,511
Constitutional Officers' Fees and Commissions	0	0	0	0	70,100
Data Processing Fee - Register	0	0	0	0	5,068
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,950
Data Processing Fee - County Clerk	0	0	0	0	1,126
<u>Education Charges</u>					
Tuition - Other	0	0	0	0	13,474
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	949,646

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	74,746
Lease/Rentals	0	0	0	9,750	22,157
Sale of Materials and Supplies	9,198	0	0	0	9,598
Commissary Sales	0	0	0	0	47,780
Sale of Diesel	52,095	0	0	0	52,095
Sale of Gasoline	56,734	0	0	0	56,918
Sale of Recycled Materials	595	0	0	0	595
Miscellaneous Refunds	236	0	0	0	45,765
<u>Nonrecurring Items</u>					
Sale of Equipment	77,730	0	0	0	86,830
Sale of Property	0	0	0	0	900
Contributions and Gifts	0	0	0	0	770
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	27,158
Total Other Local Revenues	\$ 196,588	\$ 0	\$ 0	\$ 9,750	\$ 425,312
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	121,804
Circuit Court Clerk	0	0	0	0	13,734
General Sessions Court Clerk	0	0	0	0	43,199
Clerk and Master	0	0	0	0	37,273
Register	0	0	0	0	61,141
Sheriff	0	0	0	0	6,180
Trustee	0	0	0	0	193,093
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	476,424

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Aging Programs	0	0	0	0	6,187
Other General Government Grants	0	0	0	0	8,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	12,000
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	10,468
<u>Public Works Grants</u>					
Bridge Program	129,144	0	0	0	129,144
State Aid Program	263,345	0	0	0	263,345
Litter Program	0	0	0	0	45,728
Other Public Works Grants	46,413	0	0	0	46,413
<u>Other State Revenues</u>					
Flood Control	0	0	0	0	29,171
Income Tax	0	0	0	0	28
Beer Tax	0	0	0	0	19,200
Vehicle Certificate of Title Fees	0	0	0	0	1,643
Alcoholic Beverage Tax	0	0	0	0	59,215
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	69,201
State Revenue Sharing - T.V.A.	0	0	0	0	440,173
State Revenue Sharing - Telecommunications	0	0	0	0	174,030
State Shared Sports Gaming Privilege Tax	0	0	0	0	17,446
Contracted Prisoner Boarding	0	350,000	0	0	647,308
Gasoline and Motor Fuel Tax	2,103,320	0	0	0	2,103,320
Petroleum Special Tax	7,697	0	0	0	7,697

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Registrar's Salary Supplement	\$ 0	\$ 0	\$ 0	\$ 0	15,164
Other State Grants	0	0	0	0	14,755
Other State Revenues	0	0	0	0	55,252
Total State of Tennessee	\$ 2,549,919	\$ 350,000	\$ 0	\$ 0	4,183,888
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 360,055	\$ 0	\$ 105,000	\$ 0	465,055
Community Development	0	0	427,050	0	427,050
Disaster Relief	835,442	0	0	0	835,442
COVID-19 Grant #1	0	0	0	0	32,853
American Rescue Plan Act Grant #1	0	0	224,901	0	224,901
American Rescue Plan Act Grant #2	0	0	17,640	0	17,640
Other Federal through State	0	0	0	0	63,293
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	15,053
Other Direct Federal Revenue	0	0	0	0	5,800
Total Federal Government	\$ 1,195,497	\$ 0	\$ 774,591	\$ 0	2,087,087
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	67,275
Contributions	0	724,567	0	0	724,567
<u>Other</u>					
Other	0	0	0	0	10,501

(Continued)

Exhibit J-5

Jackson County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<hr/>					
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other (Cont.)</u>					
Opioid Settlement Funds - Past Remediation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,811
Total Other Governments and Citizens Groups	\$ 0	\$ 724,567	\$ 0	\$ 0	\$ 856,154
<hr/>					
Total	\$ 4,209,224	\$ 1,121,262	\$ 774,591	\$ 9,750	\$ 13,788,434
<hr/>					



## 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, 2023

	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	\$ 1,808,303	\$ 0	\$ 0	\$ 0	\$ 1,808,303
Trustee's Collections - Prior Year	28,277	0	0	0	28,277
Circuit Clerk/Clerk and Master Collections - Prior Years	40,871	0	0	0	40,871
Interest and Penalty	6,284	0	0	0	6,284
Payments in-Lieu-of Taxes - T.V.A.	20,705	0	0	0	20,705
Payments in-Lieu-of Taxes - Other	765	0	0	0	765
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,373,057	0	0	0	1,373,057
Wheel Tax	181,356	0	0	0	181,356
Mixed Drink Tax	9,984	0	0	0	9,984
Other County Local Option Taxes	105	0	0	0	105
Total Local Taxes	\$ 3,469,707	\$ 0	\$ 0	\$ 0	\$ 3,469,707
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 656	\$ 0	\$ 0	\$ 0	\$ 656
Total Licenses and Permits	\$ 656	\$ 0	\$ 0	\$ 0	\$ 656
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 23,057	\$ 0	\$ 23,057
A la Carte Sales	0	0	14,924	0	14,924
Contract for Instructional Services with Other LEA's	34,436	0	0	0	34,436
Receipts from Individual Schools	20,243	0	0	0	20,243
Total Charges for Current Services	\$ 54,679	\$ 0	\$ 37,981	\$ 0	\$ 92,660

(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	\$ 7,370	\$ 0	\$ 3,105	\$ 0	\$ 10,475
E-Rate Funding	16,962	0	0	0	16,962
Miscellaneous Refunds	13,314	0	648	0	13,962
Expenditure Credits	505	0	0	0	505
<u>Nonrecurring Items</u>					
Sale of Equipment	3,782	0	0	0	3,782
Contributions and Gifts	234	0	2,700	0	2,934
<u>Other Local Revenues</u>					
Other Local Revenues	2,000	0	0	501,739	503,739
Total Other Local Revenues	<u>\$ 44,167</u>	<u>\$ 0</u>	<u>\$ 6,453</u>	<u>\$ 501,739</u>	<u>\$ 552,359</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 65,815	\$ 0	\$ 0	\$ 0	\$ 65,815
<u>State Education Funds</u>					
Basic Education Program	11,200,000	0	0	0	11,200,000
Early Childhood Education	323,661	0	0	0	323,661
School Food Service	8,836	0	0	0	8,836
Other State Education Funds	520,084	0	0	0	520,084
Career Ladder Program	22,666	0	0	0	22,666
Vocational Equipment	102,000	0	0	0	102,000
<u>Other State Revenues</u>					
Other State Grants	43,010	0	0	0	43,010
Total State of Tennessee	<u>\$ 12,286,072</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,286,072</u>

