
**ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2014



ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

JEFFERSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Jefferson County Officials		9-10
<u>FINANCIAL SECTION</u>		11
Independent Auditor's Report		12-15
BASIC FINANCIAL STATEMENTS:		16
Government-wide Financial Statements:		
Statement of Net Position	A	17-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21-23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	25-26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	27-28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	29-31
Highway/Public Works Fund	C-6	32
Proprietary Funds:		
Statement of Net Position	D-1	33
Statement of Revenues, Expenses, and Changes in Net Position	D-2	34-35
Statement of Cash Flows	D-3	36-37
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E-1	38
Statement of Changes in Fiduciary Net Position	E-2	39
Index and Notes to the Financial Statements		40-104
REQUIRED SUPPLEMENTARY INFORMATION:		105
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Jefferson County School Department	F-1	106

	Exhibit	Page(s)
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Jefferson County School Department	F-2	107
Notes to the Required Supplementary Information		108
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		109
Nonmajor Governmental Funds:		110-111
Combining Balance Sheet	G-1	112-115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	116-119
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	G-3	120
Law Library Fund	G-4	121
Solid Waste/Sanitation Fund	G-5	122
Drug Control Fund	G-6	123
Other Special Revenue Fund	G-7	124
General Capital Projects Fund	G-8	125
Major Governmental Funds:		126
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H-1	127
Fiduciary Funds:		128
Combining Statement of Fiduciary Assets and Liabilities	I-1	129
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	130-131
Component Unit:		
Discretely Presented Jefferson County School Department:		132
Statement of Activities	J-1	133
Balance Sheet – Governmental Funds	J-2	134-135
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	136
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	137
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	138
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	139-140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	J-7	141-142
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	143-144
School Federal Projects Fund	J-9	145
Central Cafeteria Fund	J-10	146

	Exhibit	Page(s)
Proprietary Fund:		
Statement of Net Position	J-11	147
Statement of Revenues, Expenses, and Changes in Net Position	J-12	148
Statement of Cash Flows	J-13	149
Fiduciary Fund:		
Statement of Fiduciary Net Position	J-14	150
Statement of Changes in Fiduciary Net Position	J-15	151
Miscellaneous Schedules:		
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	K-1	153
Schedule of Long-term Debt Requirements by Year	K-2	154-155
Schedule of Transfers – Primary Government and Discretely Presented Jefferson County School Department	K-3	156
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Jefferson County School Department	K-4	157
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	158-169
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-6	170-177
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	178-199
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-8	200-213
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-9	214
 <u>SINGLE AUDIT SECTION</u>		 215
 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		 216-218
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		219-221
Schedule of Expenditures of Federal Awards and State Grants		222-223
Schedule of Audit Findings Not Corrected		224
Schedule of Findings and Questioned Costs		225-233
Auditee Reporting Responsibilities		234

Summary of Audit Findings

Annual Financial Report
Jefferson County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2014.

Results

Our report on the financial statements of Jefferson County is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- ◆ A cash shortage of at least \$144,797.95 existed in the office as of March 7, 2014.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ Expenditures exceeded appropriations.
- ◆ The office did not implement adequate controls to protect its information resources.
- ◆ Used vehicles and equipment were purchased without obtaining the required documentation.

OFFICE OF COUNTY CLERK

- ◆ Employees shared a username and password.

OFFICE OF SOLID WASTE DEPARTMENT

- ◆ The office did not implement adequate controls to protect its information resources.
-

JEFFERSON COUNTY

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

INTRODUCTORY SECTION

Jefferson County Officials

June 30, 2014

Officials

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

Board of County Commissioners

Marty Mills, Chairman	Todd Kesterson
Jack Akard	Clark Maples
Anna Barreiro	Rita Musick
Randall Baxley	Jimmy Patterson
Robert Beeler	John Scarlett
Robert Blevins	Barbara Sheets
James Carmichael	Sammy Solomon
Dennis Cureton	Donnie Tabor
Terry Dockery	Robert Tucker
Daniel Estes	Russell Turner
Roger Griffith	

Board of Education

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

Highway Commission

Mike Wolfenbarger, Chairman	Bruce Frazier
David Cate	Doug Quarles
Paul Condry	John Turner
Wayne Elmore	

Jefferson County Officials (Cont.)

Financial Management Committee

Daniel Estes, Chairman
Jack Akard
Ginger Franklin, Trustee
Roger Griffith

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

Audit Committee

Marty Mills, Chairman
Daniel Estes
Roger Griffith

Joe Mack High
Garry Jett

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jefferson County Nursing Home, which represent 10.7 percent, 3.6 percent, and 16 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Jefferson County Emergency Communications District, which represent 1.1 percent, 1.5 percent, and 1.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those

statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jefferson County Nursing Home and the Jefferson County Emergency Communications District is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.C., Jefferson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes restatements to the beginning balance of funds of the primary government totaling \$96,137 and the discretely presented Jefferson County School Department totaling \$3,759. These

restatements were necessary because of the discovery during the current year of a cash shortage in the Office of Finance Director. The cash shortage resulted from inappropriate use of county and School Department funds to pay personal expenses of a Finance Department employee. These restatements have been reported to recognize the amount of the cash shortage, which was attributable to payments made in prior years. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 106 - 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Jefferson County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

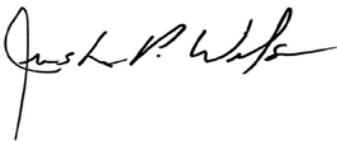
(a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, on our consideration of Jefferson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2015

JPW/yu

BASIC FINANCIAL STATEMENTS

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District
Cash and Cash Equivalents	\$ 125,179	\$ 25	\$ 125,204	\$ 31,165	\$ 1,310,002	\$ 614,831
Equity in Pooled Cash and Investments	21,285,571	200,866	21,486,437	11,006,453	0	0
Inventories	0	0	0	0	27,200	0
Accounts Receivable	2,521,816	89,018	2,610,834	67,132	804,545	68,313
Allowance for Uncollectibles	(713,066)	(32,000)	(745,066)	0	(13,800)	0
Due from Other Governments	826,771	0	826,771	3,128,598	0	0
Due from Component Units	7,285,000	0	7,285,000	0	0	0
Due from Primary Government	0	0	0	64,893	0	0
Internal Balances	105,753	(105,753)	0	0	0	0
Property Taxes Receivable	18,297,238	0	18,297,238	11,100,692	0	0
Allowance for Uncollectible Property Taxes	(824,251)	0	(824,251)	(481,657)	0	0
Prepaid Expenses	119,850	0	119,850	0	23,276	14,779
Estimated third-party payor settlements	0	0	0	0	37,659	0
Cash Shortage	122,576	11,898	134,474	3,759	0	0
Unamortized Discount on Debt	368,417	0	368,417	0	0	0
Restricted Assets:						
Other Restricted Assets	0	0	0	0	234,769	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,457,246	461,930	1,919,176	1,492,550	7,181	0
Construction in Progress	0	94,347	94,347	32,862,481	0	0
Assets Net of Accumulated Depreciation:						
Landfill Facilities and Development	0	82,789	82,789	0	0	0
Buildings and Improvements	17,053,384	5,542	17,058,926	24,178,980	7,158,684	0
Machinery and Equipment	0	1,160,323	1,160,323	1,181,978	966,184	348,334
Other Capital Assets	2,921,871	0	2,921,871	2,851,976	4,700	0
Infrastructure	80,474,856	0	80,474,856	0	0	0
Total Assets	\$ 151,428,211	\$ 1,968,985	\$ 153,397,196	\$ 87,489,000	\$ 10,560,400	\$ 1,046,257
Deferred Charge on Refunding	\$ 222,304	\$ 0	\$ 222,304	\$ 0	\$ 0	\$ 0
Total Deferred Outflows of Resources	\$ 222,304	\$ 0	\$ 222,304	\$ 0	\$ 0	\$ 0
LIABILITIES						
Accounts Payable	\$ 252,115	\$ 634	\$ 252,749	\$ 332,415	\$ 307,855	\$ 0
Accrued Payroll	90,734	18,606	109,340	184,271	423,549	0

(Continued)

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

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District	
Accrued Interest Payable	\$ 204,959	\$ 1,865	\$ 206,824	\$ 0	\$ 25,507	\$ 0	0
Payroll Deductions Payable	178,739	0	178,739	2,043,274	36,186	0	0
Contracts Payable	0	0	0	1,108,155	0	0	0
Retainage Payable	0	0	0	53,798	0	0	0
Accrued Leave - Current	0	0	0	0	0	0	24,312
Claims and Judgments Payable	57,993	0	57,993	0	0	0	0
Due to Component Units	64,893	0	64,893	0	0	0	0
Due to Primary Government	0	0	0	0	7,285,000	0	0
Due to the State of Tennessee	29,671	7,016	36,687	0	0	0	0
Other Current Liabilities	0	0	0	28,410	38,047	0	0
Noncurrent Liabilities:							
Due Within One Year	4,521,632	113,776	4,635,408	241,303	0	0	0
Due in More Than One Year	79,397,977	5,397,163	84,795,140	9,127,617	0	0	0
Total Liabilities	\$ 84,798,713	\$ 5,539,060	\$ 90,337,773	\$ 13,119,243	\$ 8,116,144	\$ 24,312	
Deferred Current Property Taxes	\$ 16,847,071	\$ 0	\$ 16,847,071	\$ 10,269,790	\$ 0	\$ 0	0
Total Deferred Inflows of Resources	\$ 16,847,071	\$ 0	\$ 16,847,071	\$ 10,269,790	\$ 0	\$ 0	0
Net Investment in Capital Assets	\$ 90,974,145	\$ 1,606,803	\$ 92,580,948	\$ 62,567,965	\$ 1,067,049	\$ 348,334	
Restricted for:							
General Government	400,097	0	400,097	0	0	0	0
Finance	15,794	0	15,794	0	0	0	0
Administration of Justice	710,071	0	710,071	0	0	0	0
Public Safety	243,127	0	243,127	0	0	0	0
Public Health and Welfare	832,453	0	832,453	0	0	0	0
Social, Cultural, and Recreational Services	62,995	0	62,995	0	0	0	0
Highway/Public Works	2,035,786	0	2,035,786	0	0	0	0
Education	0	0	0	1,083,677	0	0	0
Capital Projects	935,100	0	935,100	3,904,913	0	0	0
Other Purposes	0	0	0	0	14,769	0	0
Unrestricted	(46,204,837)	(5,176,878)	(51,381,715)	(3,456,588)	1,362,438	673,611	
Total Net Position	\$ 50,004,731	\$ (3,570,075)	\$ 46,434,656	\$ 64,099,967	\$ 2,444,256	\$ 1,021,945	

DEFERRED INFLOWS OF RESOURCES

NET POSITION

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

Jefferson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District	
Primary Government:											
Governmental Activities:											
General Government	\$ 2,920,475	\$ 468,487	\$ 25,482	\$ 69,670	\$ (2,356,836)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,866,098	1,797,402	0	0	(1,068,696)	0	0	0	0	0	0
Administration of Justice	2,097,582	1,100,831	15,630	0	(981,121)	0	0	0	0	0	0
Public Safety	7,626,451	1,792,861	121,333	13,940	(5,698,317)	0	0	0	0	0	0
Public Health and Welfare	6,707,398	4,583,657	229,077	555,419	(1,339,245)	0	0	0	0	0	0
Social, Cultural, and Recreational Services	665,213	6,900	218,276	33,258	(406,779)	0	0	0	0	0	0
Agriculture and Natural Resources	139,798	0	0	0	(139,798)	0	0	0	0	0	0
Highways	5,689,550	31,931	1,686,513	112,584	(3,858,522)	0	0	0	0	0	0
Education	68,103	0	0	0	(68,103)	0	0	0	0	0	0
Interest on Long-term Debt	3,528,238	0	0	0	(3,528,238)	0	0	0	0	0	0
Total Governmental Activities	\$ 32,308,906	\$ 9,782,069	\$ 2,296,311	\$ 784,871	\$ (19,445,655)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:											
Solid Waste Disposal	\$ 1,363,644	\$ 1,395,609	\$ 0	\$ 0	\$ 0	\$ 31,965	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,363,644	\$ 1,395,609	\$ 0	\$ 0	\$ 0	\$ 31,965	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 33,672,550	\$ 11,177,678	\$ 2,296,311	\$ 784,871	\$ (19,445,655)	\$ 31,965	\$ (19,413,690)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:											
Jefferson County School Department	\$ 62,079,721	\$ 1,087,728	\$ 7,600,999	\$ 81,180	\$ 0	\$ 0	\$ (53,309,814)	\$ 0	\$ 0	\$ 0	\$ 0
Jefferson County Nursing Home	11,779,250	11,732,304	0	0	0	0	0	(46,946)	0	0	0
Emergency Communications District	989,428	303,000	318,972	151,542	0	0	0	0	0	(215,914)	0
Total Component Units	\$ 74,848,399	\$ 13,123,032	\$ 7,919,971	\$ 232,722	\$ 0	\$ 0	\$ (53,309,814)	\$ (46,946)	\$ 0	\$ (215,914)	\$ 0

(Continued)

Jefferson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary Government		Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District
			Grants and Contributions	Grants and Contributions		Governmental Activities	Business-type Activities			
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 14,308,191	\$ 0	\$ 14,308,191	\$ 9,212,453	\$ 0	\$ 0
Property Taxes Levied for Debt Service					2,305,737	0	2,305,737	0	0	0
Local Option Sales Taxes					1,161,253	0	1,161,253	5,225,401	0	0
Hotel/Motel Tax					247,712	0	247,712	0	0	0
Wheel Tax					1,096,116	0	1,096,116	0	0	0
Litigation Tax - General					100,079	0	100,079	0	0	0
Litigation Tax - Special Purpose					12,129	0	12,129	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					163,105	0	163,105	0	0	0
Business Tax					377,318	0	377,318	0	0	0
Adequate Facilities Tax					277,775	0	277,775	0	0	0
Wholesale Beer Tax					117,138	0	117,138	2,469	0	0
Interstate Telecommunications Tax					0	0	0	8,916	0	0
Grants and Contributions Not Restricted to Specific Programs					970,491	0	970,491	36,392,663	0	433,600
Unrestricted Investment Income					268,037	0	268,037	924	667	424
Miscellaneous					63,301	0	63,301	169,576	0	343
Insurance Recovery					0	0	0	145,439	0	0
Gain on Sale of Capital Assets					76,606	0	76,606	0	0	0
Gain from Impairment of Capital Asset					0	0	0	654,059	0	0
Total General Revenues					\$ 21,544,988	\$ 0	\$ 21,544,988	\$ 51,811,900	\$ 667	\$ 434,367
Transfers										
Change in Net Position					(13,628)	\$ 13,628	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2013					2,085,705	\$ 45,593	\$ 2,131,298	\$ (1,497,914)	\$ (46,279)	\$ 218,453
Prior-period Adjustment					47,829,612	(3,622,391)	44,207,221	65,594,122	2,600,303	803,492
Restatement of Beginning Net Position - See Note I.D.10.					0	0	0	0	(109,768)	0
Net Position, June 30, 2014					\$ 50,004,731	\$ (3,570,075)	\$ 46,434,656	\$ 64,099,967	\$ 2,444,256	\$ 1,021,945

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

Jefferson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other		
				Governmental Funds	Governmental Funds	
\$	13,374	\$ 0	\$ 0	\$ 111,805	\$ 125,179	
	5,853,867	1,844,162	7,203,799	6,255,624	21,157,452	
	2,501,228	2,310	4,718	3,702	2,511,958	
	(713,066)	0	0	0	(713,066)	
	317,415	302,454	206,902	0	826,771	
	1,097	0	198,127	0	199,224	
	10,886,502	2,507,186	2,507,186	2,396,364	18,297,238	
	(484,644)	(113,191)	(113,191)	(113,225)	(824,251)	
	0	0	119,850	0	119,850	
	116,859	700	0	5,017	122,576	
	\$ 18,492,632	\$ 4,543,621	\$ 10,127,391	\$ 8,659,287	\$ 41,822,931	

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Allowance for Uncollectibles
Due from Other Governments
Due from Other Funds
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Prepaid Items
Cash Shortage

LIABILITIES

Accounts Payable
Accrued Payroll
Payroll Deductions Payable
Claims and Judgments Payable
Due to Other Funds
Due to Component Units
Due to State of Tennessee
Total Liabilities

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
\$ 10,039,008	\$ 2,307,818	\$ 2,307,818	\$ 2,192,427	\$ 16,847,071		
194,361	46,161	46,161	48,589	335,272		
1,546,232	144,318	105,770	0	1,796,320		
<u>\$ 11,779,601</u>	<u>\$ 2,498,297</u>	<u>\$ 2,459,749</u>	<u>\$ 2,241,016</u>	<u>\$ 18,978,663</u>		

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 10,039,008	\$ 2,307,818	\$ 2,192,427	\$ 16,847,071
Deferred Delinquent Property Taxes	194,361	46,161	48,589	335,272
Other Deferred/Unavailable Revenue	1,546,232	144,318	0	1,796,320
Total Deferred Inflows of Resources	<u>\$ 11,779,601</u>	<u>\$ 2,498,297</u>	<u>\$ 2,459,749</u>	<u>\$ 18,978,663</u>

FUND BALANCES

Nonspendable:	\$ 0	\$ 0	\$ 119,850	\$ 0	\$ 119,850
Prepaid Items					
Restricted:					
Restricted for General Government	4,855	0	0	395,242	400,997
Restricted for Finance	8,461	0	0	7,333	15,794
Restricted for Administration of Justice	708,391	0	0	1,680	710,071
Restricted for Public Safety	88,863	0	0	154,264	243,127
Restricted for Public Health and Welfare	11,676	0	0	804,490	816,166
Restricted for Social, Cultural, and Recreational Services	62,995	0	0	0	62,995
Restricted for Highways/Public Works	0	1,931,606	0	0	1,931,606
Restricted for Capital Projects	0	0	0	922,953	922,953
Committed:					
Committed for Public Health and Welfare	0	0	0	9,155	9,155
Committed for Other Operations	0	0	0	1,125,590	1,125,590
Committed for Education	0	0	0	2,800,000	2,800,000
Committed for Debt Service	0	0	7,547,792	0	7,547,792
Assigned:					
Assigned for General Government	1,325,316	0	0	0	1,325,316
Assigned for Finance	2,907	0	0	0	2,907

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	Highway / Public Works	General Debt Service	Other	Governmental Funds		
\$	1,961	\$ 0	\$ 0	0	\$ 0	1,961
	33,812	0	0	0	0	33,812
	18,223	0	0	0	0	18,223
	1,754	0	0	0	0	1,754
	200	0	0	0	0	200
	115,000	0	0	0	0	666,303
	3,876,755	0	0	0	0	3,325,452
	<u>6,261,169</u>	<u>1,931,606</u>	<u>7,667,642</u>	<u>6,220,707</u>	<u>\$ 22,081,124</u>	
	<u>18,492,632</u>	<u>4,543,621</u>	<u>10,127,391</u>	<u>8,659,287</u>	<u>\$ 41,822,931</u>	

FUND BALANCES (Cont.)