(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	\$ 920,501	\$ 0	\$ 920,501
USDA - Commodities	0	0	86,233	0	86,233
Breakfast	0	0	367,710	0	367,710
USDA - Other	3,135	0	165,546	0	168,681
Vocational Education - Basic Grants to States	0	69,926	0	0	69,926
Title I Grants to Local Education Agencies	0	655,747	0	0	655,747
Special Education - Grants to States	0	402,975	0	0	402,975
Special Education Preschool Grants	0	14,771	0	0	14,771
Rural Education	0	76,672	0	0	76,672
COVID-19 Grant B	0	1,009,678	0	0	1,009,678
COVID-19 Grant D	0	129,013	0	0	129,013
American Rescue Plan Act Grant #1	0	1,909,604	0	0	1,909,604
American Rescue Plan Act Grant #2	0	40,067	0	0	40,067
American Rescue Plan Act Grant #3	0	5,799	0	0	5,799
American Rescue Plan Act Grant #4	0	28,582	0	0	28,582
Other Federal through State	107,550	265,974	0	0	373,524
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	338	0	0	338
Total Federal Government	\$ 110,685	\$ 4,609,146	\$ 1,539,990	\$ 0	\$ 6,259,821
Total	\$ 15,965,966	\$ 4,609,146	\$ 1,584,424	\$ 501,739	\$ 22,661,275

## Exhibit J-7

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

General FundGeneral GovernmentCounty Commission

Other Per Diem and Fees	\$	35,600	
Social Security		2,723	
Audit Services		10,953	
Dues and Memberships		2,233	
Travel		460	
Total County Commission			\$ 51,969

County Mayor/Executive

County Official/Administrative Officer	\$	88,815	
Accountants/Bookkeepers		42,000	
Clerical Personnel		30,774	
Social Security		12,397	
Bank Charges		1,992	
Communication		3,500	
Dues and Memberships		1,479	
Maintenance and Repair Services - Office Equipment		293	
Travel		2,497	
Office Supplies		2,829	
Data Processing Equipment		23,103	
Total County Mayor/Executive			209,679

County Attorney

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

Election Commission

County Official/Administrative Officer	\$	69,206	
Clerical Personnel		16,218	
Election Commission		8,161	
Election Workers		33,440	
In-service Training		1,000	
Social Security		7,130	
Communication		2,125	
Legal Notices, Recording, and Court Costs		3,816	
Printing, Stationery, and Forms		3,126	
Travel		692	
Other Contracted Services		13,000	
Office Supplies		1,347	
Data Processing Equipment		4,882	
Voting Machines		10,500	
Total Election Commission			174,643

Register of Deeds

County Official/Administrative Officer	\$	76,896	
Clerical Personnel		26,924	
Other Salaries and Wages		3,033	

(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.)

Social Security	\$	7,996	
Communication		3,000	
Data Processing Services		7,000	
Dues and Memberships		650	
Maintenance and Repair Services - Office Equipment		500	
Travel		500	
Office Supplies		1,679	
Data Processing Equipment		1,500	
Office Equipment		300	
Total Register of Deeds			\$ 129,978

County Buildings

Custodial Personnel	\$	8,525	
Communication		1,450	
Maintenance and Repair Services - Buildings		40,087	
Pest Control		2,000	
Custodial Supplies		4,936	
Electricity		45,683	
Natural Gas		10,000	
Water and Sewer		6,000	
Other Supplies and Materials		2,000	
Building Improvements		20,000	
Total County Buildings			140,681

Preservation of Records

Part-time Personnel	\$	4,858	
Social Security		372	
Communication		1,420	
Custodial Supplies		17	
Office Supplies		1,000	
Total Preservation of Records			7,667

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	76,896	
Clerical Personnel		26,155	
Social Security		7,777	
Audit Services		4,921	
Communication		763	
Data Processing Services		5,761	
Dues and Memberships		596	
Travel		520	
Office Supplies		1,279	
Total Property Assessor's Office			124,668

County Trustee's Office

County Official/Administrative Officer	\$	76,896	
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(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.)

Deputy(ies)	\$	26,924	
Social Security		7,888	
Communication		1,689	
Dues and Memberships		785	
Travel		1,200	
Other Contracted Services		5,396	
Office Supplies		2,009	
Data Processing Equipment		13,438	
Total County Trustee's Office			\$ 136,225

County Clerk's Office

County Official/Administrative Officer	\$	76,896	
Deputy(ies)		52,773	
Social Security		9,954	
Communication		2,279	
Dues and Memberships		180	
Printing, Stationery, and Forms		1,956	
Travel		370	
Office Supplies		3,197	
Data Processing Equipment		13,792	
Total County Clerk's Office			161,397

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	76,896	
Deputy(ies)		94,534	
Jury and Witness Expense		3,393	
Other Per Diem and Fees		255	
Social Security		13,000	
Communication		3,783	
Printing, Stationery, and Forms		981	
Travel		552	
Office Supplies		3,763	
Data Processing Equipment		17,552	
Total Circuit Court			214,709

General Sessions Court

Judge(s)	\$	107,951	
Secretary(ies)		25,900	
Social Security		10,146	
Communication		1,499	
Contracts with Government Agencies		974	
Travel		1,999	
Office Supplies		1,197	
Building Improvements		32,126	
Total General Sessions Court			181,792

(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

County Official/Administrative Officer	\$	76,896	
Deputy(ies)		28,462	
Jury and Witness Expense		234	
Social Security		7,946	
Communication		1,804	
Data Processing Services		6,500	
Dues and Memberships		444	
Maintenance and Repair Services - Office Equipment		196	
Printing, Stationery, and Forms		700	
Travel		500	
Office Supplies		694	
Data Processing Equipment		270	
Other Equipment		300	
Total Chancery Court			\$ 124,946

Juvenile Court

Youth Service Officer(s)	\$	32,000	
Social Security		2,433	
Communication		1,395	
Travel		494	
Other Contracted Services		834	
Office Supplies		237	
Total Juvenile Court			37,393

Judicial Commissioners

County Official/Administrative Officer	\$	38,746	
Social Security		2,948	
Total Judicial Commissioners			41,694

Other Administration of Justice

Clerical Personnel	\$	1,100	
Social Security		84	
Total Other Administration of Justice			1,184

Public SafetySheriff's Department

County Official/Administrative Officer	\$	84,586	
Supervisor/Director		23,279	
Deputy(ies)		370,941	
Captain(s)		50,019	
Sergeant(s)		42,946	
Salary Supplements		12,800	
Secretary(ies)		35,312	
School Resource Officer		139,308	
Overtime Pay		59,453	
In-service Training		8,000	
Social Security		62,253	

(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.)

Communication	\$	21,521	
Contracts with Government Agencies		8,866	
Dues and Memberships		1,972	
Maintenance and Repair Services - Equipment		6,000	
Maintenance and Repair Services - Vehicles		34,690	
Printing, Stationery, and Forms		1,503	
Towing Services		4,763	
Travel		7,000	
Equipment Parts - Light		500	
Gasoline		99,695	
Law Enforcement Supplies		7,500	
Office Supplies		7,240	
Tires and Tubes		10,000	
Uniforms		5,000	
Data Processing Equipment		9,958	
Motor Vehicles		26,498	
Other Equipment		1,000	
Total Sheriff's Department			\$ 1,142,603

Administration of the Sexual Offender Registry

Constitutional Officers' Operating Expenses	\$	150	
Total Administration of the Sexual Offender Registry			150

Jail

Supervisor/Director	\$	37,915	
Captain(s)		33,543	
Sergeant(s)		18,407	
Guards		462,049	
Cafeteria Personnel		46,538	
Overtime Pay		53,562	
In-service Training		3,952	
Social Security		49,707	
Communication		20,000	
Evaluation and Testing		7,500	
Maintenance Agreements		7,530	
Maintenance and Repair Services - Buildings		18,000	
Maintenance and Repair Services - Equipment		20,000	
Medical and Dental Services		184,248	
Pest Control		1,100	
Custodial Supplies		18,500	
Electricity		46,858	
Food Preparation Supplies		8,466	
Food Supplies		189,466	
Natural Gas		14,677	
Prisoners Clothing		8,000	
Uniforms		5,879	
Water and Sewer		51,998	

(Continued)



## Exhibit J-7

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

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

Other Supplies and Materials	\$ 8,000	
Building Improvements	12,750	
Total Jail		\$ 1,328,645

Fire Prevention and Control

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

Other Emergency Management

Communication	\$ 950	
Contributions	89,300	
Travel	700	
Gasoline	500	
Office Supplies	500	
Other Equipment	7,850	
Total Other Emergency Management		99,800

Public Health and WelfareLocal Health Center

Custodial Personnel	\$ 5,525	
Other Salaries and Wages	8,368	
In-service Training	200	
Social Security	640	
Communication	4,991	
Maintenance and Repair Services - Buildings	4,091	
Custodial Supplies	11	
Drugs and Medical Supplies	846	
Instructional Supplies and Materials	610	
Office Supplies	425	
Utilities	8,110	
Other Supplies and Materials	1,640	
Building Improvements	85,422	
Total Local Health Center		120,879

Regional Mental Health Center

Contributions	\$ 5,811	
Total Regional Mental Health Center		5,811

Appropriation to State

Contributions	\$ 15,590	
Total Appropriation to State		15,590

Social, Cultural, and Recreational ServicesAdult Activities

Supervisor/Director	\$ 10,354	
Social Security	792	

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Adult Activities (Cont.)

Communication	\$	974	
Maintenance and Repair Services - Buildings		59	
Pest Control		200	
Travel		247	
Other Contracted Services		900	
Custodial Supplies		70	
Electricity		3,500	
Natural Gas		1,710	
Office Supplies		2,123	
Water and Sewer		406	
Building Improvements		6,000	
Total Adult Activities			\$ 27,335

Senior Citizens Assistance

Supervisor/Director	\$	10,918	
Other Salaries and Wages		7,528	
Social Security		1,411	
Communication		1,327	
Maintenance and Repair Services - Buildings		300	
Travel		109	
Electricity		2,300	
Food Preparation Supplies		455	
Food Supplies		12,205	
Natural Gas		3,500	
Office Supplies		100	
Water and Sewer		500	
Total Senior Citizens Assistance			40,653

Libraries

Assistant(s)	\$	13,636	
Supervisor/Director		25,577	
Social Security		2,990	
Communication		1,835	
Dues and Memberships		349	
Maintenance Agreements		500	
Travel		91	
Library Books/Media		11,959	
Office Supplies		1,437	
Other Supplies and Materials		612	
Data Processing Equipment		3,000	
Total Libraries			61,986

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	23,134	
Secretary(ies)		9,769	
Social Security		2,100	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Extension Service Medicare	\$	489	
Pensions		5,547	
Medical Insurance		5,465	
Unemployment Compensation		35	
Local Retirement		266	
Communication		2,775	
Contracts with Private Agencies		10,120	
Workers' Compensation Insurance		51	
Total Agricultural Extension Service			\$ 59,751

Soil Conservation

Salary Supplements	\$	50,525	
Social Security		3,842	
Total Soil Conservation			54,367

Other Operations

Industrial Development

Advertising	\$	480	
Total Industrial Development			480

Other Economic and Community Development

Other Contracted Services	\$	3,663	
Other Supplies and Materials		22,600	
Total Other Economic and Community Development			26,263

Airport

Supervisor/Director	\$	12,000	
Social Security		918	
Communication		1,442	
Maintenance and Repair Services - Buildings		13,797	
Electricity		2,484	
Water and Sewer		1,175	
Airport Improvement		34,578	
Total Airport			66,394

Veterans' Services

Supervisor/Director	\$	10,000	
Total Veterans' Services			10,000

Other Charges

Liability Insurance	\$	304,443	
Premiums on Corporate Surety Bonds		7,481	
Trustee's Commission		80,383	
Workers' Compensation Insurance		152,456	
Total Other Charges			544,763

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Contributions to Other Agencies

Contributions	\$ 96,520	
Total Contributions to Other Agencies		\$ 96,520

Employee Benefits

Pensions	\$ 234,106	
Medical Insurance	258,931	
Unemployment Compensation	22,216	
Total Employee Benefits		515,253