Assigned (Cont.):
 Assigned for Administration of Justice
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Social, Cultural, and Recreational Services
 Assigned for Agriculture and Natural Resources
 Assigned for Other Operations
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Jefferson County, Tennessee
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2014

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)		\$ 22,081,124
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,457,246	
Add: buildings and improvements net of accumulated depreciation	17,053,384	
Add: other capital assets net of accumulated depreciation	2,921,871	
Add: infrastructure net of accumulated depreciation	<u>80,474,856</u>	101,907,357
(2) An internal service fund is used by management to charge the cost of employee dental and vision programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		133,505
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (27,588,606)	
Less: bonds payable	(54,755,000)	
Add: bonds paid by Nursing Home for the primary government	7,285,000	
Add: deferred amount on refunding	222,304	
Less: unamortized premium on debt	(414,399)	
Add: unamortized discount on debt	368,417	
Less: accrued interest on bonds, capital leases, and other loans	(204,959)	
Less: compensated absences payable	(533,970)	
Less: other postemployment benefits liability	<u>(627,634)</u>	(76,248,847)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,131,592</u>
Net position of governmental activities (Exhibit A)		<u>\$ 50,004,731</u>

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

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway /	General Debt Service	Other	Governmental Funds	
		Public Works				
<u>Revenues</u>						
Local Taxes	\$ 10,671,221	\$ 2,308,864	\$ 4,874,523	\$ 2,488,235	\$ 20,342,843	
Licenses and Permits	282,134	0	0	0	282,134	
Fines, Forfeitures, and Penalties	329,762	0	0	37,643	367,405	
Charges for Current Services	3,515,500	29,735	0	953,373	4,498,608	
Other Local Revenues	628,178	2,196	757,414	822,593	2,210,381	
Fees Received from County Officials	1,418,499	0	0	0	1,418,499	
State of Tennessee	1,807,530	1,812,301	0	0	3,619,831	
Federal Government	649,691	0	442,656	56,980	1,149,327	
Other Governments and Citizens Groups	207,944	0	0	2,975	210,919	
<u>Total Revenues</u>	<u>\$ 19,510,459</u>	<u>\$ 4,153,096</u>	<u>\$ 6,074,593</u>	<u>\$ 4,361,799</u>	<u>\$ 34,099,947</u>	
<u>Expenditures</u>						
Current:						
General Government	\$ 2,265,413	\$ 0	\$ 0	\$ 228,305	\$ 2,493,718	
Finance	2,101,181	0	0	741,086	2,842,267	
Administration of Justice	1,659,224	0	0	178	1,659,402	
Public Safety	7,120,649	0	0	86,699	7,207,348	
Public Health and Welfare	4,980,491	0	0	1,723,668	6,704,159	
Social, Cultural, and Recreational Services	577,091	0	0	1,000	578,091	
Agriculture and Natural Resources	139,584	0	0	0	139,584	
Other Operations	1,104,482	0	0	0	1,104,482	
Highways	0	4,678,284	0	0	4,678,284	
Debt Service:						
Principal on Debt	0	0	3,543,239	0	3,543,239	
Interest on Debt	0	0	3,350,718	0	3,350,718	
Other Debt Service	0	0	180,213	0	180,213	

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 180,416	\$ 180,416	\$ 180,416
Total Expenditures	\$ 19,948,115	\$ 4,678,284	\$ 7,074,170	\$ 2,961,352	\$ 34,661,921	\$ 34,661,921
Excess (Deficiency) of Revenues Over Expenditures	\$ (437,656)	\$ (525,188)	\$ (999,577)	\$ 1,400,447	\$ (561,974)	\$ (561,974)
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 4,285,000	\$ 0	\$ 4,285,000	\$ 4,285,000
Premiums on Debt Issued	0	0	90,617	0	90,617	90,617
Insurance Recovery	164,553	0	0	0	164,553	164,553
Transfers In	742,500	0	391,008	0	1,133,508	1,133,508
Transfers Out	(391,008)	0	0	(756,128)	(1,147,136)	(1,147,136)
Payments to Refunded Debt Escrow Agent	0	0	(4,281,107)	0	(4,281,107)	(4,281,107)
Total Other Financing Sources (Uses)	\$ 516,045	\$ 0	\$ 485,518	\$ (756,128)	\$ 245,435	\$ 245,435
Net Change in Fund Balances	\$ 78,389	\$ (525,188)	\$ (514,059)	\$ 644,319	\$ (316,539)	\$ (316,539)
Restatement of Beginning Fund Balance - See Note I.D.10	83,697	700	0	5,017	89,414	89,414
Fund Balance, July 1, 2013	6,099,083	2,456,094	8,181,701	5,571,371	22,308,249	22,308,249
Fund Balance, June 30, 2014	\$ 6,261,169	\$ 1,931,606	\$ 7,667,642	\$ 6,220,707	\$ 22,081,124	\$ 22,081,124

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

Jefferson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2014

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)		\$ (316,539)
(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	\$ 1,230,741	
Less: current-year depreciation expense	<u>(2,362,156)</u>	(1,131,415)
(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 assets disposed		(84,367)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 2,131,592	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(1,948,486)</u>	183,106
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: refunding debt issued	\$ (4,285,000)	
Add: principal amount of debt refunded	4,075,000	
Less: change in unamortized discount on debt issues	(27,898)	
Less: change in unamortized premium on debt issues	(45,161)	
Add: principal payments on bonds	275,000	
Add: principal payments on notes	310,000	
Add: principal payments on other loans	2,958,239	
Add: change in deferred amount on refunding debt	174,511	
Add: change in contributions from Nursing Home for bond	<u>45,000</u>	3,479,691
(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	\$ 16,731	
Change in compensated absences payable	3,791	
Change in other postemployment benefits liability	<u>(58,351)</u>	(37,829)

(Continued)

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

(6) An internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.	<u>\$ (6,942)</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 2,085,705</u></u>

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

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,671,221	\$ 0	\$ 0	\$ 10,671,221	\$ 10,209,000	\$ 10,209,000	\$ 462,221
Licenses and Permits	282,134	0	0	282,134	266,500	266,500	15,634
Fines, Forfeitures, and Penalties	329,762	0	0	329,762	398,800	403,800	(74,038)
Charges for Current Services	3,515,500	0	0	3,515,500	3,226,500	3,226,500	289,000
Other Local Revenues	628,178	0	0	628,178	65,700	510,159	118,019
Fees Received from County Officials	1,418,499	0	0	1,418,499	1,247,500	1,247,500	170,999
State of Tennessee	1,807,530	0	0	1,807,530	2,171,670	2,192,327	(384,797)
Federal Government	649,691	0	0	649,691	641,859	1,118,136	(468,445)
Other Governments and Citizens Groups	207,944	0	0	207,944	154,000	154,000	53,944
Total Revenues	\$ 19,510,459	\$ 0	\$ 0	\$ 19,510,459	\$ 18,381,529	\$ 19,327,922	\$ 182,537

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 254,110	\$ 0	\$ 0	\$ 254,110	\$ 261,163	\$ 291,163	\$ 37,053
Board of Equalization	1,200	0	0	1,200	3,000	3,000	1,800
County Mayor/Executive	221,104	(387)	0	220,717	255,341	255,341	34,624
Election Commission	341,169	(357)	58	340,870	406,012	409,182	68,312
Register of Deeds	41,257	0	0	41,257	47,943	47,943	6,686
Codes Compliance	112,198	(189)	22	112,031	111,566	112,231	200
County Buildings	855,832	(13,762)	1,605	843,675	827,614	849,504	5,829
Other Facilities	375,081	(6,036)	77	369,122	479,318	479,621	110,499
Other General Administration	58,250	0	0	58,250	2,500	60,750	2,500
Preservation of Records	5,212	0	0	5,212	10,100	10,100	4,888
<u>Finance</u>							
Accounting and Budgeting	681,364	0	1,728	683,092	689,549	695,548	12,456
Property Assessor's Office	508,816	(546)	19	508,289	642,979	643,729	135,440
County Trustee's Office	64,558	(3,412)	20	61,166	64,515	64,515	3,349
County Clerk's Office	115,601	(2,830)	0	112,771	119,783	119,783	7,012
Data Processing	109,968	(241)	1,140	110,867	128,626	128,626	17,759
Other Finance	620,874	0	0	620,874	650,362	650,362	29,488

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 709,903	\$ (5,554)	\$ 0	\$ 704,349	\$ 756,171	\$ 756,171	\$ 51,822
General Sessions Court	295,544	0	500	296,044	298,555	298,555	2,511
Drug Court	141,370	0	0	141,370	25,650	138,451	(2,919)
Chancery Court	215,247	0	1,307	216,554	223,046	223,046	6,492
Juvenile Court	252,112	(209)	154	252,057	275,985	275,985	23,928
Other Administration of Justice	347	0	0	347	1,500	1,500	1,153
Victims Assistance Programs	44,701	0	0	44,701	27,500	32,500	(12,201)
<u>Public Safety</u>							
Sheriff's Department	3,590,528	(37,491)	16,929	3,569,966	3,732,858	3,792,523	222,557
Wheel Tax Officer	13,369	0	0	13,369	15,495	15,495	2,126
Administration of the Sexual Offender Registry	16,040	0	0	16,040	20,000	20,000	3,960
Jail	2,641,693	(5,246)	16,883	2,653,330	2,632,494	2,655,089	1,759
Workhouse	311,111	0	0	311,111	370,550	370,550	59,439
Inspection and Regulation	107,081	(291)	0	106,790	109,660	109,660	2,870
Public Safety Grants Program	7,227	0	0	7,227	67,000	67,000	59,773
Other Public Safety	433,600	0	0	433,600	433,600	433,600	0
<u>Public Health and Welfare</u>							
Local Health Center	229,953	0	166	230,119	222,580	263,424	33,305
Rabies and Animal Control	123,213	(957)	1,000	123,256	134,180	134,180	10,924
Ambulance/Emergency Medical Services	4,361,298	(19,883)	2,045	4,343,460	4,307,461	4,429,686	86,226
Aid to Dependent Children	1,523	0	1,477	3,000	5,000	5,000	2,000
Sanitation Education/Information	69,598	(820)	479	69,257	66,601	70,656	1,399
Postclosure Care Costs	0	0	0	0	0	30,000	30,000
Other Public Health and Welfare	194,906	(25,875)	80	169,111	176,710	176,710	7,599
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	211,463	0	1,100	212,563	212,405	214,200	1,637
Libraries	365,628	(701)	654	365,581	379,369	379,369	13,788
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	101,320	0	200	101,520	107,041	107,041	5,521
Soil Conservation	38,264	0	0	38,264	38,674	38,674	410

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Veterans' Services	\$ 52,824	\$ 0	\$ 0	\$ 52,824	\$ 54,781	\$ 54,781	\$ 1,957
Contributions to Other Agencies	1,048,595	0	0	1,048,595	1,057,695	1,057,695	9,100
Employee Benefits	3,063	0	0	3,063	0	3,063	0
Total Expenditures	\$ 19,948,115	\$ (124,787)	\$ 47,643	\$ 19,870,971	\$ 20,452,932	\$ 20,976,002	\$ 1,105,031
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (437,656)	\$ 124,787	\$ (47,643)	\$ (360,512)	\$ (2,071,403)	\$ (1,648,080)	\$ 1,287,568
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 164,553	\$ 0	\$ 0	\$ 164,553	\$ 0	\$ 164,553	\$ 0
Transfers In	742,500	0	0	742,500	1,126,473	700,470	42,030
Transfers Out	(391,008)	0	0	(391,008)	(58,250)	(449,257)	58,249
Total Other Financing Sources	\$ 516,045	\$ 0	\$ 0	\$ 516,045	\$ 1,068,223	\$ 415,766	\$ 100,279
Net Change in Fund Balance	\$ 78,389	\$ 124,787	\$ (47,643)	\$ 155,533	\$ (1,003,180)	\$ (1,232,314)	\$ 1,387,847
Restatement of Beginning Fund Balance - See Note I.D.10	83,697	0	0	83,697	0	0	83,697
Fund Balance, July 1, 2013	6,099,083	(124,787)	0	5,974,296	5,555,168	5,555,168	419,128
Fund Balance, June 30, 2014	\$ 6,261,169	\$ 0	\$ (47,643)	\$ 6,213,526	\$ 4,551,988	\$ 4,322,854	\$ 1,890,672

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

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,308,864	\$ 0	\$ 0	\$ 2,308,864	\$ 2,234,600	\$ 2,234,600	\$ 74,264
Charges for Current Services	29,735	0	0	29,735	55,000	55,000	(25,265)
Other Local Revenues	2,196	0	0	2,196	0	66	2,130
State of Tennessee	1,812,301	0	0	1,812,301	1,784,208	1,784,208	28,093
Total Revenues	\$ 4,153,096	\$ 0	\$ 0	\$ 4,153,096	\$ 4,073,808	\$ 4,073,874	\$ 79,222
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 257,950	(10)	10	257,950	272,839	270,075	12,125
Highway and Bridge Maintenance	2,393,945	(13,135)	0	2,380,810	2,287,591	2,414,880	34,070
Operation and Maintenance of Equipment	1,159,303	(127,091)	0	1,032,212	918,831	1,121,639	89,427
Quarry Operations	657,550	(4,027)	14,523	668,046	753,944	742,623	74,577
Asphalt Plant Operations	27,382	0	0	27,382	32,600	32,600	5,218
Other Charges	97,369	0	0	97,369	102,079	102,833	5,464
Employee Benefits	84,785	0	0	84,785	84,785	84,785	0
Capital Outlay	0	0	0	0	0	200,000	200,000
Total Expenditures	\$ 4,678,284	\$ (144,263)	\$ 14,533	\$ 4,548,554	\$ 4,452,669	\$ 4,969,435	\$ 420,881
Excess (Deficiency) of Revenues Over Expenditures	\$ (525,188)	\$ 144,263	\$ (14,533)	\$ (395,458)	\$ (378,861)	\$ (895,561)	\$ 500,103
Net Change in Fund Balance	\$ (525,188)	\$ 144,263	\$ (14,533)	\$ (395,458)	\$ (378,861)	\$ (895,561)	\$ 500,103
Restatement of Beginning Fund Balance - See Note I.D.10	700	0	0	700	0	0	700
Fund Balance, July 1, 2013	2,456,094	(144,263)	0	2,311,831	2,231,075	2,231,075	80,756
Fund Balance, June 30, 2014	\$ 1,931,606	\$ 0	\$ (14,533)	\$ 1,917,073	\$ 1,852,214	\$ 1,335,514	\$ 581,559

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

Jefferson County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 25	\$ 0
Equity in Pooled Cash and Investments	200,866	128,119
Accounts Receivable	89,018	9,858
Allowance for Uncollectibles	(32,000)	0
Due from Other Funds	92,374	0
Cash Shortage	11,898	0
Total Current Assets	<u>\$ 362,181</u>	<u>\$ 137,977</u>
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	\$ 461,930	\$ 0
Construction in Progress	94,347	0
Assets Net of Accumulated Depreciation:		
Landfill Facilities and Development	82,789	0
Buildings and Improvements	5,542	0
Machinery and Equipment	1,160,323	0
Total Noncurrent Assets	<u>\$ 1,804,931</u>	<u>\$ 0</u>
Total Assets	<u>\$ 2,167,112</u>	<u>\$ 137,977</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 634	\$ 0
Claims Payable	0	4,472
Accrued Payroll	18,606	0
Accrued Interest Payable	1,865	0
Due to Other Funds	198,127	0
Due to the State of Tennessee	7,016	0
Current Portion of Long-term Liabilities	113,776	0
Total Current Liabilities	<u>\$ 340,024</u>	<u>\$ 4,472</u>
Noncurrent Liabilities:		
Due in More Than One Year	<u>\$ 5,397,163</u>	<u>\$ 0</u>
Total Noncurrent Liabilities	<u>\$ 5,397,163</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 5,737,187</u>	<u>\$ 4,472</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 1,606,803	\$ 0
Net Position - Unrestricted	<u>(5,176,878)</u>	<u>133,505</u>
Total Net Position	<u>\$ (3,570,075)</u>	<u>\$ 133,505</u>

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

Jefferson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Revenues</u>		
Tipping Fees	\$ 1,092,736	\$ 0
Lease/Rentals	841	0
Sale of Recycled Materials	251,671	0
Miscellaneous Refunds	2,153	0
Other Local Revenues	704	0
State of Tennessee	47,504	0
Self-Insurance Premiums/Contributions	0	121,425
Total Operating Revenues	<u>\$ 1,395,609</u>	<u>\$ 121,425</u>
<u>Operating Expenses</u>		
<u>Cost of Sales and Services</u>		
Supervisor/Director	\$ 30,170	\$ 0
Accountants/Bookkeepers	34,483	0
Part-time Personnel	8,473	0
Longevity Pay	12,150	0
Laborers	358,102	0
Board and Committee Members Fees	4,320	0
Social Security	29,078	0
State Retirement	64,373	0
Life Insurance	908	0
Medical Insurance	115,332	0
Dental Insurance	1,100	0
Unemployment Compensation	503	0
Employer Medicare	6,801	0
Data Processing Services	4,447	0
Engineering Services	5,873	0
Evaluation and Testing	7,799	0
Janitorial Services	1,607	0
Maintenance Agreements	197	0
Maintenance and Repair Services - Equipment	95,701	0
Postal Charges	46	0
Rentals	561	0
Travel	1,830	0
Other Contracted Services	25,732	0
Crushed Stone	30,017	0
Diesel Fuel	90,836	0
Gasoline	45,058	0
Lubricants	8,912	0

(Continued)

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Expenses (Cont.)</u>		
<u>Cost of Sales and Services (Cont.)</u>		
Office Supplies	\$ 2,448	\$ 0
Pipe	17,197	0
Small Tools	1,516	0
Tires and Tubes	1,585	0
Utilities	13,453	0
Chemicals	900	0
Other Supplies and Materials	7,901	0
Building and Contents Insurance	8,089	0
Liability Insurance	4,486	0
Trustee's Commission	11,072	0
Workers' Compensation Insurance	27,111	0
Depreciation	123,626	0
Surcharge	26,635	0
Landfill Closure/Postclosure Care Costs	81,250	0
Other Charges	8,389	0
Solid Waste Equipment	40,111	0
Handling Charges and Administrative Costs	0	14,524
Other Self-Insured Claims	0	113,843
Total Operating Expenses	<u>\$ 1,360,178</u>	<u>\$ 128,367</u>
Operating Income (Loss)	<u>\$ 35,431</u>	<u>\$ (6,942)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Interest on Internal Loan	\$ (3,466)	\$ 0
Total Nonoperating Revenues (Expenses)	<u>\$ (3,466)</u>	<u>\$ 0</u>
Income (Loss) Before Contributions and Transfers	\$ 31,965	\$ (6,942)
Transfers In	13,628	0
Change in Net Position	<u>\$ 45,593</u>	<u>\$ (6,942)</u>
Net Position, July 1, 2013	(3,622,391)	140,447
Restatement of Beginning Fund Balance - See Note I.D.10	6,723	0
Net Position, June 30, 2014	<u><u>\$ (3,570,075)</u></u>	<u><u>\$ 133,505</u></u>