American Rescue Plan Act Grant #1

Supervisor/Director	\$ 67,000	
Medical Personnel	438,757	
Overtime Pay	169,989	
In-service Training	15,000	
Social Security	52,255	
Communication	6,000	
Contracts with Government Agencies	10,000	
Dues and Memberships	400	
Laundry Service	3,300	
Licenses	3,500	
Maintenance and Repair Services - Equipment	13,000	
Maintenance and Repair Services - Vehicles	29,693	
Pest Control	900	
Travel	1,000	
Other Contracted Services	50,000	
Custodial Supplies	2,400	
Diesel Fuel	50,000	
Drugs and Medical Supplies	54,000	
Electricity	10,000	
Gasoline	2,500	
Natural Gas	2,700	
Office Supplies	3,000	
Uniforms	4,000	
Water and Sewer	1,600	
Other Equipment	10,000	
Total American Rescue Plan Act Grant #1		1,000,994

Miscellaneous

Legal Notices, Recording, and Court Costs	\$ 4,357	
Postal Charges	16,042	
Other Contracted Services	17,500	
Other Charges	7,650	
Total Miscellaneous		45,549

HighwaysLitter and Trash Collection

Guards	\$ 28,297	
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(Continued)

## Exhibit J-7

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

General Fund (Cont.)Highways (Cont.)Litter and Trash Collection (Cont.)

Social Security	\$	2,165	
Maintenance and Repair Services - Vehicles		829	
Gasoline		3,276	
Instructional Supplies and Materials		7,380	
Other Supplies and Materials		1,275	
Total Litter and Trash Collection			\$ 43,222

Total General Fund \$ 7,072,898

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$	41,000	
Foremen		57,386	
Truck Drivers		32,141	
Overtime Pay		9,073	
Social Security		10,602	
Maintenance and Repair Services - Equipment		8,266	
Maintenance and Repair Services - Vehicles		57,259	
Contracts for Landfill Facilities		195,756	
Diesel Fuel		34,614	
Gasoline		15,135	
Tires and Tubes		16,705	
Other Supplies and Materials		5,784	
Total Waste Pickup			\$ 483,721

Convenience Centers

Guards	\$	123,805	
Other Salaries and Wages		1,644	
Social Security		9,439	
Pensions		14,413	
Communication		4,237	
Electricity		11,375	
Water and Sewer		3,483	
Trustee's Commission		11,145	
Building Improvements		4,745	
Solid Waste Equipment		1,099	
Total Convenience Centers			185,385

Total Solid Waste/Sanitation Fund 669,106

Drug Control FundPublic SafetyDrug Enforcement

Confidential Drug Enforcement Payments	\$	10,500	
Towing Services		15,000	
Animal Food and Supplies		28,874	

(Continued)

## Exhibit J-7

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

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Trustee's Commission	\$	718	
Motor Vehicles		62,700	
Total Drug Enforcement			\$ 117,792

Total Drug Control Fund \$ 117,792

Other General Government Special Revenue FundOther OperationsCOVID-19 Grant #1

Trustee's Commission	\$	48	
Total COVID-19 Grant #1			\$ 48

Total Other General Government Special Revenue Fund 48

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	100	
Total County Trustee's Office			\$ 100

Total Constitutional Officers - Fees Fund 100

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	89,076	
Accountants/Bookkeepers		58,590	
Secretary(ies)		17,460	
Pensions		11,559	
Bank Charges		144	
Dues and Memberships		3,274	
Maintenance and Repair Services - Office Equipment		14,152	
Postal Charges		372	
Printing, Stationery, and Forms		2,832	
Travel		980	
Office Supplies		2,624	
Other Charges		10,118	
Office Equipment		11,327	
Total Administration			\$ 222,508

Highway and Bridge Maintenance

Foremen	\$	68,918	
Equipment Operators		107,497	
Truck Drivers		86,564	
Laborers		260,359	
Overtime Pay		39,584	
Pensions		38,583	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Contracted Services	\$	14,351	
Asphalt - Cold Mix		45,124	
Asphalt - Hot Mix		168,369	
Asphalt - Liquid		106,811	
Concrete		20,127	
Crushed Stone		290,589	
General Construction Materials		6,091	
Other Road Materials		6,257	
Pipe		54,550	
Road Signs		26,715	
Small Tools		13,137	
Wood Products		4,811	
Fencing		8,740	
Other Supplies and Materials		1,106	
Total Highway and Bridge Maintenance			\$ 1,368,283

Operation and Maintenance of Equipment

Mechanic(s)	\$	71,217	
Nightwatchmen		29,938	
Overtime Pay		5,368	
Pensions		6,279	
Maintenance and Repair Services - Buildings		12,311	
Rentals		4,242	
Diesel Fuel		158,235	
Equipment and Machinery Parts		162,390	
Garage Supplies		3,994	
Gasoline		82,994	
Lubricants		16,299	
Small Tools		19,239	
Tires and Tubes		14,901	
Uniforms		7,306	
Other Supplies and Materials		20,568	
Total Operation and Maintenance of Equipment			615,281

Other Charges

Communication	\$	5,304	
Electricity		4,654	
Natural Gas		4,145	
Water and Sewer		365	
Building and Contents Insurance		3,641	
Liability Insurance		6,985	
Trustee's Commission		25,968	
Vehicle and Equipment Insurance		25,008	
Highway Construction		507,543	
Total Other Charges			583,613

(Continued)

## Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Employee Benefits

Social Security	\$	63,582	
Medical Insurance		26,313	
Unemployment Compensation		4,539	
Workers' Compensation Insurance		56,470	
Total Employee Benefits			\$ 150,904

Capital Outlay

Highway Construction	\$	65,017	
Highway Equipment		148,238	
Motor Vehicles		51,590	
State Aid Projects		269,626	
Total Capital Outlay			534,471

Principal on DebtHighways and Streets

Principal on Notes	\$	500,000	
Total Highways and Streets			500,000

Interest on DebtHighways and Streets

Interest on Notes	\$	2,199	
Total Highways and Streets			2,199

Total Highway/Public Works Fund \$ 3,977,259

General Debt Service FundOther OperationsOther Charges

Trustee's Commission	\$	924	
Total Other Charges			\$ 924

Principal on DebtGeneral Government

Principal on Bonds	\$	3,488	
Principal on Notes		47,819	
Principal on Other Loans		224,000	
Total General Government			275,307

Education

Principal on Other Loans	\$	573,519	
Total Education			573,519

Interest on DebtGeneral Government

Interest on Bonds	\$	6,562	
Interest on Notes		1,015	
Interest on Other Loans		45,766	
Total General Government			53,343

(Continued)



## Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Interest on Debt (Cont.)</u>			
<u>Education</u>			
Interest on Other Loans	\$ 125,874		
Total Education		\$ 125,874	
<u>Other Debt Service</u>			
<u>General Government</u>			
Other Debt Service	\$ 14,809		
Total General Government		14,809	
<u>Education</u>			
Other Debt Service	\$ 25,174		
Total Education		25,174	
Total General Debt Service Fund		\$ 1,068,950	
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Building Improvements	\$ 55,568		
Other Equipment	305,062		
Total General Administration Projects		\$ 360,630	
<u>Administration of Justice Projects</u>			
Building Improvements	\$ 286,914		
Total Administration of Justice Projects		286,914	
<u>Public Health and Welfare Projects</u>			
Other Equipment	\$ 22,854		
Total Public Health and Welfare Projects		22,854	
<u>Social, Cultural, and Recreation Projects</u>			
Building Construction	\$ 427,050		
Building Improvements	15,739		
Total Social, Cultural, and Recreation Projects		442,789	
<u>Public Utility Projects</u>			
Other Contracted Services	\$ 40,140		
Total Public Utility Projects		40,140	
Total General Capital Projects Fund		1,153,327	
<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$ 52		
Total Other Charges		\$ 52	
Total Community Development/Industrial Park Fund		52	
Total Governmental Funds - Primary Government		\$ 14,059,532	

## 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, 2023

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$	4,081,865	
Career Ladder Program		9,260	
Homebound Teachers		4,515	
Educational Assistants		136,352	
Other Salaries and Wages		15,411	
Certified Substitute Teachers		31,600	
Non-certified Substitute Teachers		65,104	
Social Security		249,342	
Pensions		355,742	
Medical Insurance		360,813	
Unemployment Compensation		3,058	
Employer Medicare		59,278	
Maintenance and Repair Services - Equipment		106	
Printing, Stationery, and Forms		757	
Other Contracted Services		23,695	
Instructional Supplies and Materials		166,791	
Textbooks - Bound		179,034	
Other Supplies and Materials		12,078	
Other Charges		1,671	
Regular Instruction Equipment		37,837	
Total Regular Instruction Program			\$ 5,794,309

Alternative Instruction Program

Teachers	\$	52,538	
Educational Assistants		19,545	
Social Security		3,989	
Pensions		5,483	
Medical Insurance		15,087	
Unemployment Compensation		57	
Employer Medicare		934	
Instructional Supplies and Materials		178	
Total Alternative Instruction Program			97,811

Special Education Program

Teachers	\$	589,199	
Career Ladder Program		2,000	
Homebound Teachers		2,505	
Educational Assistants		95,631	
Speech Pathologist		13,690	
Certified Substitute Teachers		3,000	
Non-certified Substitute Teachers		9,500	
Social Security		43,318	
Pensions		59,278	
Medical Insurance		52,365	
Unemployment Compensation		498	
Employer Medicare		10,167	

(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.)

Contracts with Private Agencies	\$	4,945	
Instructional Supplies and Materials		3,500	
Other Supplies and Materials		1,465	
Other Charges		86	
Special Education Equipment		2,000	
Total Special Education Program			\$ 893,147

Career and Technical Education Program

Teachers	\$	178,596	
Career Ladder Program		1,000	
Certified Substitute Teachers		600	
Non-certified Substitute Teachers		5,161	
Social Security		11,075	
Pensions		15,581	
Medical Insurance		7,477	
Unemployment Compensation		83	
Employer Medicare		2,590	
Contracts with Other School Systems		74,106	
Maintenance and Repair Services - Equipment		282	
Other Contracted Services		49,488	
Instructional Supplies and Materials		12,225	
Other Supplies and Materials		39,376	
In Service/Staff Development		130	
Vocational Instruction Equipment		7,447	
Total Career and Technical Education Program			405,217

Support ServicesAttendance

Supervisor/Director	\$	72,329	
Career Ladder Program		1,000	
Clerical Personnel		43,589	
Social Security		6,420	
Pensions		9,578	
Medical Insurance		18,406	
Unemployment Compensation		87	
Employer Medicare		1,501	
Travel		3,969	
Other Supplies and Materials		16	
Attendance Equipment		725	
Total Attendance			157,620

Health Services

Supervisor/Director	\$	58,792	
Medical Personnel		2,837	
Other Salaries and Wages		10,000	
Non-certified Substitute Teachers		240	

(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	\$	3,927	
Pensions		5,007	
Medical Insurance		7,273	
Unemployment Compensation		33	
Employer Medicare		919	
Communication		500	
Postal Charges		100	
Travel		372	
Drugs and Medical Supplies		952	
Other Supplies and Materials		10,941	
Other Charges		2,300	
Total Health Services			\$ 104,193

Other Student Support

Career Ladder Program	\$	950	
Guidance Personnel		79,118	
Social Workers		19,362	
Social Security		5,793	
Pensions		7,998	
Medical Insurance		8,343	
Unemployment Compensation		134	
Employer Medicare		1,355	
Evaluation and Testing		3,366	
Travel		926	
Other Contracted Services		70,000	
Total Other Student Support			197,345

Regular Instruction Program

Supervisor/Director	\$	122,032	
Career Ladder Program		2,000	
Librarians		206,222	
Certified Substitute Teachers		2,000	
Non-certified Substitute Teachers		5,000	
Social Security		19,702	
Pensions		27,941	
Medical Insurance		21,990	
Unemployment Compensation		197	
Employer Medicare		4,640	
Contracts with Private Agencies		1,372	
Travel		5,839	
Library Books/Media		5,564	
Other Supplies and Materials		7,515	
In Service/Staff Development		18,877	
Other Equipment		2,738	
Total Regular Instruction Program			453,629

(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	\$	73,334	
Career Ladder Program		1,000	
Psychological Personnel		65,423	
Social Security		7,604	
Pensions		12,128	
Medical Insurance		19,027	
Unemployment Compensation		60	
Employer Medicare		1,778	
Travel		1,704	
Other Contracted Services		500	
Other Supplies and Materials		1,923	
In Service/Staff Development		170	
Special Education Equipment		20,142	
Total Special Education Program			\$ 204,793

Career and Technical Education Program

Travel	\$	1,689	
Total Career and Technical Education Program			1,689

Technology

Instructional Computer Personnel	\$	46,600	
Social Security		2,796	
Pensions		3,262	
Medical Insurance		5,780	
Unemployment Compensation		32	
Employer Medicare		654	
Internet Connectivity		25,132	
Software		8,002	
Total Technology			92,258

Other Programs

On-behalf Payments to OPEB	\$	65,815	
Total Other Programs			65,815

Board of Education

Other Salaries and Wages	\$	11,400	
Social Security		707	
Life Insurance		8,213	
Employer Medicare		165	
Audit Services		4,000	
Dues and Memberships		8,377	
Travel		1,381	
Other Contracted Services		6,492	
Other Supplies and Materials		4,147	
Liability Insurance		149,085	
Premiums on Corporate Surety Bonds		350	

(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.)