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

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
	<u>Fund</u>	<u>Fund</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 1,101,482	\$ 0
Receipts from Recycled Materials	251,671	0
Receipts from Other Operating Grants	47,504	0
Receipts for Self-Insurance Premiums	0	121,590
Payments to Employees and Board Members	(450,671)	0
Payments for Fringe Benefits	(218,095)	0
Payments to Suppliers	(393,198)	0
Payments to Others	(154,707)	0
Payments for Claims	0	(111,425)
Payments for Administrative Costs	0	(14,524)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 183,986</u>	<u>\$ (4,359)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (122,996)	\$ 0
Transfer from Primary Government for Capital Asset Purchase	13,628	0
Principal Paid on Internal Loan	(90,000)	0
Interest Paid on Internal Loan	(3,646)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (203,014)</u>	<u>\$ 0</u>
Increase (Decrease) in Cash	\$ (19,028)	\$ (4,359)
Cash, July 1, 2013	<u>219,919</u>	<u>132,478</u>
Cash, June 30, 2014	<u>\$ 200,891</u>	<u>\$ 128,119</u>

(Continued)

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 35,431	\$ (6,942)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	123,626	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	26,816	165
Increase (Decrease) in Allowance for Uncollectibles	11,700	0
(Increase) Decrease in Due from Other Funds	(33,468)	0
(Increase) Decrease in Cash Shortage	(5,175)	0
Increase (Decrease) in Operating Accounts Payable	(32,191)	2,418
Increase (Decrease) in Accrued Payroll	(2,923)	0
Increase (Decrease) in Due to State of Tennessee	670	0
Increase (Decrease) in Compensated Absences	(50)	0
Increase (Decrease) in Landfill Closure/Postclosure Care Cost	59,550	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 183,986</u>	<u>\$ (4,359)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>		
Cash Per Net Position	\$ 25	\$ 0
Equity in Pooled Cash and Investments Per Net Position	<u>200,866</u>	<u>128,119</u>
Cash, June 30, 2014	<u>\$ 200,891</u>	<u>\$ 128,119</u>

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

Jefferson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,642,961
Equity in Pooled Cash and Investments	9,207
Accounts Receivable	31,659
Due from Other Governments	846,345
Property Taxes Receivable	1,255,811
Allowance for Uncollectible Property Taxes	<u>(29,708)</u>
Total Assets	<u><u>\$ 3,756,275</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,081,655
Due to Litigants, Heirs, and Others	<u>1,674,620</u>
Total Liabilities	<u><u>\$ 3,756,275</u></u>

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

Jefferson County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Other Employee Benefit Trust Fund <hr/> Flexible Benefits Fund <hr/>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 4,956
Total Deductions	<u>\$ 4,956</u>
Change in Net Position	\$ (4,956)
Net Position, July 1, 2013	<u>4,956</u>
Net Position, June 30, 2014	<u><u>\$ 0</u></u>

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

JEFFERSON COUNTY, TENNESSEE
Index of Notes to Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	42
B. Government-wide and Fund Financial Statements	43
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	44
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	47
2. Receivables and Payables	48
3. Prepaid Items	49
4. Capital Assets	49
5. Deferred Outflows/Inflows of Resources	50
6. Compensated Absences	51
7. Long-term Obligations	51
8. Net Position and Fund Balance	52
9. Minimum Fund Balance Policy	54
10. Restatement	54
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	54
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	55
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	55
B. Net Position Deficit	56
C. Cash Shortage	56
D. Expenditures Exceeded Appropriations	56
IV. Detailed Notes on All Funds	
A. Deposits and Investments	57
B. Capital Assets	59
C. Impairment of Capital Assets	62
D. Construction Commitments	62
E. Interfund Receivables, Payables, and Transfers	63
F. Long-term Obligations	64
G. On-Behalf Payments	70
H. Internal Financing	70

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

Note	Page(s)
V. Other Information	
A. Risk Management	72
B. Risk Financing Activities	73
C. Accounting Changes	74
D. Subsequent Events	74
E. Contingent Liabilities	75
F. Landfill Closure/Postclosure Care Costs	75
G. Joint Ventures	75
H. Jointly Governed Organizations	77
I. Retirement Commitments	77
J. Pledges of Future Revenues	81
K. Other Postemployment Benefits (OPEB)	81
L. Termination Benefits	83
M. Office of Central Accounting, Budgeting, and Purchasing	84
N. Purchasing Law	84
VI. Other Notes - Discretely Presented Jefferson County Nursing Home	84
VII. Other Notes - Discretely Presented Jefferson County Emergency Communications District	98

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Jefferson County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Jefferson County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

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

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

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other

items not properly included among program revenues are reported instead as general revenues.

Jefferson County issues all debt for the discretely presented Jefferson County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are

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

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

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

Jefferson County reports the following major governmental funds:

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

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

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

Jefferson County reports the following major proprietary fund:

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

Additionally, Jefferson County reports the following fund types:

Capital Projects Funds – These funds are used to account for the acquisition or construction of major capital facilities and other capital assets.

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

Other Employee Benefit Trust Fund – The Flexible Benefits Fund is used to account for operations of the flexible benefits program for Jefferson County and the Jefferson County Nursing Home employees. This fund had become inactive and was closed during the fiscal year.

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

The discretely presented Jefferson County School Department reports the following major governmental funds:

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

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

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

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

Internal Service Fund – The Employee Insurance - Dental and Vision Fund is used to account for the School Department's

self-insured dental and vision programs. Premiums charged to the various School Department funds and employee payroll deductions are placed in this fund for the payment of claims of School Department employees.

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

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

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Jefferson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash

and Investments. Most income from these pooled investments is assigned to the General Debt Service and Other Special Revenue funds. Jefferson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. The ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.44 percent of total taxes levied.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. The Claims and Judgments payable account totaling \$57,993 is discussed in Note V.B. Risk Financing Activities.

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

3. Prepaid Items

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

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources, (expense/expenditure) until then. The primary government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Jefferson County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements for the county. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for vacation and sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The School Department offers teachers a financial incentive for accumulated sick leave. This incentive is available to all teachers who leave the School Department in good standing with at least ten consecutive years of service. The incentive amount is \$25 for each accumulated day of sick leave. During the 2013-14 year, 15 employees received this incentive. The financial statements of this report reflect expenditures of \$57,001 in the General Purpose School Fund for the accumulated sick leave incentive payments.

7. Long-term Obligations

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

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

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

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

8. Net Position and Fund Balance

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

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

As of June 30, 2014, Jefferson County had \$71,583,606 in outstanding debt for capital purposes for the discretely presented Jefferson County School Department and the discretely presented Jefferson County Nursing Home. This debt is a liability of Jefferson County, but the capital assets acquired are reported in the financial statements of the component units. Therefore, Jefferson County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission makes assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the primary government's General Fund consists primarily of amounts assigned for encumbrances (\$47,643), industrial development (\$115,000), and fund balance appropriated for use in the 2014-15 budget (\$1,323,553). Assigned fund balance in the School Department's General Purpose School Fund consists primarily of amounts assigned for encumbrances (\$100,994), maintenance projects (\$110,000), and construction projects at the high school (\$1,010,000).

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

9. Minimum Fund Balance Policy

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

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

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

10. Restatement

On November 12, 2014, the State Comptroller’s Office, Division of Local Government Audit, issued a special report that disclosed a cash shortage of at least \$144,797.95 had occurred in the Finance Office. A portion of this shortage, \$99,896, relates to periods prior to July 1, 2013. Therefore, a restatement to beginning net position has been made to the affected funds as follows:

<u>Fund</u>	<u>Restatement</u>
Primary Government:	
General	\$ 83,697
Solid Waste/Sanitation	5,017
Highway/Public Works	700
Solid Waste Disposal	6,723
School Department:	
General Purpose School	3,759

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Jefferson County School Department

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

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

Primary Government

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

Discretely Presented Jefferson County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted and the capital project funds (except for the General Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

categories. During the year, several supplementary appropriations were necessary.

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

B. Net Position Deficit

The county's Solid Waste Disposal Fund had a deficit of \$3,570,075 in total net position and a deficit of \$5,176,878 in unrestricted net position at June 30, 2014. Further details related to liabilities recorded in this fund are disclosed in Note V.F. Landfill Closure/Postclosure Care Costs.

C. Cash Shortage

The Comptroller's Division of Local Government Audit issued a special report dated November 12, 2014, that reported a cash shortage of at least \$144,797.95 in the Finance Office for the period July 1, 2011, through March 7, 2014. A former Finance Department employee had disbursed county funds to pay personal credit card and vendor accounts and had altered the accounting records in an apparent effort to conceal the improper payments. A portion of the reported cash shortage (\$6,564.61) was refunded to Jefferson County on April 7, 2014, leaving a balance of \$138,233.34 on June 30, 2014. The balance of the cash shortage at June 30, 2014, is reported in the following fund types: governmental funds of the primary government (\$122,576); enterprise fund of the primary government (\$11,898); and governmental funds of the School Department (\$3,759). These amounts were liquidated on November 17, 2014, with the receipt of funds from the county's insurance carrier. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Courthouse and Jail Maintenance and the Other Special Revenue funds by \$15 and \$693, respectively.

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

Fund/Major Appropriation Category	Overspent
Primary Government:	
General:	
Drug Court	\$ 2,919
Victims Assistance Program	12,201
General Debt Service:	
Interest on Debt - Education	541,274

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2014, Jefferson County had the following investments carried at fair value or amortized cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Jefferson County and the discretely presented Jefferson County School Department since both pool their deposits and investments through the county trustee.

Investments	Rating		Maturity	Fair Value or Cost
	Moody	S&P		
State Treasurer's Investment Pool	NR	NR	109*	\$ 291,764
U.S. Treasury Bills	N/A	N/A	8-7-14	399,996
Bangor Maine General Obligation Bonds - 2013	Aa2	AA	11-1-14	150,074
Park Ridge Illinois Recreation and Park District General Obligation Park Bonds - Series 2013B	NR	AA+	12-1-14	310,471
Tennessee Housing Development Agency Residential Finance Program Revenue Bonds - Series 2013-1a	Aa1	AA+	1-1-15	380,479
Washington State General Obligation Bonds, Motor Vehicle Fuel Tax - Series 2005F	Aa1	AA+	12-1-14	219,655
Yorktown New York Central School District Serial Bonds - Series 2013	NR	AA	7-15-14	<u>218,010</u>
Total				<u>\$ 1,970,449</u>

* weighted average maturity (days)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Jefferson County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Jefferson County has no investment policy that would further limit its investment choices. The ratings of Jefferson County's investments are reflected in the table presented above.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Jefferson County places no limit on the amount the county may invest in one issuer. Each investment presented in the table above represents more than five percent of the county's investments.

B. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13		Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:					
Land	\$ 1,473,861	\$ 0	\$ (16,615)	\$	1,457,246
Total Capital Assets Not Depreciated	\$ 1,473,861	\$ 0	\$ (16,615)	\$	1,457,246
Capital Assets Depreciated:					
Buildings and Improvements	\$ 21,936,439	\$ 0	\$ (73,108)	\$	21,863,331
Other Capital Assets	8,043,129	1,230,741	(169,225)		9,104,645
Infrastructure	116,160,627	0	0		116,160,627
Total Capital Assets Depreciated	\$ 146,140,195	\$ 1,230,741	\$ (242,333)	\$	147,128,603
Less Accumulated Depreciated For:					
Buildings and Improvements	\$ 4,337,930	\$ 545,125	\$ (73,108)	\$	4,809,947
Other Capital Assets	5,652,796	631,451	(101,473)		6,182,774
Infrastructure	34,500,191	1,185,580	0		35,685,771
Total Accumulated Depreciation	\$ 44,490,917	\$ 2,362,156	\$ (174,581)	\$	46,678,492

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Total Capital Assets				
Depreciated, Net	\$ 101,649,278	\$ (1,131,415)	\$ (67,752)	\$ 100,450,111
Governmental Activities				
Capital Assets, Net	\$ 103,123,139	\$ (1,131,415)	\$ (84,367)	\$ 101,907,357

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

Governmental Activities:

General Government	\$ 36,500
Administration of Justice	443,174
Public Safety	200,379
Public Health and Welfare	364,356
Social, Cultural, and Recreational Services	6,450
Highways/Public Works	<u>1,311,297</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,362,156</u>

Business-type Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 461,930	\$ 0	\$ 461,930
Construction in Progress	0	94,347	94,347
Total Capital Assets Not Depreciated	<u>\$ 461,930</u>	<u>\$ 94,347</u>	<u>\$ 556,277</u>
Capital Assets Depreciated:			
Landfill Facilities and Development	\$ 458,228	\$ 0	\$ 458,228
Buildings and Improvements	289,940	0	289,940
Machinery and Equipment	3,405,850	28,649	3,434,499
Total Capital Assets Depreciated	<u>\$ 4,154,018</u>	<u>\$ 28,649</u>	<u>\$ 4,182,667</u>

Business-type Activities (Cont.):

	Balance 7-1-13	Increases	Balance 6-30-14
Less Accumulated Depreciated For:			
Landfill Facilities and Development	\$ 370,475	\$ 4,964	\$ 375,439
Buildings and Improvements	283,218	1,180	284,398
Machinery and Equipment	2,156,694	117,482	2,274,176
Total Accumulated Depreciation	<u>\$ 2,810,387</u>	<u>\$ 123,626</u>	<u>\$ 2,934,013</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,343,631</u>	<u>\$ (94,977)</u>	<u>\$ 1,248,654</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,805,561</u>	<u>\$ (630)</u>	<u>\$ 1,804,931</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense totaling \$123,626 was charged to the Solid Waste Disposal Fund.

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

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,577,366	\$ 0	\$ (84,816)	\$ 1,492,550
Construction in Progress	17,398,726	15,463,755	0	32,862,481
Total Capital Assets Not Depreciated	<u>\$ 18,976,092</u>	<u>\$ 15,463,755</u>	<u>\$ (84,816)</u>	<u>\$ 34,355,031</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 49,242,642	\$ 222,767	\$ (1,367,686)	\$ 48,097,723
Machinery and Equipment	2,174,289	619,988	(48,733)	2,745,544
Other Capital Assets	5,686,888	850,643	(458,135)	6,079,396
Total Capital Assets Depreciated	<u>\$ 57,103,819</u>	<u>\$ 1,693,398</u>	<u>\$ (1,874,554)</u>	<u>\$ 56,922,663</u>

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 24,026,268	\$ 1,192,901	\$ (1,300,426)	\$ 23,918,743
Machinery and Equipment	1,445,532	162,066	(44,032)	1,563,566
Other Capital Assets	3,308,600	376,955	(458,135)	3,227,420
Total Accumulated Depreciation	<u>\$ 28,780,400</u>	<u>\$ 1,731,922</u>	<u>\$ (1,802,593)</u>	<u>\$ 28,709,729</u>
Total Capital Assets Depreciated, Net	<u>\$ 28,323,419</u>	<u>\$ (38,524)</u>	<u>\$ (71,961)</u>	<u>\$ 28,212,934</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,299,511</u>	<u>\$ 15,425,231</u>	<u>\$ (156,777)</u>	<u>\$ 62,567,965</u>

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

Governmental Activities:

Instruction	\$ 1,076,345
Support Services	549,769
Operation of Non-instructional Services	<u>105,808</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,731,922</u>

C. Impairment of Capital Assets

During July 2013, Vocational Building 8 at the Jefferson County High School was destroyed when its roof collapsed. The School Department has recognized insurance recoveries of \$703,744 in the Education Capital Projects Fund as a result of the collapse. On the government-wide Statement of Activities, the carrying amount of the building (\$49,685) has been netted against the insurance recovery, resulting in a gain from impairment of capital assets of \$654,059.

D. Construction Commitments

At June 30, 2014, Jefferson County had uncompleted construction contracts in the following funds for various construction and renovation projects.

Fund	Amount
School Department:	
Education Capital Projects	\$ 365,287
Other Capital Projects - Jefferson County High School	7,344,032

Funding is expected to be provided for these future expenditures through a combination of sources including assigned fund balances in the General Purpose School, as well as future debt issues.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,097
General Debt Service	Solid Waste Disposal	198,127
Solid Waste Disposal	Nonmajor governmental	92,374
Discretely Presented School Department:		
Other Capital Projects	Nonmajor governmental	14,083
Nonmajor governmental	General Purpose School	703,744

The amount due to the General Debt Service Fund from the Solid Waste Disposal Fund represents interfund loans that are to be repaid with a payment of \$198,127 in October 2015.

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

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General Debt Service	Nursing Home	\$ 7,285,000
Component Unit:	Primary Government:	
School Department:	Nonmajor governmental	
Nonmajor governmental		64,893

The government-wide Statement of Net Position reports \$7,285,000 as due from the discretely presented Jefferson County Nursing Home to the governmental activities of the primary government. This amount represents

general obligation debt issued by the county, which is being retired by the nursing home. See Note VI.F. for further information about this debt.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Solid Waste Disposal Fund
General Fund	\$ 0	\$ 391,008	\$ 0
Nonmajor governmental funds	742,500	0	13,628
Total	\$ 742,500	\$ 391,008	\$ 13,628

Discretely Presented Jefferson County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 48,594

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

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Jefferson County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds, other loans, and notes. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 30 years for bonds and up to 18 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 bonds and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2.54 to 4.5 %	6-1-37	\$ 27,895,000	\$ 24,420,000
General Obligation Refunding Bonds	1.45 to 3.41	6-1-27	14,735,000	14,335,000
General Obligation - Recovery Zone Economic Development Bonds	3.69	6-1-40	16,000,000	16,000,000
Other Loans - Refunding	Variable	6-1-26	13,305,000	9,880,000
Other Loans - Refunding	4 to 5	6-1-19	13,740,000	6,895,000
Other Loans - Qualified School Construction Bonds	0	(1) 8-1-27	10,595,000	8,721,851
Other Loans - Energy Efficient Schools Initiative	2.5	3-1-24	2,506,325	2,091,755

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

In prior years, Jefferson County entered into loan agreements with the Sevier County Public Building Authority and the Blount County Public Building Authority. The following table summarizes those loan agreements outstanding as of June 30, 2014:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-14	Interest Type	Interest Rates as of 6-30-14	Other Fees on Variable Rate Debt
<u>Sevier County Public</u>					
<u>Building Authority</u>					
Local Government Public					
Improvement Bond -					
Refunding (V-G-1)	\$ 13,740,000	\$ 6,895,000	Fixed	4 to 5 %	N/A
Total		<u>\$ 6,895,000</u>			
<u>Blount County Public</u>					
<u>Building Authority</u>					
Local Government Public					
Improvement Bond -					
Refunding (E-3-D)	13,305,000	\$ 9,880,000	Variable	0.7	.25%
Total		<u>\$ 9,880,000</u>			
Total		<u>\$ 16,775,000</u>			

The variable rate Blount County Public Building Authority loan is repayable at an interest rate that is a tax-exempt variable rate determined monthly by the remarketing agent. In addition, the county pays various other fees (trustee, debt remarketing, administrative, etc.) in connection with the variable rate loan. The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,075,000	\$ 2,207,711	\$ 3,282,711
2016	1,170,000	2,172,954	3,342,954
2017	1,225,000	2,139,254	3,364,254
2018	1,090,000	2,103,754	3,193,754
2019	2,535,000	2,074,204	4,609,204
2020-2024	13,510,000	9,054,808	22,564,808
2025-2029	6,235,000	7,742,065	13,977,065
2030-2034	7,795,000	6,781,541	14,576,541
2035-2039	15,670,000	4,866,682	20,536,682
2040	4,450,000	294,815	4,744,815
Total	<u>\$ 54,755,000</u>	<u>\$ 39,437,788</u>	<u>\$ 94,192,788</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 3,072,979	\$ 935,456	\$ 33,275	\$ 4,041,710
2016	3,162,827	864,248	31,568	4,058,643
2017	3,262,795	786,345	29,798	4,078,938
2018	3,392,895	703,073	27,966	4,123,934
2019	2,043,127	609,493	26,008	2,678,628
2020-2024	9,163,246	2,786,980	96,909	12,047,135
2025-2028	3,490,737	1,603,103	31,706	5,125,546
Total	\$ 27,588,606	\$ 8,288,698	\$ 277,230	\$ 36,154,534

There is \$7,667,642 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans totaled \$1,602, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 53,285,000	\$ 1,845,000	\$ 30,546,845
Additions	4,285,000	0	0
Reductions	(2,815,000)	(1,845,000)	(2,958,239)
Balance, June 30, 2014	\$ 54,755,000	\$ 0	\$ 27,588,606
Balance Due Within One Year	\$ 1,075,000	\$ 0	\$ 3,072,979

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2013	\$ 569,283	\$ 537,761
Additions	68,586	482,989
Reductions	(10,235)	(486,780)
Balance, June 30, 2014	\$ 627,634	\$ 533,970
Balance Due Within One Year	\$ 0	\$ 373,653

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 83,505,210
Less: Balance Due Within One Year	(4,521,632)
Less: Unamortized Premium on Debt	<u>414,399</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 79,397,977</u>

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

Current Refunding

On May 15, 2014, Jefferson County refunded the outstanding balances of the Series 2009 E-911 Capital Outlay Note (\$650,000) and the Series 2009 School Building Program Note (\$885,000). The county issued \$4,285,000 of General Obligation Refunding Bonds to provide resources to refund these two notes as well as a portion of the Nursing Home Bond as discussed below under "Advance Refunding." As a result of the current refunding of the two notes, total debt service payments over the next seven years will be decreased by \$51,832, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$48,528 was obtained.

Advance Refunding

On May 15, 2014, Jefferson County advance refunded \$2,540,000 of a general obligation issue (Nursing Home Bond) with a portion of a general obligation bond issue. The county issued \$4,285,000 of general obligation refunding bonds to refund two notes as discussed in "Current Refunding" above and to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded nursing home bonds. As a result, the refunded bond is considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 13 years will be reduced by \$234,811 and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$208,246 was obtained.

At June 30, 2014, the refunded Nursing Home Bond (callable 6-1-16) totaling \$2,540,000 is considered defeased.

Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-type Activities:

	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2013	\$ 13,127	\$ 5,438,312
Additions	15,662	81,250
Reductions	(15,712)	(21,700)
Balance, June 30, 2014	<u>\$ 13,077</u>	<u>\$ 5,497,862</u>
Balance Due Within One Year	<u>\$ 2,983</u>	<u>\$ 110,793</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 5,510,939
Less: Balance Due Within One Year	<u>(113,776)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,397,163</u>

Discretely Presented Jefferson County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Jefferson County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2013	\$ 639,874	\$ 97,603
Additions	144,797	107,650
Reductions	(146,084)	(92,220)
Balance, June 30, 2014	<u>\$ 638,587</u>	<u>\$ 113,033</u>
Balance Due Within One Year	<u>\$ 164,153</u>	<u>\$ 77,150</u>

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2013	\$ 7,587,767
Additions	1,890,817
Reductions	<u>(861,284)</u>
Balance, June 30, 2014	<u>\$ 8,617,300</u>
Balance Due Within One Year	<u>\$ 0</u>
Analysis of Noncurrent Liabilities Presented on Exhibit A:	
Total Noncurrent Liabilities, June 30, 2014	\$ 9,368,920
Less: Balance Due Within One Year	<u>(241,303)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,127,617</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. Termination benefits will be paid by the General Purpose School Fund.

G. On-Behalf Payments – Discretely Presented Jefferson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Jefferson County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$187,447 and \$49,249, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Internal Financing

In-lieu-of issuing debt with financial institutions, Jefferson County chose to internally finance various projects with idle county funds. During a previous year, the county issued Capital Outlay Note Series 2012 and loaned \$171,427 of idle funds from the General Debt Service Fund to the Solid Waste Disposal Fund to purchase equipment. Also, in a previous fiscal year, the county loaned \$201,700 of idle funds under Bond Anticipation Note Series 2011A from the General Debt Service Fund to the Solid Waste Disposal Fund to purchase equipment. Capital Outlay Note Series 2012 was repaid in the

current year. The balance of \$198,127 due on Bond Anticipation Note Series 2011A notes is reflected as Due from Other Funds in the General Debt Service Fund and as Due to Other Funds in the Solid Waste Disposal Fund.

Internally Reported Interfund Notes Receivable/Payable

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<u>Due to General Debt Service Fund from Solid Waste Disposal Fund</u>				
Capital Outlay Note Series 2012 (Solid Waste)	\$ 171,427	1.25 %	5-1-12	5-1-14
Bond Anticipation Note - Series 2011A (Solid Waste)	201,700	1.25	10-4-11	10-4-15
	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
<u>Due to General Debt Service Fund from Solid Waste Disposal Fund</u>				
Capital Outlay Note Series 2012 (Solid Waste)	\$ 86,427	\$ 0	\$ (86,427)	\$ 0
Bond Anticipation Note - Series 2011A (Solid Waste)	201,700	0	(3,573)	198,127
Total	\$ 288,127	\$ 0	\$ (90,000)	\$ 198,127

In the prior year, internally reported bond anticipation notes (\$787,439) and capital outlay notes (\$698,587) were also borrowed from the General Debt Service Fund to provide funds for construction costs of the discretely presented Emergency Communications District and School Department, respectively. For external reporting, these transactions were recognized as a transfer to the Other Capital Projects Fund – ECD (\$787,439) and as a contribution to the School Department’s Other Capital Projects – RZEDB Fund (\$698,587) in the prior year. Repayment of the notes is being provided by annual transfers of tax credit bond rebate revenues from the General

Fund. These internally reported notes receivable of the General Debt Service Fund that are to be retired from the General Debt Service Fund from tax credit bond rebate revenues are summarized below:

	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
Emergency Communications District Improvements	\$ 274,613	\$ 0	\$ (274,613)	\$ 0
School Department Improvements	698,587	0	(107,610)	590,977
Total	<u>\$ 973,200</u>	<u>\$ 0</u>	<u>\$ (382,223)</u>	<u>\$ 590,977</u>

V. OTHER INFORMATION

A. Risk Management

Jefferson County and the discretely presented Jefferson County School Department are exposed to risks related to general liability, property, casualty, and workers' compensation. The county and the School Department decided it was more economically feasible to join public entity risk pools as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The county and the School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

The discretely presented Jefferson County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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

Employee Insurance - Dental and Vision Funds

	Beginning of Fiscal Year Liability	Current-Year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>Primary Government</u>				
2012-2013	\$ 4,389	\$ 84,016	\$ 86,351	2,054
2013-2014	2,054	113,843	111,425	4,472
<u>Discretely Presented School Department</u>				
2012-2013	35,923	302,744	287,990	50,677
2013-2014	50,677	323,972	325,225	49,424

B. Risk Financing Activities

Jefferson County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative

(LOGIC) for workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Jefferson County's share of this second assessment, including interest, totaled \$57,993. Jefferson County has recorded a liability for this amount in the General Fund. However, Jefferson County disputes the claim and has not yet paid the assessment.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

D. Subsequent Events

On August 31, 2014, R.E. Farrar, III left the Office of County Clerk and was succeeded by Frank Herndon.

On September 19, 2014, the county's General Debt Service Fund issued General Obligation Interfund Capital Outlay Note, Series 2014 for \$68,033 for the purchase of a modular school building. The School Department will be making contributions to repay this note.

Finance Director, Darrell Helton, resigned effective December 31, 2014, and was succeeded by Langdon Potts on January 1, 2015.

On January 20, 2015, the County Commission voted to issue \$6.79 million in general obligation bonds to fund the Building 8 project and completion of the renovation project at Jefferson County High School.

E. Contingent Liabilities

Jefferson County and the discretely presented Jefferson County School Department are involved in several pending lawsuits. Management, based on estimates from their attorneys, believes that the potential claims against the county and the School Department not covered by insurance, resulting from such litigation, would not materially affect the financial statements of the primary government or the School Department.

F. Landfill Closure/Postclosure Care Costs

Jefferson County has active permits on file with the State Department of Environment and Conservation for two sanitary landfills and a demolition landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require Jefferson County to place a final cover on its sanitary landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste Disposal Fund reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,497,862 reported as landfill closure and postclosure care liability at June 30, 2014, represents the cumulative amount reported to date based on the use of 49 percent of the estimated capacity of the operating Patterson landfill site (\$3,515,756) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$1,982,106). The amounts reported as closure/postclosure liability at June 30, 2014, are based on what it would cost to perform all closure and postclosure care costs in 2014. The county will recognize the remaining estimated costs of closure and postclosure as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The county expects to close the Patterson landfill site in the year 2032.

G. Joint Ventures

Primary Government

The county, along with Jefferson City, has participated in the operation of Jefferson Memorial Hospital, a health facility. Effective April 1, 1997, the county and city entered into an agreement to lease the hospital, including all assets and all outstanding liabilities, to a nonprofit corporation, Jefferson Memorial Hospital, Inc. (JMH, Inc.), of which obligations are guaranteed by St. Mary's Health Systems, Inc. Effective October 1, 2011, this lease was assigned by St. Mary's Health Systems, Inc., to Jefferson County HMA, LLC,

of which, obligations are guaranteed by Knoxville HMA Holdings, LLC. The county and the city created a seven-member oversight board comprising the hospital's chief of staff, three appointees from the county, and three from the city. The board is responsible for administration of the lease and the hospital in the event of lease termination. The county reflects its share of any net revenues from the lease in the Other Special Revenue Fund. Currently, the county receives \$62,500 per month from the lease.

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Sevier, Jefferson, Grainger, and Cocke counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Jefferson County made no contributions to the DTF for the year ended June 30, 2014, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

Discretely Presented School Department

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

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

Administrative Office:

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

H. Jointly Governed Organizations

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Washington, and Unicoi. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center manager, as an ex officio member, is in charge of the daily operations of the center. The county does not have any ongoing financial interest or responsibility beyond its initial investment.

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Jefferson County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced

retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Jefferson County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

Jefferson County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 14.77 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the county's annual pension cost of \$3,039,363 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined

using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was four years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$3,039,363	100%	\$0
6-30-13	2,965,340	100	0
6-30-12	2,849,254	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 95.32 percent funded. The actuarial accrued liability for benefits was \$61.29 million, and the actuarial value of assets was \$58.42 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.87 million. The covered payroll (annual payroll of active employees covered by the plan) was \$19.76 million, and the ratio of the UAAL to the covered payroll was 14.52 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Jefferson County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested

members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$2,253,165, \$2,209,929, and \$2,225,117, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

J. Pledges of Future Revenues

In August 2008, the citizens of Jefferson County voted to increase the local option sales tax from 2.25 to 2.75 percent. The county pledged all additional sales tax collections generated from the half-cent increase in the unincorporated areas of the county and half of the additional sales tax collections in the cities within the county to be used for the reduction and retirement of school indebtedness. Jefferson County had outstanding debt for school purposes of \$64,298,606 at June 30, 2014. That debt carries the general obligation pledge of the government in addition to the specific pledge of the one-half cent sales tax revenue.

K. Other Postemployment Benefits (OPEB)

Plan Description

Jefferson County and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, Jefferson County contributed \$10,235 for postemployment health care premiums, and the Jefferson County School Department recognized contributions totaling \$861,284 for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,883,000	\$ 68,000
Interest on the NOPEBO	303,511	22,771
Adjustment to the ARC	(295,694)	(22,185)
Annual OPEB cost	\$ 1,890,817	\$ 68,586
Amount of contribution	(861,284)	(10,235)
Increase/decrease in NOPEBO	\$ 1,029,533	\$ 58,351
Net OPEB obligation, 7-1-13	7,587,767	569,283
Net OPEB obligation, 6-30-14	\$ 8,617,300	\$ 627,634

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 2,130,233	34 %	\$ 6,199,328
6-30-13	"	2,145,754	35	7,587,767
6-30-14	"	1,890,817	46	8,617,300
6-30-12	Local Government Group	141,176	17	452,368
6-30-13	"	141,888	18	569,283
6-30-14	"	68,586	15	627,634

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for the fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2007.

L. Termination Benefits

The School Department offers an early retirement incentive program in accordance with contract provisions. Prior to March 1, 2013, this plan was available to employees who retired from the school system in the year they reached age 60 or had 30 years of creditable service with the Tennessee Consolidated Retirement System and had a minimum of ten years of employment with the School Department. Currently, the plan is available to employees who retire from the school system between the ages of 57 and 62, and have a minimum of ten years employment in the Jefferson County School System. Prior to March 1, 2013, the plan gave teachers who met the above requirements an option of receiving \$9,500 divided into two equal annual payments or \$10,500 divided into three equal annual payments. Currently, the plan gives teachers who have met the above requirements, \$5,000 divided into three equal annual payments for 10-20 years of service in the Jefferson County School System or \$10,000 divided into three equal annual payments for 21 or more years of service in the Jefferson County School System. During the 2013-14 year, 27 employees participated in the program. The financial

statements of this report reflect expenditures of \$92,221 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$113,033 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$77,150 is due within one year.

M. Office of Central Accounting, Budgeting, and Purchasing

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

N. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Jefferson County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Office of County Mayor, the discretely presented School Department, and the Office of Road Superintendent are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY NURSING HOME

A. Summary of Significant Accounting Policies

Jefferson County Nursing Home is a political subdivision of Jefferson County, Tennessee. The nursing home provides long-term health care primarily for the citizens of the county. It is governed, operated, and controlled by a five-member board of commissioners who are appointed by the Board of County Commissioners of the county. The county is legally obligated to assume the nursing home's debt in the event of default and is legally obligated to provide financial support, making Jefferson County financially accountable for the nursing home. Therefore, the nursing home is a discrete component unit of Jefferson County for financial reporting purposes.

1. Basis of Presentation

The nursing home utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. GASB 62 and 63 were effective for periods beginning after December 15, 2011. GASB 62 makes the *Accounting Standards Codification* the sole source of authoritative accounting technical literature for governmental entities in the United States of America.

2. Inventories

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

3. Cash, Cash Equivalents, and Investments

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

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

4. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The nursing home did not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2014.

Financial Assets

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

Nonfinancial Assets

The nursing home's nonfinancial assets, which include property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the nursing home is required to evaluate the nonfinancial instrument for impairment, a resulting asset impairment would require that the nonfinancial asset be recorded at the fair value. During the year ended June 30, 2014, the nursing home did not measure any nonfinancial assets at fair value or recognize any amounts in the Statements of Activities related to changes in fair value for nonfinancial assets.

5. Property and Equipment

Property and equipment acquisitions are recorded at cost. The nursing home capitalizes purchases that cost a minimum of \$5,000 and have a useful life greater than two years. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 10-12 years, buildings and improvements 10-40 years, equipment 4-20 years, and transportation equipment 5-7 years.

6. Patient Service Revenue

The nursing home has agreements with third-party payors that provide for payments to the nursing home at amounts different from its established rates. Payment arrangements include prospectively determined per-diem rates per day and discounted charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient service revenue is net of contractual adjustments of approximately \$248,000 for the year ended June 30, 2014.

7. Operating Activities

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

8. Costs of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. There was no interest cost capitalized in the year ended June 30, 2014.

9. Pension Plan

Nursing home employees are covered under the Tennessee Consolidated Retirement System, a defined benefit plan. The nursing home's costs are charged to expense and funded annually.

10. Compensated Absences

The nursing home provides its full-time employees with paid days off for holiday, vacation, sick, and bereavement absences. The vacation paid days off begin accruing after one year of service and are based on the following table. Such days may be taken only after the employee has earned them. There is no limit on the number of earned days that can be carried forward if not taken in the year earned. Such liabilities have been accrued in the accompanying Statement of Net Position.

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

11. Risk Management

The nursing home is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters. The nursing home insures for employee health claims through a county plan administered by the State of Tennessee discussed in Note VI.H.

12. Net Position

All resources that are not restricted by donors are included in unrestricted net position. Resources temporarily restricted by donors for specific purposes are reported as a restricted component of net position - expendable. When specific purposes are achieved, either through passage of a stipulated time or the purpose for restriction is accomplished, they are classified to unrestricted net position and

reported in the Statement of Revenues, Expenses, and Changes in Net Position. Resources temporarily restricted by donors for additions to land, buildings, and equipment are initially reported as a restricted component of net position - expendable and are transferred to unrestricted net position when expended. Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as a restricted component of net position – unexpendable. Investment income for the restricted component of net position - unexpendable is classified as either a restricted component of net position – expendable or unrestricted based on the intent of the donor. As of June 30, 2014, there was no restricted component of net position – unexpendable, while there was a restricted component of net position – expendable restricted for employee scholarships as discussed in Note VI.B.

The nursing home first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

13. Income Taxes

The nursing home as a political subdivision of the county is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

14. Long-lived Assets

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

15. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

16. Performance Indicator

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

17. **Adoption of New Accounting Pronouncements**

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement amends accounting standards relating to the application of FASB Statements that do not contradict GASB pronouncements and incorporates into the GASB authoritative literature certain accounting and financial reporting guidance to bring all authoritative literature together in one place. This amendment was effective for financial statements for the fiscal years beginning after December 25, 2011. Therefore the nursing home adopted this standard at the beginning of fiscal year 2013.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and identifies net position as the residual of all other elements presented in a statement of financial position. This amendment was effective for financial statements for fiscal years beginning after December 25, 2011. Therefore the nursing home adopted this standard at the beginning of fiscal year 2013.