Trustee's Commission	\$	70,000	
Workers' Compensation Insurance		118,742	
In Service/Staff Development		494	
Total Board of Education			\$ 383,553

Director of Schools

County Official/Administrative Officer	\$	100,515	
Other Salaries and Wages		3,229	
Social Security		6,031	
Pensions		9,007	
Medical Insurance		7,530	
Unemployment Compensation		32	
Employer Medicare		1,410	
Communication		7,917	
Postal Charges		397	
Travel		3,908	
Other Contracted Services		8,773	
Office Supplies		586	
In Service/Staff Development		258	
Administration Equipment		179	
Total Director of Schools			149,772

Office of the Principal

Principals	\$	290,865	
Career Ladder Program		1,000	
Assistant Principals		135,601	
Secretary(ies)		101,559	
Clerical Personnel		69,776	
Social Security		33,993	
Pensions		48,801	
Medical Insurance		54,036	
Unemployment Compensation		390	
Employer Medicare		7,950	
Communication		23,792	
Dues and Memberships		4,800	
Travel		1,928	
Other Contracted Services		528	
Office Supplies		1,446	
In Service/Staff Development		2,059	
Total Office of the Principal			778,524

Fiscal Services

Supervisor/Director	\$	49,244	
Accountants/Bookkeepers		45,935	
Secretary(ies)		35,955	
Clerical Personnel		41,000	

(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.)

Other Salaries and Wages	\$	26,080	
Social Security		11,227	
Pensions		13,779	
Medical Insurance		29,496	
Unemployment Compensation		150	
Employer Medicare		2,626	
Travel		4,474	
Other Contracted Services		29,385	
Data Processing Supplies		1,206	
Office Supplies		705	
Administration Equipment		11,506	
Total Fiscal Services			\$ 302,768

Operation of Plant

Custodial Personnel	\$	322,644	
Social Security		19,365	
Pensions		23,017	
Medical Insurance		16,599	
Unemployment Compensation		449	
Employer Medicare		4,529	
Rentals		35,925	
Other Contracted Services		3,890	
Custodial Supplies		57,571	
Electricity		387,870	
Natural Gas		41,433	
Water and Sewer		64,100	
Plant Operation Equipment		26,683	
Total Operation of Plant			1,004,075

Maintenance of Plant

Other Salaries and Wages	\$	94,744	
Social Security		5,874	
Pensions		6,032	
Unemployment Compensation		60	
Employer Medicare		1,374	
Maintenance and Repair Services - Buildings		29,986	
Maintenance and Repair Services - Equipment		3,935	
Other Contracted Services		50,943	
Other Supplies and Materials		50,366	
Administration Equipment		56,963	
Maintenance Equipment		15,898	
Total Maintenance of Plant			316,175

Transportation

Mechanic(s)	\$	36,670	
Bus Drivers		293,212	

(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.)

Other Salaries and Wages	\$	12,874	
Social Security		20,908	
Pensions		19,431	
Medical Insurance		10,588	
Unemployment Compensation		447	
Employer Medicare		4,890	
Contracts with Vehicle Owners		192,084	
Maintenance and Repair Services - Vehicles		10,027	
Travel		3,131	
Other Contracted Services		5,230	
Diesel Fuel		8,995	
Gasoline		150,994	
Tires and Tubes		20,067	
Vehicle Parts		34,160	
Other Supplies and Materials		11,918	
Vehicle and Equipment Insurance		25,810	
Other Charges		3,715	
Transportation Equipment		28,686	
Total Transportation			\$ 893,837

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	54,713	
Other Salaries and Wages		10,267	
Social Security		3,606	
Pensions		4,510	
Medical Insurance		8,808	
Unemployment Compensation		32	
Employer Medicare		844	
Travel		306	
Total Food Service			83,086

Community Services

Supervisor/Director	\$	25,908	
Social Security		1,379	
Pensions		2,003	
Employer Medicare		322	
Total Community Services			29,612

Early Childhood Education

Supervisor/Director	\$	21,000	
Teachers		152,136	
Educational Assistants		55,130	
Certified Substitute Teachers		928	
Non-certified Substitute Teachers		1,255	
Social Security		13,183	

(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	\$	19,100	
Medical Insurance		17,411	
Unemployment Compensation		180	
Employer Medicare		3,084	
Communication		1,783	
Postal Charges		300	
Travel		2,233	
Other Supplies and Materials		18,401	
Other Equipment		1,688	
Total Early Childhood Education			\$ 307,812

Capital OutlayRegular Capital Outlay

Architects	\$	68,112	
Building Improvements		610,117	
Total Regular Capital Outlay			678,229

Principal on DebtEducation

Debt Service Contribution to Primary Government	\$	573,519	
Total Education			573,519

Interest on DebtEducation

Debt Service Contribution to Primary Government	\$	125,874	
Total Education			125,874

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	25,174	
Total Education			25,174

Total General Purpose School Fund \$ 14,119,836

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	281,333	
Educational Assistants		173,073	
Bonus Payments		102,200	
Other Salaries and Wages		57,500	
Certified Substitute Teachers		1,670	
Non-certified Substitute Teachers		3,860	
Social Security		31,081	
Pensions		41,197	
Medical Insurance		63,196	

(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.)

Unemployment Compensation	\$	984	
Employer Medicare		7,428	
Instructional Supplies and Materials		315,563	
Software		24,748	
Other Supplies and Materials		91,843	
Regular Instruction Equipment		224,646	
Total Regular Instruction Program			\$ 1,420,322

Special Education Program

Teachers	\$	38,227	
Educational Assistants		200,105	
Speech Pathologist		108,538	
Other Salaries and Wages		673	
Social Security		19,033	
Pensions		24,355	
Medical Insurance		20,784	
Unemployment Compensation		445	
Employer Medicare		4,453	
Instructional Supplies and Materials		1,343	
Other Supplies and Materials		14,462	
Special Education Equipment		20,013	
Total Special Education Program			452,431

Career and Technical Education Program

Instructional Supplies and Materials	\$	12,726	
Other Supplies and Materials		7,793	
Vocational Instruction Equipment		37,737	
Total Career and Technical Education Program			58,256

Support Services

Attendance

Bonus Payments	\$	6,300	
Social Security		391	
Pensions		441	
Unemployment Compensation		28	
Employer Medicare		91	
Total Attendance			7,251

Health Services

Medical Personnel	\$	103,502	
Bonus Payments		2,800	
Social Security		5,886	
Pensions		7,404	
Medical Insurance		11,002	
Unemployment Compensation		83	
Employer Medicare		1,377	
Other Supplies and Materials		28,582	
Total Health Services			160,636

(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.)Other Student Support

Guidance Personnel	\$	124,821	
Bus Drivers		625	
Other Salaries and Wages		72,445	
Social Security		11,824	
Pensions		16,547	
Medical Insurance		12,004	
Unemployment Compensation		84	
Employer Medicare		2,765	
Travel		6,001	
Other Contracted Services		1,000	
Other Supplies and Materials		5,112	
In Service/Staff Development		877	
Other Charges		7,502	
Total Other Student Support			\$ 261,607

Regular Instruction Program

Supervisor/Director	\$	72,205	
Other Salaries and Wages		200,015	
Social Security		15,126	
Pensions		21,446	
Medical Insurance		5,204	
Unemployment Compensation		121	
Employer Medicare		3,899	
Travel		181	
Other Contracted Services		148,425	
Other Supplies and Materials		190	
In Service/Staff Development		8,869	
Total Regular Instruction Program			475,681

Special Education Program

Contracts with Private Agencies	\$	38,778	
Travel		947	
Other Contracted Services		14,815	
Other Supplies and Materials		10,742	
In Service/Staff Development		625	
Other Equipment		399	
Total Special Education Program			66,306

Career and Technical Education Program

In Service/Staff Development	\$	3,104	
Total Career and Technical Education Program			3,104

Technology

Bonus Payments	\$	1,400	
Other Salaries and Wages		40,870	
Social Security		2,389	

(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.)Technology (Cont.)

Pensions	\$	2,959	
Medical Insurance		5,204	
Unemployment Compensation		32	
Employer Medicare		559	
Software		21,094	
Total Technology			\$ 74,507

Office of the Principal

Assistant Principals	\$	100,222	
Bonus Payments		5,600	
Social Security		6,148	
Pensions		9,178	
Medical Insurance		6,180	
Unemployment Compensation		50	
Employer Medicare		1,438	
Total Office of the Principal			128,816

Fiscal Services

Bonus Payments	\$	4,200	
Other Salaries and Wages		41,000	
Social Security		2,802	
Pensions		3,164	
Unemployment Compensation		39	
Employer Medicare		655	
Other Contracted Services		44,500	
Total Fiscal Services			96,360

Operation of Plant

Custodial Personnel	\$	4,200	
Bonus Payments		11,900	
Social Security		998	
Pensions		1,127	
Unemployment Compensation		69	
Employer Medicare		233	
Other Supplies and Materials		38,294	
Plant Operation Equipment		6,104	
Total Operation of Plant			62,925

Maintenance of Plant

Maintenance Personnel	\$	40,403	
Social Security		2,504	
Pensions		2,730	
Unemployment Compensation		28	
Employer Medicare		586	
Total Maintenance of Plant			46,251

(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

Bonus Payments	\$	7,000	
Other Salaries and Wages		21,871	
Social Security		1,779	
Pensions		1,679	
Unemployment Compensation		43	
Employer Medicare		416	
Transportation Equipment		187,981	
Total Transportation			\$ 220,769

Operation of Non-Instructional Services

Food Service

Bonus Payments	\$	13,300	
Social Security		825	
Pensions		931	
Unemployment Compensation		59	
Employer Medicare		193	
Total Food Service			15,308

Community Services

Supervisor/Director	\$	12,000	
Clerical Personnel		3,600	
Other Salaries and Wages		119,700	
Social Security		8,132	
Pensions		11,500	
Unemployment Compensation		17	
Employer Medicare		1,900	
Other Supplies and Materials		40,000	
Total Community Services			196,849

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	834,336	
Total Regular Capital Outlay			834,336

Total School Federal Projects Fund \$ 4,581,715

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	401,357	
Social Security		23,668	
Pensions		26,103	
Medical Insurance		30,865	
Unemployment Compensation		707	
Employer Medicare		5,625	
Communication		2,430	

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Maintenance and Repair Services - Equipment	\$ 10,702	
Travel	2,834	
Other Contracted Services	10,716	
Food Supplies	670,355	
USDA - Commodities	86,233	
Other Supplies and Materials	26,579	
In Service/Staff Development	3,531	
Food Service Equipment	116,824	
Total Food Service		\$ 1,418,529
Total Central Cafeteria Fund		\$ 1,418,529
<u>Internal School Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Charges	\$ 444,999	
Total Community Services		\$ 444,999
Total Internal School Fund		444,999
Total Governmental Funds - Jackson County School Department		\$ 20,565,079

## **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, 2023, 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 November 9, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal Service 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.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-001 and 2023-002.

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

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Jackson County's responses to the findings identified in our audit and 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 the responses.

### **Purpose of this Report**

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

November 9, 2023

JEM/gc



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**

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

We have audited Jackson County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jackson County's major federal programs for the year ended June 30, 2023. 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.