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

In March 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees and is effective for financial statements for fiscal years beginning after June 15, 2014. Therefore, the nursing home adopted this standard at the beginning of fiscal year 2014.

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

18. New Accounting Pronouncements

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

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

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The primary objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68. The statement requires that at transition, an entity recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning of the net pension liability. The provisions of this statement are required to be applied simultaneously with the provision of Statement No. 68.

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

B. Restricted Assets

Cash in the employee scholarship fund is available to provide scholarships to qualifying employees. Certain donations received are designated to be used for higher education of employees. Deposits to the fund come from private donations and monthly interest earned. The only withdrawals made are to award \$2,000 scholarships to qualifying employees. Scholarships awarded are subject to board approval. No employee received a scholarship during the year ended June 30, 2014.

C. Third-party Reimbursement Programs

The nursing home receives revenue under various third-party reimbursement programs, which include Medicare, Medicaid, and other third-party payors.

Contractual adjustments under third-party reimbursement programs represent the difference between the nursing home's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. There were no adjustments to revenue resulting from tentative or final settlements to estimated reimbursement amounts for the year ended June 30, 2014.

1. **Medicare**

The nursing home is paid for substantially all services rendered to Medicare program beneficiaries for skilled nursing care under prospectively determined case-mix rates. Those rates vary according to a classification system that is based on a medical assessment of the rehabilitation needed, extent of services needed, and other factors. The patient is often responsible for a portion of the fee. For the patient portion of fees not collected after normal collection efforts with the filing of an annual cost report, the nursing home was reimbursed 100 percent for such uncollected fees through March 31, 2013; 88 percent of such uncollected fees for the period April 1, 2013, through March 31, 2014; and is expected to be reimbursed 76 percent of such uncollected fees after March 31, 2014.

2. **Medicaid**

The Medicaid program reimburses the nursing home for the cost of skilled nursing or routine care services rendered to Medicaid beneficiaries at a prospective rate, which is based on the lower of the reimbursable cost of services rendered or a reimbursement cap set by Medicaid for each level of service. The reimbursement cap is expressed as a per diem.

3. **Commercial Payors**

The nursing home has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the nursing home under these agreements includes prospectively determined rates per day and discounts from established rates.

4. **Credit Concentrations**

The nursing home grants credit to patients and generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies. At June 30, 2014, the nursing home had net receivables from the federal government (Medicare) of approximately \$515,000 and from Medicaid of approximately \$184,000. Medicare

comprised 28 percent and Medicaid comprised 48 percent of net patient service revenue for the year ended June 30, 2014.

D. Inventories

A summary of inventories as of June 30, 2014, was as follows:

Food	\$ 12,806
Medical Supplies	7,313
Housekeeping Supplies	2,776
Maintenance Supplies	<u>4,305</u>
 Total	 <u><u>\$ 27,200</u></u>

E. Property and Equipment

The net investment in capital assets as of June 30, 2014, is as follows:

Property and Equipment, Net	\$ 8,132,049
Current Portion of Long-term Debt	(210,000)
Long-term Debt, Excluding Current Portion	(7,075,000)
Restricted Cash for Payment of Financed Interest	<u>220,000</u>
 Total	 <u><u>\$ 1,067,049</u></u>

The major classifications and changes in property and equipment as of and for the year ended June 30, 2014, are as follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Land	\$ 7,181	\$ 0	\$ 0	\$ 7,181
Land Improvements	230,567	0	0	230,567
Building and Improvements	9,835,779	7,729	0	9,843,508
Machinery and Equipment	2,208,593	9,618	(34,704)	2,183,507
Transportation Equipment	100,166	0	0	100,166
Total	<u>\$ 12,382,286</u>	<u>\$ 17,347</u>	<u>\$ (34,704)</u>	<u>\$ 12,364,929</u>

	Balance			Balance
	7-1-13	Increases	Decreases	6-30-14
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (69,223)	\$ (13,110)	\$ 0	\$ (82,333)
Buildings and Improvements	(2,608,719)	(224,339)	0	(2,833,058)
Machinery and Equipment	(1,139,642)	(143,371)	33,794	(1,249,219)
Transportation Equipment	(52,384)	(15,886)	0	(68,270)
Total	<u>\$ (3,869,968)</u>	<u>\$ (396,706)</u>	<u>\$ 33,794</u>	<u>\$ (4,232,880)</u>
	<u>\$ 8,512,318</u>	<u>\$ (379,359)</u>	<u>\$ (910)</u>	<u>\$ 8,132,049</u>

Reconciliation of additions/transfers above to the Statement of Cash Flows for the year ended June 30, 2014, is as follows:

Additions/transfers above including construction in progress	<u>\$ 17,347</u>
Purchases of property and equipment per Statement of Cash Flows	<u><u>\$ 17,347</u></u>

F. Due to Primary Government

A schedule of changes in the nursing home's long-term debt to the government of Jefferson County, Tennessee, related to bond issues as of and for the year ended June 30, 2014, is as follows:

	Balance			Amounts	
	7-1-13	Additions	Reductions	Balance 6-30-14	Due Within One Year
General Obligation					
Bonds - 2007	\$ 7,240,000	\$ 0	\$ (2,715,000)	\$ 4,525,000	\$ 180,000
General Obligation Refunding					
Bonds - 2014		2,760,000		2,760,000	30,000
Total	<u>\$ 7,240,000</u>	<u>2,760,000</u>	<u>\$ (2,715,000)</u>	<u>\$ 7,285,000</u>	<u>\$ 210,000</u>

Jefferson County issued \$8,000,000 in General Obligation Bonds, Series 2007, dated December 21, 2007, to fund a 25-bed addition to the nursing home. The bonds are direct general obligations of Jefferson County payable from ad valorem taxes levied upon all taxable property within Jefferson County without limitation as to rate or amount. The full faith and credit of Jefferson County is irrevocably pledged to pay principal, redemption premiums, if any, and interest on the bonds. However, because the debt was incurred specifically for the addition to the nursing home and the nursing

home is expected to repay the debt in full, the bond transactions are reported on the nursing home's financial statements.

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

Jefferson County issued \$4,285,000 General Obligation Refunding Bonds, Series 2014, dated May 15, 2014 to be used to call certain bond issuances outstanding by the county. The Series 2014 is also a direct general obligation of the county with a similar pledge as the 2007 Series. The \$2,540,000 of the Series 2014 proceeds will be used to call a portion of the Series 2007 obligation on June 1, 2016. The \$2,540,000 is held in the name of the county in an escrow account; therefore, the \$2,540,000 transaction is reflected as a pre-funded debt retirement (non-cash activity) by the nursing home to the county towards the Series 2007 obligation and has reduced the remaining obligation to the county for the Series 2007 accordingly. The \$220,000 of the Series 2014 proceeds will be used to finance the payment of interest on the \$2,540,000 portion of the Series 2007 debt through the June 1, 2016, call date. The \$220,000 is also held in an escrow account in the name of the county. The \$220,000 reflected as an asset of the nursing home will be expensed as interest when the county uses the funds to pay the bond holders under Series 2007. The nursing home has recorded a liability to the county of \$2,760,000 related to the Series 2014 bond issue comprised of the \$2,540,000 and \$220,000 amounts discussed above. The remaining \$1,525,000 of proceeds from Series 2014 relate to county uses other than the nursing home.

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

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

Fiscal Year Ending June 30	Principal	Estimated Interest	Interest Pre-funded	Total Payments
2015	\$ 210,000	\$ 377,000	\$ (114,000)	\$ 473,000
2016	225,000	366,000	(106,000)	485,000
2017	235,000	244,000	0	479,000
2018	240,000	235,000	0	475,000
2019	245,000	230,000	0	475,000
2020-2024	1,310,000	1,073,000	0	2,383,000
2025-2029	1,520,000	901,000	0	2,421,000
2030-2034	1,920,000	564,000	0	2,484,000
2035-2037	1,380,000	123,000	0	1,503,000
Total	\$ 7,285,000	\$ 4,113,000	\$ (220,000)	\$ 11,178,000

G. Pension Plan

Certain employees of the nursing home are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the nursing home participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

The nursing home is a political subdivision of the county. The nursing home's funding policy and schedule of pension plan funding progress have not been included within the financial statements as these amounts are aggregated with the county. The Jefferson County Annual Financial Report should be read to obtain the aggregated information related to funding policy and schedule of pension plan funding progress. For the year ended June 30, 2014, the nursing home's annual pension costs were approximately \$573,000.

H. Commitments and Contingencies

The nursing home leases various equipment under short-term operating lease agreements. Rent expense totaled \$10,282 in 2014.

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

Health Care Industry

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

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation,

government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes the nursing home is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

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

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

Health Care Reform

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the Health Care Reform Legislation). The Health Care Reform Legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens through a combination of public program expansion and private industry health insurance. Provisions of the Health Care Reform Legislation become effective at various dates over the next several years, and a number of additional steps are required to implement these requirements. Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. Changes to existing Medicaid coverage and payments are also expected to occur as a result of this legislation. While the full impact of the Health Care Reform Legislation is not yet fully known, changes to policies regarding reimbursement, universal health insurance,

and managed competition may materially impact the nursing home's operations.

I. Functional expenses

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

	<u>2014</u>
Healthcare Services	\$ 8,910,495
General and Administrative	<u>2,550,236</u>
Total	<u>\$ 11,460,731</u>

J. Prior-period Adjustment

A prior-period adjustment was made to correct an error effective July 1, 2013. The nursing home's Statement of Net Position reflected bond premium and bond issuance costs related to general obligation bonds issued in 2007 by the county for the benefit of the nursing home. The nursing home is required to pay the county for the county's obligations under bond issuance. The bond premium and bond issuance costs relate directly to the county obligation rather than the nursing home. The removal of the bond premium and bond issuance costs resulted in a net decrease in net position of \$109,768 as of July 1, 2013.

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

A. Summary of Significant Accounting Policies

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

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

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

1. Basis of Presentation

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

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

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

2. Method of Accounting

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

3. Net Position

The district follows the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. It requires the classification of net position into three components – 1) net investment in capital assets, (2) restricted, and 3) unrestricted.

4. **Cash and Cash Equivalents**

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

5. **Budgetary Principles**

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

The district prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The major difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a restriction of fund balance (GAAP). At June 30, 2014, the district had no encumbrances.

6. **Capital Assets**

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

7. **Use of Estimates**

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

8. **Operating and Nonoperating Revenues**

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

9. Restricted and Unrestricted Resources

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

10. Recently Issued and Adopted Accounting Pronouncements

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, and Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Statement No. 67, effective for fiscal years beginning after June 15, 2013, revises existing standards of financial reporting by state and local government's pension plans and will be adopted by the pension plan itself. Statement No. 68 will affect the governments that participate as employers in these plans and is effective for fiscal years beginning after June 15, 2014. For governments to adopt Statement No. 68, the underlying pension plans must first adopt Statement No. 67. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. Statement No. 68 details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. These pension standards include significant changes to how governmental employers will report liabilities related to pension obligations.

Statement No. 67 was implemented during the current year; No. 68 was implemented on July 1, 2014.

B. Cash, Cash Equivalents, and Deposits

Cash consisted of the following at June 30, 2014:

Cash in Bank	\$ 614,831
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At June 30, 2014, all of the district's deposits were either insured by federal depository insurance or guaranteed by bank participation in the Tennessee Bank Collateral Pool. Investment policies of the district follow state law and bond requirements prohibiting investments that are not secured or issued by the U.S. Government.

C. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 7-1-13	Increases	Balance 6-30-14	Depreciation Rates
Capital Assets Being Depreciated:				
Office Equipment and Furniture	\$ 8,064	\$ 0	\$ 8,064	14.3 - 33.3
Operating Equipment	196,416	11,569	207,985	14.3 - 20
Communication Equipment	262,135	104,403	366,538	14.3 - 20
Software	0	63,302	63,302	14.3 - 20
Vehicle	47,797	0	47,797	20
Total Capital Assets Being Depreciated	<u>\$ 514,412</u>	<u>\$ 179,274</u>	<u>\$ 693,686</u>	
Less Accumulated Depreciation for:				
Office Equipment and Furniture	\$ (5,072)	\$ (1,302)	\$ (6,374)	
Operating Equipment	(188,545)	(4,430)	(192,975)	
Communication Equipment	(70,115)	(34,753)	(104,868)	
Software	0	(8,349)	(8,349)	
Vehicle	(27,782)	(5,004)	(32,786)	
Total Accumulated Depreciation	<u>\$ (291,514)</u>	<u>\$ (53,838)</u>	<u>\$ (345,352)</u>	
Total Capital Assets Being Depreciated, Net	<u>\$ 222,898</u>	<u>\$ 125,436</u>	<u>\$ 348,334</u>	
Total Net Capital Assets	<u>\$ 222,898</u>	<u>\$ 125,436</u>	<u>\$ 348,334</u>	

Depreciation charged to expense totaled \$53,838 for the year ended June 30, 2014.

D. Compensated Absences

The vacation year is a calendar year beginning January 1 and ending December 31. Regular full-time employees accrue one day of vacation per month. After five years of service, employees accrue one and one-half days of vacation per month. Employees on vacation are paid at the regular rate of pay during such leave. Employees may accrue annual vacation leave up to a maximum of 30 days. Unpaid vacation leave totaled \$24,312 for the year ended June 30, 2014.

Sick leave is earned by regular full-time employees at the rate of one day per month. Employees may accumulate sick leave up to a maximum of 120 days. It is management's belief that sick leave does not vest, and therefore, no accrual of such leave has been made.

E. Retirement Commitments

Plan Description

Employees of Jefferson County E-911 are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Jefferson County E-911 participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS>.

Funding Policy

Jefferson County E-911 requires employees to contribute five percent of their earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 5.66 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, Jefferson County E-911's annual pension cost of \$28,584 to the TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include

(a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$ 28,584	100%	\$ 0
6-30-13	28,916	100	0
6-30-12	26,705	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 86.56 percent funded. The actuarial accrued liability for benefits was \$.58 million and the actuarial value of assets was \$.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.08 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.44 million, and the ratio of the UAAL to the covered payroll was 17.67 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Risk Management

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Jefferson County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Jefferson County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 58,418	\$ 61,286	\$ 2,868	95.32 %	\$ 19,756	14.52 %
7-1-11	51,171	55,581	4,410	92.07	19,859	22.21
7-1-09	40,628	42,291	1,663	96.07	19,168	8.67

Jefferson County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Jefferson County School Department
June 30, 2014

(Dollar amounts in thousands)

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

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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.

Other Capital Projects Fund - CDBG – The Other Capital Projects Fund - CDBG is used to account for grant proceeds used for water line extension on behalf of the New Market Utility District.

Jefferson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue Funds						Other Special Revenue
	Courthouse and Jail Maintenance	Law Library	Waste / Sanitation	Drug Control			
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
	287,118	2,727	887,855	155,984			3,925,590
	0	0	0	0	0	0	0
	0	0	1,885,981	0	0	0	0
	0	0	(87,083)	0	0	0	0
	0	0	5,017	0	0	0	0
\$	287,118 \$	2,727 \$	2,691,770 \$	155,984 \$			3,925,590

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Cash Shortage	

Total Assets

LIABILITIES

Accounts Payable	
Accrued Payroll	
Due to Other Funds	
Due to Component Units	
Due to State of Tennessee	
Total Liabilities	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Total Deferred Inflows of Resources	

(Continued)

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

	Special Revenue Funds						
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue		
\$ 287,118 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	0
0	0	0	0	0	0	0	0
0	1,680	0	0	0	0	0	0
0	0	0	0	154,264	0	0	0
0	0	804,490	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	9,155	0	0	0	0	0
0	0	0	0	0	0	1,125,590	1,125,590
0	0	0	0	0	0	2,800,000	2,800,000
<u>\$ 287,118 \$</u>	<u>1,680 \$</u>	<u>813,645 \$</u>	<u>154,264 \$</u>	<u>154,264 \$</u>	<u>3,925,590</u>		
\$ 287,118 \$	2,727 \$	2,691,770 \$	155,984 \$	3,925,590			

FUND BALANCES

Restricted:
 Restricted for General Government
 Restricted for Finance
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Projects
 Committed:
 Committed for Public Health and Welfare
 Committed for Other Operations
 Committed for Education
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Fund		Total Nonmajor Governmental Funds
	Constituti onal Officers - Fees	Total	General Capital Projects		
\$	111,805 \$	111,805 \$	0 \$	0 \$	111,805
	0	5,259,274	996,350		6,255,624
	3,702	3,702	0		3,702
	0	1,885,981	510,383		2,396,364
	0	(87,083)	(26,142)		(113,225)
	0	5,017	0		5,017
\$	115,507 \$	7,178,696 \$	1,480,591 \$		8,659,287

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Cash Shortage

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Due to Other Funds
 Due to Component Units
 Due to State of Tennessee
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Total Deferred Inflows of Resources

(Continued)

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

	Special Revenue Funds		Capital Projects Fund		Total Nonmajor Governmental Funds
	(Cont.)				
Constitutional Officers - Fees					
	\$ 108,124	\$ 395,242	\$ 0	\$ 0	\$ 395,242
	7,333	7,333	0	0	7,333
	0	1,680	0	0	1,680
	0	154,264	0	0	154,264
	0	804,490	0	0	804,490
	0	0	922,953	0	922,953
	0	9,155	0	0	9,155
	0	1,125,590	0	0	1,125,590
	0	2,800,000	0	0	2,800,000
	\$ 115,457	\$ 5,297,754	\$ 922,953	\$ 0	\$ 6,220,707
	\$ 115,507	\$ 7,178,696	\$ 1,480,591	\$ 0	\$ 8,659,287

FUND BALANCES

Restricted:

Restricted for General Government
 Restricted for Finance
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Projects

Committed:

Committed for Public Health and Welfare
 Committed for Other Operations
 Committed for Education
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds					Other Special Revenue
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control		
<u>Revenues</u>						
Local Taxes	\$ 46,521	\$ 12,129	\$ 1,822,190	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	0	37,643	0	0
Charges for Current Services	0	0	0	0	0	0
Other Local Revenues	0	0	685	13	819,319	0
Federal Government	0	0	0	39,742	0	0
Other Governments and Citizens Groups	0	0	0	2,975	0	0
Total Revenues	\$ 46,521	\$ 12,129	\$ 1,822,875	\$ 80,373	\$ 819,319	
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	465	0	0	0	8,193	0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	11,338	0	75,361	0	0
Public Health and Welfare	0	0	1,723,668	0	0	0
Social, Cultural, and Recreational Services	0	1,000	0	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 465	\$ 12,338	\$ 1,723,668	\$ 75,361	\$ 8,193	
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,056	\$ (209)	\$ 99,207	\$ 5,012	\$ 811,126	

(Continued)

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

	Special Revenue Funds						Other Special Revenue
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
Other Financing Sources (Uses)							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (742,500)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (742,500)
Net Change in Fund Balances	\$ 46,056	\$ (209)	\$ 99,207	\$ 5,012	\$ 5,012	\$ 0	\$ 68,626
Restatement of Beginning Fund Balance - See Note I.D.10	0	0	5,017	0	0	0	0
Fund Balance, July 1, 2013	241,062	1,889	709,421	149,252	149,252	3,856,964	3,856,964
Fund Balance, June 30, 2014	\$ 287,118	\$ 1,680	\$ 813,645	\$ 154,264	\$ 154,264	\$ 3,925,590	\$ 3,925,590

(Continued)

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

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	(Cont.)		General Capital Projects	Other Capital Projects - CDBG	Total		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 1,880,840	\$ 607,395	\$ 0	\$ 607,395	\$ 2,488,235	
Fines, Forfeitures, and Penalties	0	37,643	0	0	0	37,643	
Charges for Current Services	953,373	953,373	0	0	0	953,373	
Other Local Revenues	132	820,149	2,444	0	2,444	822,593	
Federal Government	0	39,742	0	17,238	17,238	56,980	
Other Governments and Citizens Groups	0	2,975	0	0	0	2,975	
Total Revenues	\$ 953,505	\$ 3,734,722	\$ 609,839	\$ 17,238	\$ 627,077	\$ 4,361,799	
<u>Expenditures</u>							
Current:							
General Government	\$ 228,305	\$ 228,305	\$ 0	\$ 0	\$ 0	\$ 228,305	
Finance	732,428	741,086	0	0	0	741,086	
Administration of Justice	178	178	0	0	0	178	
Public Safety	0	86,699	0	0	0	86,699	
Public Health and Welfare	0	1,723,668	0	0	0	1,723,668	
Social, Cultural, and Recreational Services	0	1,000	0	0	0	1,000	
Capital Projects	0	0	180,416	0	180,416	180,416	
Total Expenditures	\$ 960,911	\$ 2,780,936	\$ 180,416	\$ 0	\$ 180,416	\$ 2,961,352	
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,406)	\$ 953,786	\$ 429,423	\$ 17,238	\$ 446,661	\$ 1,400,447	

(Continued)

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

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	(Cont.)		Other	Capital	Projects -	Total	
	Constituti- onal Officers - Fees	Total	General Capital Projects	Projects - CDBG	Total		
Other Financing Sources (Uses)							
Transfers Out	\$ 0	\$ (742,500)	\$ (13,628)	\$ 0	\$ (13,628)	\$ (756,128)	
Total Other Financing Sources (Uses)	\$ 0	\$ (742,500)	\$ (13,628)	\$ 0	\$ (13,628)	\$ (756,128)	
Net Change in Fund Balances	\$ (7,406)	\$ 211,286	\$ 415,795	\$ 17,238	\$ 433,033	\$ 644,319	
Restatement of Beginning Fund Balance - See Note I.D.10	0	5,017	0	0	0	5,017	
Fund Balance, July 1, 2013	122,863	5,081,451	507,158	(17,238)	489,920	5,571,371	
Fund Balance, June 30, 2014	\$ 115,457	\$ 5,297,754	\$ 922,953	\$ 0	\$ 922,953	\$ 6,220,707	

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 46,521	\$ 40,000	\$ 40,000	\$ 6,521
Total Revenues	\$ 46,521	\$ 40,000	\$ 40,000	\$ 6,521
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 465	\$ 450	\$ 450	\$ (15)
Total Expenditures	\$ 465	\$ 450	\$ 450	\$ (15)
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,056	\$ 39,550	\$ 39,550	\$ 6,506
Net Change in Fund Balance	\$ 46,056	\$ 39,550	\$ 39,550	\$ 6,506
Fund Balance, July 1, 2013	241,062	79,100	79,100	161,962
Fund Balance, June 30, 2014	\$ 287,118	\$ 118,650	\$ 118,650	\$ 168,468

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Law Library Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 12,129 \$	0 \$	12,129 \$	9,000 \$	9,000 \$	3,129
Total Revenues	\$ 12,129 \$	0 \$	12,129 \$	9,000 \$	9,000 \$	3,129
<u>Expenditures</u>						
<u>Finance</u>						
Other Finance	\$ 0 \$	0 \$	0 \$	100 \$	0 \$	0
Public Safety						
Jail	11,338	0	11,338	12,418	12,518	1,180
Social, Cultural, and Recreational Services						
Libraries	1,000	(1,000)	0	0	0	0
Total Expenditures	\$ 12,338 \$	(1,000) \$	11,338 \$	12,518 \$	12,518 \$	1,180
Excess (Deficiency) of Revenues Over Expenditures	\$ (209) \$	1,000 \$	791 \$	(3,518) \$	(3,518) \$	4,309
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0 \$	0 \$	0 \$	3,518 \$	3,518 \$	(3,518)
Total Other Financing Sources	\$ 0 \$	0 \$	0 \$	3,518 \$	3,518 \$	(3,518)
Net Change in Fund Balance	\$ (209) \$	1,000 \$	791 \$	0 \$	0 \$	791
Fund Balance, July 1, 2013	1,889	(1,000)	889	0	0	889
Fund Balance, June 30, 2014	\$ 1,680 \$	0 \$	1,680 \$	0 \$	0 \$	1,680

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,822,190 \$	0 \$	1,822,190 \$	1,763,000 \$	1,763,000 \$	\$ 59,190
Other Local Revenues	685	0	685	0	0	685
Total Revenues	\$ 1,822,875 \$	0 \$	1,822,875 \$	1,763,000 \$	1,763,000 \$	\$ 59,875
<u>Expenditures</u>						
Public Health and Welfare						
Waste Pickup	\$ 1,723,668 \$	(50,442) \$	1,673,226 \$	1,771,278 \$	1,771,278 \$	\$ 98,052
Total Expenditures	\$ 1,723,668 \$	(50,442) \$	1,673,226 \$	1,771,278 \$	1,771,278 \$	\$ 98,052
Excess (Deficiency) of Revenues Over Expenditures	\$ 99,207 \$	50,442 \$	149,649 \$	(8,278) \$	(8,278) \$	157,927
Net Change in Fund Balance	\$ 99,207 \$	50,442 \$	149,649 \$	(8,278) \$	(8,278) \$	157,927
Restatement of Beginning Fund Balance - See Note I.D.10	5,017	0	5,017	0	0	5,017
Fund Balance, July 1, 2013	709,421	(50,442)	658,979	8,278	8,278	650,701
Fund Balance, June 30, 2014	\$ 813,645 \$	0 \$	813,645 \$	0 \$	0 \$	\$ 813,645

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 37,643	\$ 0	\$ 0	\$ 37,643	\$ 39,800	\$ 39,800	\$ (2,157)
Other Local Revenues	13	0	0	13	0	0	13
Federal Government	39,742	0	0	39,742	0	7,000	32,742
Other Governments and Citizens Groups	2,975	0	0	2,975	0	0	2,975
Total Revenues	\$ 80,373	\$ 0	\$ 0	\$ 80,373	\$ 39,800	\$ 46,800	\$ 33,573
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 75,361	(1,219)	4,413	78,555	75,000	82,000	3,445
Total Expenditures	\$ 75,361	(1,219)	4,413	78,555	75,000	82,000	3,445
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,012	1,219	(4,413)	1,818	(35,200)	(35,200)	37,018
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 5,012	1,219	(4,413)	1,818	(35,200)	(35,200)	37,018
	149,252	(1,219)	0	148,033	35,200	35,200	112,833
Fund Balance, June 30, 2014	\$ 154,264	0	(4,413)	149,851	0	0	149,851

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 819,319	\$ 752,015	\$ 752,015	\$ 67,304
Total Revenues	\$ 819,319	\$ 752,015	\$ 752,015	\$ 67,304
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 8,193	\$ 7,500	\$ 7,500	\$ (693)
Total Expenditures	\$ 8,193	\$ 7,500	\$ 7,500	\$ (693)
Excess (Deficiency) of Revenues Over Expenditures	\$ 811,126	\$ 744,515	\$ 744,515	\$ 66,611
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (742,500)	\$ (744,515)	\$ (744,515)	\$ 2,015
Total Other Financing Sources	\$ (742,500)	\$ (744,515)	\$ (744,515)	\$ 2,015
Net Change in Fund Balance	\$ 68,626	\$ 0	\$ 0	\$ 68,626
Fund Balance, July 1, 2013	3,856,964	0	0	3,856,964
Fund Balance, June 30, 2014	\$ 3,925,590	\$ 0	\$ 0	\$ 3,925,590

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 607,395	\$ 0	\$ 0	\$ 607,395	\$ 586,600	\$ 586,600	\$ 20,795
Other Local Revenues	2,444	0	0	2,444	0	0	2,444
Total Revenues	\$ 609,839	\$ 0	\$ 0	\$ 609,839	\$ 586,600	\$ 586,600	\$ 23,239
<u>Expenditures</u>							
<u>Capital Projects</u>							
Other General Government Projects	\$ 112,313	\$ (93,150)	\$ 208,453	\$ 227,616	\$ 982,400	\$ 440,562	\$ 212,946
Highway and Street Capital Projects	0	0	0	0	150,000	150,000	150,000
Education Capital Projects	68,103	0	1,070	69,173	0	528,210	459,037
Total Expenditures	\$ 180,416	\$ (93,150)	\$ 209,523	\$ 296,789	\$ 1,132,400	\$ 1,118,772	\$ 821,983
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 429,423	\$ 93,150	\$ (209,523)	\$ 313,050	\$ (545,800)	\$ (532,172)	\$ 845,222
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 150,000	\$ (150,000)
Transfers Out	(13,628)	0	0	(13,628)	0	(13,628)	0
Total Other Financing Sources	\$ (13,628)	\$ 0	\$ 0	\$ (13,628)	\$ 150,000	\$ 136,372	\$ (150,000)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 415,795	\$ 93,150	\$ (209,523)	\$ 299,422	\$ (395,800)	\$ (395,800)	\$ 695,222
	507,158	(93,150)	0	414,008	395,800	395,800	18,208
Fund Balance, June 30, 2014	\$ 922,953	\$ 0	\$ (209,523)	\$ 713,430	\$ 0	\$ 0	\$ 713,430

Major Governmental Funds

General Debt Service Fund

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

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,874,523	\$ 4,568,000	\$ 4,568,000	\$ 306,523
Other Local Revenues	757,414	150,000	697,860	59,554
Federal Government	442,656	0	442,656	0
Total Revenues	<u>\$ 6,074,593</u>	<u>\$ 4,718,000</u>	<u>\$ 5,708,516</u>	<u>\$ 366,077</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 915,000	\$ 558,793	\$ 1,188,793	\$ 273,793
Education	2,628,239	815,305	2,772,974	144,735
<u>Interest on Debt</u>				
General Government	447,432	348,583	880,678	433,246
Education	2,903,286	1,502,188	2,361,562	(541,724)
<u>Other Debt Service</u>				
General Government	166,037	1,250,000	176,715	10,678
Education	14,176	2,336,715	22,706	8,530
Total Expenditures	<u>\$ 7,074,170</u>	<u>\$ 6,811,584</u>	<u>\$ 7,403,428</u>	<u>\$ 329,258</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (999,577)</u>	<u>\$ (2,093,584)</u>	<u>\$ (1,694,912)</u>	<u>\$ 695,335</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 4,285,000	\$ 0	\$ 4,285,000	\$ 0
Premiums on Debt Issued	90,617	0	90,617	0
Transfers In	391,008	493,182	0	391,008
Payments to Refunded Debt Escrow Agent	(4,281,107)	0	(4,281,107)	0
Total Other Financing Sources	<u>\$ 485,518</u>	<u>\$ 493,182</u>	<u>\$ 94,510</u>	<u>\$ 391,008</u>
Net Change in Fund Balance	\$ (514,059)	\$ (1,600,402)	\$ (1,600,402)	\$ 1,086,343
Fund Balance, July 1, 2013	<u>8,181,701</u>	<u>9,330,512</u>	<u>9,330,512</u>	<u>(1,148,811)</u>
Fund Balance, June 30, 2014	<u>\$ 7,667,642</u>	<u>\$ 7,730,110</u>	<u>\$ 7,730,110</u>	<u>\$ (62,468)</u>

Fiduciary Funds

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for city property taxes levied by the Town of Dandridge and the City of Baneberry and collected by the county trustee for the benefit of these entities. The county trustee forwards these revenues to the Town of Dandridge and the City of Baneberry monthly.

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

Jefferson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>			
	Cities - Sales Tax	Cities - Property Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,642,961	\$ 1,642,961
Equity in Pooled Cash and Investments	0	9,207	0	9,207
Accounts Receivable	0	0	31,659	31,659
Due from Other Governments	846,345	0	0	846,345
Property Taxes Receivable	0	1,255,811	0	1,255,811
Allowance for Uncollectible Property Taxes	0	(29,708)	0	(29,708)
Total Assets	<u>\$ 846,345</u>	<u>\$ 1,235,310</u>	<u>\$ 1,674,620</u>	<u>\$ 3,756,275</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 846,345	\$ 1,235,310	\$ 0	\$ 2,081,655
Due to Litigants, Heirs, and Others	0	0	1,674,620	1,674,620
Total Liabilities	<u>\$ 846,345</u>	<u>\$ 1,235,310</u>	<u>\$ 1,674,620</u>	<u>\$ 3,756,275</u>

Jefferson County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,751,297	\$ 4,751,297	\$ 0
Due from Other Governments	806,480	846,345	806,480	846,345
Total Assets	<u>\$ 806,480</u>	<u>\$ 5,597,642</u>	<u>\$ 5,557,777</u>	<u>\$ 846,345</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 806,480</u>	<u>\$ 5,597,642</u>	<u>\$ 5,557,777</u>	<u>\$ 846,345</u>
Total Liabilities	<u>\$ 806,480</u>	<u>\$ 5,597,642</u>	<u>\$ 5,557,777</u>	<u>\$ 846,345</u>
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 13,116	\$ 1,090,133	\$ 1,094,042	\$ 9,207
Property Taxes Receivable	1,182,976	1,255,811	1,182,976	1,255,811
Allowance for Uncollectible Property Taxes	(79,235)	(29,708)	(79,235)	(29,708)
Total Assets	<u>\$ 1,116,857</u>	<u>\$ 2,316,236</u>	<u>\$ 2,197,783</u>	<u>\$ 1,235,310</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 1,116,857</u>	<u>2,316,236</u>	<u>\$ 2,197,783</u>	<u>\$ 1,235,310</u>
Total Liabilities	<u>\$ 1,116,857</u>	<u>\$ 2,316,236</u>	<u>\$ 2,197,783</u>	<u>\$ 1,235,310</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,205,452	\$ 10,363,336	\$ 9,925,827	\$ 1,642,961
Accounts Receivable	18,108	13,551	0	31,659
Total Assets	<u>\$ 1,223,560</u>	<u>\$ 10,376,887</u>	<u>\$ 9,925,827</u>	<u>\$ 1,674,620</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,223,560</u>	<u>\$ 10,376,887</u>	<u>\$ 9,925,827</u>	<u>\$ 1,674,620</u>
Total Liabilities	<u>\$ 1,223,560</u>	<u>\$ 10,376,887</u>	<u>\$ 9,925,827</u>	<u>\$ 1,674,620</u>

(Continued)

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,205,452	\$ 10,363,336	\$ 9,925,827	\$ 1,642,961
Equity in Pooled Cash and Investments	13,116	5,841,430	5,845,339	9,207
Accounts Receivable	18,108	13,551	0	31,659
Due from Other Governments	806,480	846,345	806,480	846,345
Property Taxes Receivable	1,182,976	1,255,811	1,182,976	1,255,811
Allowance for Uncollectible Property Taxes	(79,235)	(29,708)	(79,235)	(29,708)
Total Assets	<u>\$ 3,146,897</u>	<u>\$ 18,290,765</u>	<u>\$ 17,681,387</u>	<u>\$ 3,756,275</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,923,337	\$ 7,913,878	\$ 7,755,560	\$ 2,081,655
Due to Litigants, Heirs, and Others	1,223,560	10,376,887	9,925,827	1,674,620
Total Liabilities	<u>\$ 3,146,897</u>	<u>\$ 18,290,765</u>	<u>\$ 17,681,387</u>	<u>\$ 3,756,275</u>

Jefferson County School Department

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

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

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

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

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

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

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

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

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

Jefferson County, Tennessee
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues			Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:								
Instruction	\$ 35,297,123	\$ 0	\$ 68,103	\$ 35,297,123	\$ 3,129,511	\$ 68,103	\$ 35,494,737	\$ (32,099,509)
Support Services	22,016,820	0	0	22,016,820	685,019	0	22,701,839	(21,331,801)
Operation of Non-instructional Services	4,765,778	1,087,728	13,077	4,765,778	3,786,469	13,077	8,565,324	121,496
Total Governmental Activities	\$ 62,079,721	\$ 1,087,728	\$ 81,180	\$ 62,079,721	\$ 7,600,999	\$ 81,180	\$ 69,761,899	\$ (53,309,814)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes								\$ 9,212,453
Local Option Sales Taxes								5,225,401
Wholesale Beer Tax								2,469
Interstate Telecommunications Tax								8,916
Grants and Contributions Not Restricted for Specific Programs								36,392,663
Unrestricted Investment Income								924
Miscellaneous								169,576
Insurance Recovery								146,395
Gain on Sale of Capital Assets								653,103
Total General Revenues								\$ 51,811,900
Change in Net Position								\$ (1,497,914)
Net Position, July 1, 2013								65,594,122
Restatement of Beginning Fund Balance - See Note I.D.10								3,759
Net Position, June 30, 2014								\$ 64,099,967

Jefferson County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Jefferson County School Department
 June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects - JCHS	Other	Governmental Funds	
\$ 5,070,244	\$ 4,195,132	\$ 1,374,256	\$ 10,639,632		
66,992	0	140	67,132		
1,959,312	0	1,169,286	3,128,598		
0	14,083	703,744	717,827		
0	0	64,893	64,893		
11,100,692	0	0	11,100,692		
(481,657)	0	0	(481,657)		
3,759	0	0	3,759		
\$ 17,719,342	\$ 4,209,215	\$ 3,312,319	\$ 25,240,876		

ASSETS

Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Due from Other Funds	
Due from Primary Government	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Cash Shortage	
Total Assets	

LIABILITIES

Accounts Payable	155,826	120,724	6,441	282,991
Accrued Payroll	1,270	0	183,001	184,271
Payroll Deductions Payable	1,722,357	0	320,917	2,043,274
Contracts Payable	0	977,360	130,795	1,108,155
Retainage Payable	0	50,553	3,245	53,798
Due to Other Funds	703,744	0	14,083	717,827
Other Current Liabilities	28,410	0	0	28,410
Total Liabilities	\$ 2,611,607	\$ 1,148,637	\$ 658,482	\$ 4,418,726

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	10,269,790	0	0	10,269,790
Deferred Delinquent Property Taxes	187,073	0	0	187,073