In our opinion, Jackson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does

not provide a legal determination of Jackson County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jackson County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jackson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Jackson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jackson County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise Jackson County's basic financial statements. We issued our report thereon dated November 9, 2023, 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

November 9, 2023

JEM/gc

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)  
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
COVID 19 - Pandemic EBT Food Benefits	10.542	N/A	\$ 3,135
Child Nutrition Cluster: (5)			
National School Lunch Program	10.555	N/A	1,004,187 (6)
School Breakfast Program	10.553	N/A	367,710
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	86,233 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	3,940 (6)
Passed-through East Tennessee Human Resource Agency:			
Child and Adult Care Food Program	10.558	N/A	77,920
Direct Program:			
Community Facilities Loans And Grants Cluster: (5)			
Community Facilities Loans and Grants	10.766	N/A	105,000
Emergency Watershed Protection Program	10.923	N/A	360,055
Total U.S. Department of Agriculture			<u>\$ 2,008,180</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	N/A	\$ 427,050
Total U.S. Department of Housing and Urban Development			<u>\$ 427,050</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 57,269
Total U.S. Department of the Interior			<u>\$ 57,269</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 19,247 (6)
COVID 19 - Airport Improvement Program	20.106	(4)	16,639 (6)
Passed-through Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(4)	4,997
Total U.S. Department of Transportation			<u>\$ 40,883</u>
U.S. Department of the Treasury:			
Passed-through State Department of Economic and Community Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	\$ 17,640 (6)
Direct Program:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	32,853 (6)
Total U.S. Department of the Treasury			<u>\$ 50,493</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 656,643
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	402,975 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	40,067 (6)
Special Education - Preschool Grants	84.173	N/A	14,771 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173X	N/A	5,799 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	69,926
Twenty-first Century Community Learning Centers	84.287	N/A	203,450

(Continued)

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education: (Cont.)			
Passed-through State Department of Education: (Cont.)			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(4)	\$ 107,550
Rural Education	84.358	N/A	76,672
Student Support and Academic Enrichment Program	84.424	N/A	285
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,235,464 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,865,715 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	28,582 (6)
Total U.S. Department of Education			<u>\$ 4,707,899</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)	\$ 7,623
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	4,705 (6)
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	10,082 (6)
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	212,987 (6)
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	62,525 (6)
Total U.S. Department of Health and Human Services			<u>\$ 297,922</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(4)	\$ 835,442
Total U.S. Department of Homeland Security			<u>\$ 835,442</u>
Total Expenditures of Federal Grants			<u>\$ 8,425,138</u>

State Grants		Contract Number	
Coordinated School Health - State Department of Education	N/A	N/A	\$ 100,000
Early Childhood Education - State Department of Education	N/A	N/A	323,661
Family Resource Center - State Department of Education	N/A	N/A	29,612
Safe Schools Act - State Department of Education	N/A	N/A	40,850
School Resource Officer - State Department of Education	N/A	N/A	28,374
Summer Learning Camp - State Department of Education	N/A	N/A	169,585
Governor's Investment in Vocational Education - Tennessee Colleges of Applied Technology	N/A	N/A	13,398
Supporting Postsecondary Access in Rural Counties (SPARC) - Tennessee Higher Education Commission	N/A	N/A	102,000
Total State Grants			<u>\$ 807,480</u>

(Continued)

Jackson County, Tennessee, and the Jackson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

FAL = Federal Assistance Listing

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Jackson County elected not to use the 10% de minimus 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 \$1,462,070; Community Facilities Loans And Grants Cluster \$105,000;  
Special Education Cluster total \$463,612; Aging Cluster total \$22,410.
- (6) Total for FAL No. 10.555 is \$1,094,360; Total for FAL No. 20.106 is \$35,886; Total for FAL No. 21.027 is \$50,493;  
Total for FAL No. 84.027 is \$443,042; Total for FAL No. 84.173 is \$20,570; Total for FAL No. 84.425 is \$3,129,761;  
Total for FAL No. 93.045 is \$14,787; Total for FAL No. 93.323 is \$275,512.

(7) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 89,864
Total amounts consolidated for administration purposes		<u>\$ 89,864</u>



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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings, along with their current status from the Annual Financial Report for Jackson County, Tennessee, for the year ended June 30, 2023.

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

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

2022	191	2022-001	Bank statements were not reconciled properly with the general ledger.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	191	2022-002	The office did not review a list of voided transactions or reprinted checks.	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, 2023**

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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 Listing Number: 84.425 **COVID 19 - Education Stabilization Fund**
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **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 2023-001**

#### **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 55 disbursements totaling \$326,602 from a population of 2,752 vendor checks totaling \$9,289,484. Our examination revealed the following purchasing deficiencies, which are the result of a lack of management oversight.

- A. In nine of 55 applicable instances, proper documentation was not on file to support the purchase. Sound business practices dictate that proper documentation should be on file to support all purchases. The absence of proper documentation increases the risks of fraud and unauthorized purchases.
- B. In ten of 55 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.

#### **RECOMMENDATION**

Adequate documentation should be maintained to support all disbursements and should include evidence that goods have been received or services have been rendered.

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

I concur with this finding. The Mayor's Office is in the process of working with the department heads to ensure that we get all receipts at the time of purchase, which we believe will alleviate finding B. Pertaining to finding A., we have made great strides in purchasing practices and will continue trying to improve. Our office takes great pride in best practices, and it is our goal to eliminate this finding moving forward.

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## **OFFICE OF SHERIFF**

### **FINDING 2023-002**

### **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. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

### **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, 2023.

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

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

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

2023-001	The office had deficiencies in purchasing procedures.	199
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**OFFICE OF SHERIFF**

2023-002	Bank statements were not reconciled properly with the general ledger.	200
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Randy Heady  
**Jackson County Mayor**

Jackson County Courthouse P.O. Box 617 Gainesboro, Tn 38562 (931)268-9888

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Corrective Action Plan

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, County Mayor

Anticipated Completion Date of Corrective Action:  
10/30/2023

Repeat Finding:  
No.

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

Planned Corrective Action:  
Administrative Assistant, Tanna Terry, and myself are requesting all receipts at the time of purchase. We are also strenghtening our Purchase Order request policy and signed receipt policy.

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

# Jackson County Sheriff Department

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



*Marty Hinson, Sheriff*



## Corrective Action Plan

**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 D Ryan

**Anticipated Completion Date of Corrective Action:**  
07/31/2023

**Repeat Finding:**  
Yes.

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

The finding had been a re-occurring issue and the commissary company had been notified on several occasions and was asked to assist with correcting these issues., it appeared the style of software would not allow us to correct it in a manner which was feasible.

**Planned Corrective Action:**

After many attempts to correct the problem with the current company with no success , we have chosen a different company in which they will be responsible to take care of all monthly reconciliations and monthly reports and deposit transactions.

Signature:

*Sheriff Marty Hinson*



## **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.