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects - JCHS	Other Governmental Funds		
\$ 793,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 793,920
\$ 11,250,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,250,783

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

FUND BALANCES

Restricted:					
Restricted for Education	\$ 24,175	\$ 0	\$ 1,059,502	\$ 1,083,677	
Restricted for Capital Projects	0	3,060,578	844,335	3,904,913	
Committed:					
Committed for Education	200,196	0	750,000	950,196	
Assigned:					
Assigned for Education	1,259,799	0	0	1,259,799	
Unassigned	2,372,782	0	0	2,372,782	
Total Fund Balances	\$ 3,856,952	\$ 3,060,578	\$ 2,653,837	\$ 9,571,367	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,719,342	\$ 4,209,215	\$ 3,312,319	\$ 25,240,876	

Jefferson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Jefferson County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 9,571,367
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,492,550	
Add: construction in progress	32,862,481	
Add: buildings and improvements net of accumulated depreciation	24,178,980	
Add: machinery and equipment net of accumulated depreciation	1,181,978	
Add: other capital assets net of accumulated depreciation	<u>2,851,976</u>	62,567,965
(2) An internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		348,562
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (638,587)	
Less: termination benefits	(113,033)	
Less: other postemployment benefits liability	<u>(8,617,300)</u>	(9,368,920)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>980,993</u>
Net position of governmental activities (Exhibit A)		<u>\$ 64,099,967</u>

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects - JCHS	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 14,484,617	\$ 0	\$ 0	\$ 0	\$ 14,484,617
Licenses and Permits	2,708	0	0	0	2,708
Charges for Current Services	209,850	0	877,878	0	1,087,728
Other Local Revenues	217,941	5,256	43,596	0	266,793
State of Tennessee	35,896,430	0	35,763	0	35,932,193
Federal Government	296,481	0	7,567,399	0	7,863,880
Other Governments and Citizens Groups	61,460	0	64,893	0	126,353
Total Revenues	\$ 51,169,487	\$ 5,256	\$ 8,589,529	\$ 0	\$ 59,764,272
<u>Expenditures</u>					
Current:					
Instruction	\$ 30,198,286	\$ 0	\$ 2,965,976	\$ 0	\$ 33,164,262
Support Services	20,955,657	0	1,761,113	0	22,716,770
Operation of Non-instructional Services	927,729	0	3,735,097	0	4,662,826
Capital Projects	0	15,082,647	728,751	0	15,811,398
Total Expenditures	\$ 52,081,672	\$ 15,082,647	\$ 9,190,937	\$ 0	\$ 76,355,256
Excess (Deficiency) of Revenues Over Expenditures	\$ (912,185)	\$ (15,077,391)	\$ (601,408)	\$ 0	\$ (16,590,984)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 132,385	\$ 0	\$ 717,754	\$ 0	\$ 850,139
Transfers In	48,594	0	0	0	48,594
Transfers Out	0	0	(48,594)	0	(48,594)
Total Other Financing Sources (Uses)	\$ 180,979	\$ 0	\$ 669,160	\$ 0	\$ 850,139
Net Change in Fund Balances	\$ (731,206)	\$ (15,077,391)	\$ 67,752	\$ 0	\$ (15,740,845)
Restatement of Beginning Fund Balance - See Note I.D.10	3,759	0	0	0	3,759
Fund Balance, July 1, 2013	4,584,399	18,137,969	2,586,085	0	25,308,453
Fund Balance, June 30, 2014	\$ 3,856,952	\$ 3,060,578	\$ 2,653,837	\$ 0	\$ 9,571,367

Jefferson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (15,740,845)
(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	\$ 17,059,260	
Less: current-year depreciation expense	<u>(1,731,922)</u>	15,327,338
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 13,077	
Less: book value of capital assets disposed	<u>(71,961)</u>	(58,884)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 980,993	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(954,713)</u>	26,280
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 1,287	
Change in termination benefits	(15,430)	
Change in other postemployment benefits liability	<u>(1,029,533)</u>	(1,043,676)
(5) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(8,127)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,497,914)</u>

Jefferson County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Jefferson County School Department
 June 30, 2014

	Special Revenue Funds			Capital
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
\$ 44,545 \$ 1,105,890 \$ 1,150,435 \$ 74,805				
0 140 140 0				
1,169,286 0 1,169,286 0				
0 0 0 703,744				
0 0 0 64,893				
\$ 1,213,831 \$ 1,106,030 \$ 2,319,861 \$ 843,442				

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Retainage Payable
 Due to Other Funds
 Total Liabilities

FUND BALANCES

Restricted:
 Restricted for Education
 Restricted for Capital Projects
 Committed:
 Committed for Education
 Total Fund Balances

Total Liabilities and Fund Balances

(Continued)

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

		<u>Capital Projects Funds (Cont.)</u>		
		Other	Total	Total Nonmajor Governmental Funds
		Capital Projects - RZEDB		
	\$	149,016	\$ 223,821	\$ 1,374,256
		0	0	140
		0	0	1,169,286
		0	703,744	703,744
		0	64,893	64,893
	\$	149,016	\$ 992,458	\$ 3,312,319
	\$	0	0	6,441
		0	0	183,001
		0	0	320,917
		15,222	130,795	130,795
		0	3,245	3,245
		14,083	14,083	14,083
	\$	29,305	\$ 148,123	\$ 658,482
	\$	0	0	1,059,502
		119,711	844,335	844,335
		0	0	750,000
	\$	119,711	\$ 844,335	\$ 2,653,837
	\$	149,016	\$ 992,458	\$ 3,312,319

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Retainage Payable
 Due to Other Funds
 Total Liabilities

FUND BALANCES

Restricted:
 Restricted for Education
 Restricted for Capital Projects
 Committed:
 Committed for Education
 Total Fund Balances

Total Liabilities and Fund Balances

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects
	School Federal Projects	Central Cafeteria	Total	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 877,878	\$ 877,878	\$ 0
Other Local Revenues	0	924	924	0
State of Tennessee	0	35,763	35,763	0
Federal Government	4,870,040	2,697,359	7,567,399	0
Other Governments and Citizens Groups	0	0	0	64,893
Total Revenues	\$ 4,870,040	\$ 3,611,924	\$ 8,481,964	\$ 64,893
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,965,976	\$ 0	\$ 2,965,976	\$ 0
Support Services	1,761,113	0	1,761,113	0
Operation of Non-instructional Services	0	3,735,097	3,735,097	0
Capital Projects	0	0	0	118,819
Total Expenditures	\$ 4,727,089	\$ 3,735,097	\$ 8,462,186	\$ 118,819
Excess (Deficiency) of Revenues Over Expenditures	\$ 142,951	\$ (123,173)	\$ 19,778	\$ (53,926)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 14,010	\$ 14,010	\$ 703,744
Transfers Out	(48,594)	0	(48,594)	0
Total Other Financing Sources (Uses)	\$ (48,594)	\$ 14,010	\$ (34,584)	\$ 703,744
Net Change in Fund Balances	\$ 94,357	\$ (109,163)	\$ (14,806)	\$ 649,818
Fund Balance, July 1, 2013	686,751	1,137,557	1,824,308	74,806
Fund Balance, June 30, 2014	\$ 781,108	\$ 1,028,394	\$ 1,809,502	\$ 724,624

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		
	Other Capital Projects - RZEDB	Total	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	0 \$	0 \$	877,878
Other Local Revenues	42,672	42,672	43,596
State of Tennessee	0	0	35,763
Federal Government	0	0	7,567,399
Other Governments and Citizens Groups	0	64,893	64,893
Total Revenues	42,672 \$	107,565 \$	8,589,529
<u>Expenditures</u>			
Current:			
Instruction	0 \$	0 \$	2,965,976
Support Services	0	0	1,761,113
Operation of Non-instructional Services	0	0	3,735,097
Capital Projects	609,932	728,751	728,751
Total Expenditures	609,932 \$	728,751 \$	9,190,937
Excess (Deficiency) of Revenues Over Expenditures	(567,260) \$	(621,186) \$	(601,408)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	0 \$	703,744 \$	717,754
Transfers Out	0	0	(48,594)
Total Other Financing Sources (Uses)	0 \$	703,744 \$	669,160
Net Change in Fund Balances	(567,260) \$	82,558 \$	67,752
Fund Balance, July 1, 2013	686,971	761,777	2,586,085
Fund Balance, June 30, 2014	119,711 \$	844,335 \$	2,653,837

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Jefferson County School Department
General Purpose School Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 14,484,617	\$ 0	\$ 0	\$ 14,484,617	\$ 14,092,693	\$ 14,092,693	\$ 391,924
Licenses and Permits	2,708	0	0	2,708	2,400	2,400	308
Charges for Current Services	209,850	0	0	209,850	246,154	246,154	(36,304)
Other Local Revenues	217,941	0	0	217,941	89,500	206,348	11,593
State of Tennessee	35,896,430	0	0	35,896,430	34,637,651	35,367,948	528,482
Federal Government	296,481	0	0	296,481	299,920	337,575	(41,094)
Other Governments and Citizens Groups	61,460	0	0	61,460	58,250	58,250	3,210
Total Revenues	\$ 51,169,487	\$ 0	\$ 0	\$ 51,169,487	\$ 49,426,568	\$ 50,311,368	\$ 858,119
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 25,183,221	\$ (261)	\$ 0	\$ 25,182,960	\$ 25,986,043	\$ 25,353,687	\$ 170,727
Alternative Instruction Program	185,474	(2,500)	0	182,974	189,932	189,933	6,959
Special Education Program	3,108,475	(2,925)	0	3,105,550	3,148,393	3,157,225	51,675
Vocational Education Program	1,612,905	(2,724)	0	1,610,181	1,629,913	1,629,589	19,408
Adult Education Program	108,211	0	0	108,211	108,156	109,813	1,602
<u>Support Services</u>							
Attendance	145,230	0	0	145,230	153,187	153,119	7,889
Health Services	401,565	0	0	401,565	424,101	445,201	43,636
Other Student Support	1,826,747	(3,414)	0	1,823,333	1,726,614	1,854,507	31,174
Regular Instruction Program	2,076,721	(467)	748	2,077,002	2,099,110	2,088,653	11,651
Alternative Instruction Program	124,305	0	0	124,305	123,772	125,310	1,005
Special Education Program	414,302	0	0	414,302	421,296	420,433	6,131
Vocational Education Program	258,388	0	0	258,388	278,386	279,429	21,041
Adult Programs	101,961	0	0	101,961	88,419	107,547	5,586
Other Programs	236,696	0	0	236,696	0	236,696	0
Board of Education	604,821	0	0	604,821	599,135	607,381	2,560
Director of Schools	295,109	0	0	295,109	305,171	300,510	5,401
Office of the Principal	3,187,787	(5,746)	0	3,182,041	3,400,690	3,219,044	37,003
Fiscal Services	367,533	0	0	367,533	367,533	367,533	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 123,685	\$ 0	\$ 0	\$ 123,685	\$ 128,450	\$ 128,450	\$ 4,765
Operation of Plant	4,631,435	(77,215)	0	4,554,220	4,236,381	4,715,079	160,859
Maintenance of Plant	1,881,010	(494,188)	56,728	1,443,550	1,501,368	1,538,269	94,719
Transportation	3,120,425	(498,661)	25	2,621,789	2,730,874	2,731,516	109,727
Central and Other	1,157,937	0	43,493	1,201,430	0	1,233,915	32,485
<u>Operation of Non-instructional Services</u>							
Community Services	174,699	0	0	174,699	206,154	206,154	31,455
Early Childhood Education	753,030	(14,603)	0	738,427	764,445	762,105	23,678
<u>Other Debt Service</u>							
Education	0	0	0	0	0	4,185	4,185
Total Expenditures	\$ 52,081,672	\$ (1,102,704)	\$ 100,994	\$ 51,079,962	\$ 50,617,523	\$ 51,965,283	\$ 885,321
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (912,185)	\$ 1,102,704	\$ (100,994)	\$ 89,525	\$ (1,190,955)	\$ (1,653,915)	\$ 1,743,440
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,033	\$ (68,033)
Insurance Recovery	132,385	0	0	132,385	0	120,958	11,427
Transfers In	48,594	0	0	48,594	173,947	63,712	(15,118)
Total Other Financing Sources	\$ 180,979	\$ 0	\$ 0	\$ 180,979	\$ 173,947	\$ 252,703	\$ (71,724)
Net Change in Fund Balance	\$ (731,206)	\$ 1,102,704	\$ (100,994)	\$ 270,504	\$ (1,017,008)	\$ (1,401,212)	\$ 1,671,716
Restatement of Beginning Net Position - See Note I.D.10	3,759	0	0	3,759	0	0	3,759
Fund Balance, July 1, 2013	4,584,399	(1,102,704)	0	3,481,695	3,800,000	3,800,000	(318,305)
Fund Balance, June 30, 2014	\$ 3,856,952	\$ 0	\$ (100,994)	\$ 3,755,958	\$ 2,782,992	\$ 2,398,788	\$ 1,357,170

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,870,040	\$ 4,372,060	\$ 5,078,551	\$ (208,511)
Total Revenues	\$ 4,870,040	\$ 4,372,060	\$ 5,078,551	\$ (208,511)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,708,516	\$ 1,337,019	\$ 1,727,518	\$ 19,002
Special Education Program	1,166,359	1,204,883	1,260,106	93,747
Vocational Education Program	91,101	82,674	91,120	19
<u>Support Services</u>				
Other Student Support	248,746	213,702	257,208	8,462
Regular Instruction Program	1,129,786	1,085,739	1,285,697	155,911
Special Education Program	304,064	310,266	320,467	16,403
Vocational Education Program	1,349	1,504	1,349	0
Transportation	77,168	87,771	86,433	9,265
Total Expenditures	\$ 4,727,089	\$ 4,323,558	\$ 5,029,898	\$ 302,809
Excess (Deficiency) of Revenues Over Expenditures	\$ 142,951	\$ 48,502	\$ 48,653	\$ 94,298
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (48,594)	\$ (51,317)	\$ (50,478)	\$ 1,884
Total Other Financing Sources	\$ (48,594)	\$ (51,317)	\$ (50,478)	\$ 1,884
Net Change in Fund Balance	\$ 94,357	\$ (2,815)	\$ (1,825)	\$ 96,182
Fund Balance, July 1, 2013	686,751	686,751	686,751	0
Fund Balance, June 30, 2014	\$ 781,108	\$ 683,936	\$ 684,926	\$ 96,182

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 877,878	\$ 896,210	\$ 900,210	\$ (22,332)
Other Local Revenues	924	1,600	1,600	(676)
State of Tennessee	35,763	37,300	37,300	(1,537)
Federal Government	2,697,359	2,722,390	2,722,390	(25,031)
Total Revenues	\$ 3,611,924	\$ 3,657,500	\$ 3,661,500	\$ (49,576)
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,735,097	\$ 4,213,063	\$ 4,256,554	\$ 521,457
Total Expenditures	\$ 3,735,097	\$ 4,213,063	\$ 4,256,554	\$ 521,457
Excess (Deficiency) of Revenues Over Expenditures	\$ (123,173)	\$ (555,563)	\$ (595,054)	\$ 471,881
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 14,010	\$ 0	\$ 14,010	\$ 0
Total Other Financing Sources	\$ 14,010	\$ 0	\$ 14,010	\$ 0
Net Change in Fund Balance	\$ (109,163)	\$ (555,563)	\$ (581,044)	\$ 471,881
Fund Balance, July 1, 2013	1,137,557	555,563	581,044	556,513
Fund Balance, June 30, 2014	\$ 1,028,394	\$ 0	\$ 0	\$ 1,028,394

Jefferson County, Tennessee
Statement of Net Position
Discretely Presented Jefferson County School Department
Proprietary Fund
June 30, 2014

Governmental
 Activities -
 Internal Service
 Fund

 Employee
 Insurance -
 Dental and
 Vision
 Fund

ASSETS

Current Assets:	
Cash	\$ 31,165
Equity in Pooled Cash and Investments	366,821
Total Assets	<u>\$ 397,986</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 49,424
Total Liabilities	<u>\$ 49,424</u>

NET POSITION

Net Position - Unrestricted	<u>\$ 348,562</u>
Total Net Position	<u><u>\$ 348,562</u></u>

Jefferson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Dental and Vision Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 349,639
Total Operating Revenues	<u>\$ 349,639</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 33,794
Other Self-Insured Claims	<u>323,972</u>
Total Operating Expenses	<u>\$ 357,766</u>
Operating Income (Loss)	<u>\$ (8,127)</u>
Changes in Net Position	\$ (8,127)
Net Position, July 1, 2013	<u>356,689</u>
Net Position, June 30, 2014	<u><u>\$ 348,562</u></u>

Jefferson County, Tennessee
Statement of Cash Flows
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Dental and Vision Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 349,639
Payments for Claims	(325,225)
Payments for Administrative Costs	(33,794)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (9,380)</u>
Increase (Decrease) in Cash	\$ (9,380)
Cash, July 1, 2013	<u>407,366</u>
Cash, June 30, 2014	<u><u>\$ 397,986</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (8,127)
Adjustment to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>(1,253)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (9,380)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 31,165
Equity in Pooled Cash and Investments Per Net Position	<u>366,821</u>
Cash, June 30, 2014	<u><u>\$ 397,986</u></u>

Jefferson County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Jefferson County School Department
Fiduciary Fund
June 30, 2014

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

Jefferson County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Jefferson County School Department
Fiduciary Fund
For the Year Ended June 30, 2014

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
Change in Net Position	\$ 0
Net Position, July 1, 2013	<u>14,451</u>
Net Position, June 30, 2014	<u><u>\$ 14,451</u></u>

MISCELLANEOUS SCHEDULES

Jefferson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
NOTES PAYABLE									
Payable through General Debt Service Fund									
School Building Program - Series 2009	\$ 1,250,000	2.57 %	10-20-09	6-1-17	\$ 850,000	0 \$	200,000 \$	650,000 \$	0
E-911 CO Note - Series 2009	1,300,000	2.57	10-20-09	6-1-21	995,000	0	110,000	885,000	0
Total Payable through General Debt Service Fund					<u>\$ 1,845,000</u>	<u>0 \$</u>	<u>310,000</u>	<u>1,535,000</u>	<u>0</u>
Total Notes Payable					<u>\$ 1,845,000</u>	<u>0 \$</u>	<u>310,000</u>	<u>1,535,000</u>	<u>0</u>
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Local Government Public Improvement (E-3-D) - Refunding	13,305,000	Variable	7-31-08	6-1-26	\$ 10,510,000	0 \$	630,000 \$	0 \$	9,880,000
Local Government Public Improvement (V-G-1) - Refunding	13,740,000	4 to 5	12-10-08	6-1-19	8,375,000	0	1,480,000	0	6,895,000
Qualified School Construction Bonds	10,595,000	0 (1)	10-7-10	8-1-27	9,382,962	0	661,111	0	8,721,851
Energy Efficient Schools Initiative Loan, Series 2011	2,506,325	2.5	11-2-11	3-1-24	2,278,883	0	187,128	0	2,091,755
Total Payable through General Debt Service Fund					<u>\$ 30,546,845</u>	<u>0 \$</u>	<u>2,958,239</u>	<u>0 \$</u>	<u>27,588,606</u>
Total Other Loans Payable					<u>\$ 30,546,845</u>	<u>0 \$</u>	<u>2,958,239</u>	<u>0 \$</u>	<u>27,588,606</u>
BONDS PAYABLE									
Payable through General Debt Service Fund									
Nursing Home (Retired by Nursing Home Component Unit)	8,000,000	4 to 4.5	12-21-07	6-1-37	\$ 7,240,000	0 \$	175,000 \$	2,540,000 \$	4,525,000
School Refunding Bonds - Series 2009	10,450,000	3.41	10-20-09	6-1-23	10,150,000	0	100,000	0	10,050,000
General Obligation Bonds - Series 2010- RZEDB	16,000,000	3.69	12-10-10	6-1-40	16,000,000	0	0	0	16,000,000
General Obligation Bonds - Series 2012	9,900,000	2.62	9-10-12	6-1-36	9,900,000	0	0	0	9,900,000
General Obligation Bonds - Series 2013	9,995,000	2.54	4-10-13	6-1-36	9,995,000	0	0	0	9,995,000
General Obligation Refunding Bonds - Series 2014	4,285,000	1.45	5-15-14	6-1-27	0	4,285,000	0	0	4,285,000
Total Payable through General Debt Service Fund					<u>\$ 53,285,000</u>	<u>4,285,000 \$</u>	<u>275,000</u>	<u>2,540,000 \$</u>	<u>54,755,000</u>
Total Bonds Payable					<u>\$ 53,285,000</u>	<u>4,285,000 \$</u>	<u>275,000</u>	<u>2,540,000 \$</u>	<u>54,755,000</u>

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

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

Year Ending June 30	Other Loans			Total
	Principal	Interest (1)	Other Fees	
2015	\$ 3,072,979	\$ 935,456	\$ 33,275	\$ 4,041,710
2016	3,162,827	864,248	31,568	4,058,643
2017	3,262,795	786,345	29,798	4,078,938
2018	3,392,895	703,073	27,966	4,123,934
2019	2,043,127	609,493	26,008	2,678,628
2020	1,733,491	581,319	23,925	2,338,735
2021	1,788,988	569,838	21,779	2,380,605
2022	1,844,628	557,862	19,507	2,421,997
2023	1,900,400	545,405	17,110	2,462,915
2024	1,895,739	532,556	14,588	2,442,883
2025	1,766,112	523,305	11,940	2,301,357
2026	936,112	515,570	9,166	1,460,848
2027	726,190	513,645	8,476	1,248,311
2028	62,323	50,583	2,124	115,030
Total	\$ 27,588,606	\$ 8,288,698	\$ 277,230	\$ 36,154,534

(Continued)

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,075,000	\$ 2,207,711	\$ 3,282,711
2016	1,170,000	2,172,954	3,342,954
2017	1,225,000	2,139,254	3,364,254
2018	1,090,000	2,103,754	3,193,754
2019	2,535,000	2,074,204	4,609,204
2020	3,025,000	1,994,804	5,019,804
2021	3,110,000	1,899,629	5,009,629
2022	3,090,000	1,812,429	4,902,429
2023	3,185,000	1,722,098	4,907,098
2024	1,100,000	1,625,848	2,725,848
2025	1,140,000	1,602,473	2,742,473
2026	1,190,000	1,578,273	2,768,273
2027	1,235,000	1,551,617	2,786,617
2028	1,305,000	1,523,178	2,828,178
2029	1,365,000	1,486,524	2,851,524
2030	1,425,000	1,446,898	2,871,898
2031	1,485,000	1,404,435	2,889,435
2032	1,560,000	1,359,334	2,919,334
2033	1,625,000	1,311,074	2,936,074
2034	1,700,000	1,259,800	2,959,800
2035	1,780,000	1,202,920	2,982,920
2036	1,860,000	1,143,360	3,003,360
2037	3,530,000	1,081,120	4,611,120
2038	4,175,000	857,938	5,032,938
2039	4,325,000	581,344	4,906,344
2040	4,450,000	294,815	4,744,815
Total	\$ 54,755,000	\$ 39,437,788	\$ 94,192,788

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

Jefferson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB Tax Rebate	\$ 391,008
General Capital Projects	Solid Waste Disposal	Capital Outlay Purchase	13,628
Other Special Revenue	General	Operations	<u>742,500</u>
Total Transfers Primary Government			<u>\$ 1,147,136</u>
<u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 48,594</u>
Total Transfers Discretely Presented Jefferson County School Department			<u>\$ 48,594</u>

Jefferson County, Tennessee
 Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Jefferson County School Department
 For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 85,898	\$ 50,000	Hartford Fire Insurance Company
Road Superintendent	Section 8-24-102, TCA	81,208	100,000	"
Director of Schools	State Board of Education and County Board of Education	107,500 (1)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	73,825	1,900,000	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, TCA	73,825	10,000	"
Finance Director	County Commission	83,940 (3)	150,000	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, TCA	73,825	50,000	Hartford Fire Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	73,825	50,000	"
Clerk and Master	Section 8-24-102, TCA	73,825	50,000	State Automobile Mutual Insurance Company
Register of Deeds	Section 8-24-102, TCA	73,825	25,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, TCA	81,208 (2)	25,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes a CEO training supplement of \$1,000.
 (2) Does not include a \$600 payment for a law enforcement training supplement.
 (3) Includes a longevity payment of \$300.

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

	Special Revenue Funds						Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 9,078,925	\$ 0	\$ 0	1,702,147	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	315,313	0	0	59,891	0	0	0
Trustee's Collections - Bankruptcy	3,782	0	0	715	0	0	0
Circuit/Clerk and Master Collections - Prior Years	215,430	0	0	40,905	0	0	0
Interest and Penalty	54,126	0	0	10,585	0	0	0
Pickup Taxes	11,085	0	0	2,344	0	0	0
Payments in-Lieu-of-Taxes - Local Utilities	15,835	0	0	2,969	0	0	0
Payments in-Lieu-of-Taxes - Other	52	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	247,712	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	100,079	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	12,129	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	116,584	46,521	0	0	0	0	0
Business Tax	377,318	0	0	0	0	0	0
Adequate Facilities/Development Tax	3,796	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	14,046	0	0	2,634	0	0	0
Wholesale Beer Tax	117,138	0	0	0	0	0	0
Total Local Taxes	\$ 10,671,221	\$ 46,521	\$ 12,129	\$ 1,822,190	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,354	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	79,206	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Other Special Revenue
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	2,138 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	131,784	0	0	0	0	0	0
Other Permits	67,652	0	0	0	0	0	0
Total Licenses and Permits	282,134 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	6,455 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	11,602	0	0	0	0	0	0
Game and Fish Fines	13	0	0	0	0	0	0
Drug Control Fines	0	0	0	12,535	0	0	0
Drug Court Fees	1,896	0	0	166	0	0	0
Jail Fees	2,960	0	0	0	0	0	0
DUI Treatment Fines	43	0	0	0	0	0	0
Data Entry Fee - Circuit Court	3,646	0	0	0	0	0	0
Courtroom Security Fee	14	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	53,839	0	0	0	0	0	0
Fines for Littering	238	0	0	0	0	0	0
Officers Costs	62,498	0	0	0	0	0	0
Game and Fish Fines	2,335	0	0	0	0	0	0
Drug Control Fines	0	0	0	17,834	0	0	0
Drug Court Fees	16,939	0	0	1,963	0	0	0
Jail Fees	67,598	0	0	0	0	0	0
DUI Treatment Fines	12,564	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds							Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court (Cont.)</u>								
Data Entry Fee - General Sessions Court	\$ 17,244	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	1,904	0	0	0	0	0	0	0
Juvenile Court								
Fines	7,702	0	0	0	0	0	0	0
Officers Costs	6,481	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,054	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	718	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	3,590	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>								
Victims Assistance Assessments	48,429	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	5,145	0	0
Total Fines, Forfeitures, and Penalties	\$ 329,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,643	\$ 0	0
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Patient Charges	\$ 3,381,808	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	1,900	0	0	0	0	0	0	0
<u>Fees</u>								
Copy Fees	1,645	0	0	0	0	0	0	0
Library Fees	6,900	0	0	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0	0	0
Telephone Commissions	91,238	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds							Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Data Processing Fee - Register	\$ 16,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Processing Fee - Sheriff	7,528	0	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,500	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	629	0	0	0	0	0	0	0
Total Charges for Current Services	\$ 3,515,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13	\$ 3,659		
Lease/Rentals	6,600	0	0	0	0	815,660		
Commissary Sales	36,886	0	0	0	0	0		
Sale of Maps	2,288	0	0	0	0	0		
Sale of Recycled Materials	222	0	0	0	0	0		
Miscellaneous Refunds	145,837	0	0	0	0	0		
Expenditure Credits	8,175	0	0	685	0	0		
<u>Nonrecurring Items</u>								
Sale of Equipment	3,149	0	0	0	0	0		
Sale of Property	56,522	0	0	0	0	0		
Contributions and Gifts	500	0	0	0	0	0		
<u>Other Local Revenues</u>								
Other Local Revenues	\$ 367,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Local Revenues	\$ 628,178	\$ 0	\$ 0	\$ 685	\$ 13	\$ 819,319		

(Continued)

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

	Special Revenue Funds							Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	621,000	0	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>								
Circuit Court Clerk	238,844	0	0	0	0	0	0	0
General Sessions Court Clerk	341,502	0	0	0	0	0	0	0
Clerk and Master	113,308	0	0	0	0	0	0	0
Juvenile Court Clerk	39,594	0	0	0	0	0	0	0
Sheriff	24,251	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,418,499	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 15,630	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	10,783	0	0	0	0	0	0	0
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	22,800	0	0	0	0	0	0	0
Health and Welfare Grants								
Health Department Programs	135,710	0	0	0	0	0	0	0
Other Health and Welfare Grants	32,700	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	0	0	0	0
Litter Program	43,919	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Emergency Hospital - Prisoners	3,556	0	0	0	0	0	0	0
Contracted Prisoner Boarding	1,500,202	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds							Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control			
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Gasoline and Motor Fuel Tax	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Petroleum Special Tax	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Other State Grants	489	0	0	0	0	0	0	0
Other State Revenues	26,577	0	0	0	0	0	0	0
Total State of Tennessee	\$ 1,807,530 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Civil Defense Reimbursement	35,500	0	0	0	0	0	0	0
Homeland Security Grants	13,861	0	0	0	0	0	0	0
Other Federal through State	102,507	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Asset Forfeiture Funds	0	0	0	0	39,742	0	0	0
Tax Credit Bond Rebate	472,811	0	0	0	0	0	0	0
Other Direct Federal Revenue	25,012	0	0	0	0	0	0	0
Total Federal Government	\$ 649,691 \$	0 \$	0 \$	0 \$	39,742 \$	0 \$	0 \$	0
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 204,818 \$	0 \$	0 \$	0 \$	2,675 \$	0 \$	0 \$	0
<u>Citizens Groups</u>								
Donations	1,550	0	0	0	300	0	0	0
<u>Other Governments and Citizens Groups (Cont.)</u>								
<u>Other</u>								
Other	\$ 1,576 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Total Other Governments and Citizens Groups	\$ 207,944 \$	0 \$	0 \$	0 \$	2,975 \$	0 \$	0 \$	0
Total	\$ 19,510,459 \$	46,521 \$	12,129 \$	1,822,875 \$	80,373 \$	819,319		

(Continued)

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

	Special Revenue Funds			Debt Service		Capital Projects Funds			Total
	(Cont.)			Fund					
	Constituti- onal Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects	Other Capital Projects - CDBG		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 2,156,052	\$ 2,122,179	\$ 567,378	\$ 0	\$ 15,626,681			
Trustee's Collections - Prior Year	0	75,861	128,913	19,964	0	599,942			
Trustee's Collections - Bankruptcy	0	906	1,104	238	0	6,745			
Circuit/Clerk and Master Collections - Prior Years	0	51,816	68,174	13,635	0	389,960			
Interest and Penalty	0	14,553	17,870	3,531	0	100,665			
Pickup Taxes	0	2,579	2,577	781	0	19,366			
Payments in-Lieu-of-Taxes - Local Utilities	0	3,761	3,761	990	0	27,316			
Payments in-Lieu-of-Taxes - Other	0	0	0	0	0	52			
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	1,156,514	0	0	1,156,514			
Hotel/Motel Tax	0	0	0	0	0	247,712			
Wheel Tax	0	0	1,096,116	0	0	1,096,116			
Litigation Tax - General	0	0	0	0	0	100,079			
Litigation Tax - Special Purpose	0	0	0	0	0	12,129			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	163,105			
Business Tax	0	0	0	0	0	377,318			
Adequate Facilities/Development Tax	0	0	273,979	0	0	277,775			
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	3,336	3,336	878	0	24,230			
Wholesale Beer Tax	0	0	0	0	0	117,138			
Total Local Taxes	\$ 0	\$ 2,308,864	\$ 4,874,523	\$ 607,395	\$ 0	\$ 20,342,843			
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,354			
Cable TV Franchise	0	0	0	0	0	79,206			

(Continued)

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

	Special Revenue Funds			Debt Service		Capital Projects Funds			Total
	(Cont.)			Fund		Projects			
	Constititu- tional Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects	Other Capital Projects - CDBG		
<u>Licenses and Permits (Cont.)</u>									
<u>Permits</u>									
Beer Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,138
Building Permits	0	0	0	0	0	0	0	0	131,784
Other Permits	0	0	0	0	0	0	0	0	67,652
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	282,134
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	6,455
Officers Costs	0	0	0	0	0	0	0	0	11,602
Game and Fish Fines	0	0	0	0	0	0	0	0	13
Drug Control Fines	0	0	0	0	0	0	0	0	12,535
Drug Court Fees	0	0	0	0	0	0	0	0	2,062
Jail Fees	0	0	0	0	0	0	0	0	2,960
DUI Treatment Fines	0	0	0	0	0	0	0	0	43
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	3,646
Courtroom Security Fee	0	0	0	0	0	0	0	0	14
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	53,839
Fines for Littering	0	0	0	0	0	0	0	0	238
Officers Costs	0	0	0	0	0	0	0	0	62,498
Game and Fish Fines	0	0	0	0	0	0	0	0	2,335
Drug Control Fines	0	0	0	0	0	0	0	0	17,834
Drug Court Fees	0	0	0	0	0	0	0	0	18,902
Jail Fees	0	0	0	0	0	0	0	0	67,598
DUI Treatment Fines	0	0	0	0	0	0	0	0	12,564

(Continued)

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

	Special Revenue Funds			Debt Service		Capital Projects Funds			Total
	(Cont.)			Fund					
	Constitutional Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects	Other Capital Projects - CDBG		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>General Sessions Court (Cont.)</u>									
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,244
Courtroom Security Fee	0	0	0	0	0	0	0	0	1,904
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	7,702
Officers Costs	0	0	0	0	0	0	0	0	6,481
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	1,054
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	718
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	3,590
<u>Judicial District Drug Program</u>									
Victims Assistance Assessments	0	0	0	0	0	0	0	0	48,429
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	5,145
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	367,405
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,381,808
Other General Service Charges	0	29,735	0	0	0	0	0	0	31,635
<u>Fees</u>									
Copy Fees	0	0	0	0	0	0	0	0	1,645
Library Fees	0	0	0	0	0	0	0	0	6,900
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	0	0	0	91,238
Constitutional Officers' Fees and Commissions	953,373	0	0	0	0	0	0	0	953,373

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Funds			Total
	Constituti- onal Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects	Other Capital Projects - CDBG		
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,302
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	7,528
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	0	0	7,500
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	629
Total Charges for Current Services	\$ 953,373	\$ 29,735	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,498,608
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 132	\$ 0	\$ 0	\$ 264,233	\$ 0	\$ 0	\$ 0	\$ 0	\$ 268,037
Lease/Rentals	0	0	0	0	0	0	0	0	822,260
Commissary Sales	0	0	0	0	0	0	0	0	36,886
Sale of Maps	0	0	0	0	0	0	0	0	2,288
Sale of Recycled Materials	0	0	0	0	0	0	0	0	222
Miscellaneous Refunds	0	2,196	0	0	2,444	0	0	0	150,477
Expenditure Credits	0	0	0	0	0	0	0	0	8,860
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	0	0	0	0	0	3,149
Sale of Property	0	0	0	0	0	0	0	0	56,522
Contributions and Gifts	0	0	0	0	0	0	0	0	500
<u>Other Local Revenues</u>									
Other Local Revenues	0	0	0	493,181	0	0	0	0	861,180
Total Other Local Revenues	\$ 132	\$ 2,196	\$ 0	\$ 757,414	\$ 2,444	\$ 0	\$ 0	\$ 0	\$ 2,210,381

(Continued)

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

	Special Revenue Funds			Debt Service		Capital Projects Funds			Total
	(Cont.)			Fund					
	Constititu- tional Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects	Other Capital Projects - CDBG		
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	40,000
Trustee	0	0	0	0	0	0	0	0	621,000
<u>Fees in-Lieu-of Salary</u>									
Circuit Court Clerk	0	0	0	0	0	0	0	0	238,844
General Sessions Court Clerk	0	0	0	0	0	0	0	0	341,502
Clerk and Master	0	0	0	0	0	0	0	0	113,308
Juvenile Court Clerk	0	0	0	0	0	0	0	0	39,594
Sheriff	0	0	0	0	0	0	0	0	24,251
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,418,499
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	15,630
Aging Programs	0	0	0	0	0	0	0	0	10,783
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	22,800
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	135,710
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	32,700
<u>Public Works Grants</u>									
State Aid Program	0	112,584	0	0	0	0	0	0	112,584
Litter Program	0	0	0	0	0	0	0	0	43,919
<u>Other State Revenues</u>									
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	0	3,556
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	1,500,202

(Continued)

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds		Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects - CDBG		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Gasoline and Motor Fuel Tax	\$ 0 \$	1,662,624 \$	0 \$	0 \$	0 \$	0 \$	1,662,624
Petroleum Special Tax	0	37,093	0	0	0	0	37,093
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	489
Other State Revenues	0	0	0	0	0	0	26,577
Total State of Tennessee	\$ 0 \$	1,812,301 \$	0 \$	0 \$	0 \$	0 \$	3,619,831
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0 \$	0 \$	0 \$	0 \$	17,238 \$	0 \$	17,238
Civil Defense Reimbursement	0	0	0	0	0	0	35,500
Homeland Security Grants	0	0	0	0	0	0	13,861
Other Federal through State	0	0	0	0	0	0	102,507
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	0	0	0	0	0	0	39,742
Tax Credit Bond Rebate	0	0	442,656	0	0	0	915,467
Other Direct Federal Revenue	0	0	0	0	0	0	25,012
Total Federal Government	\$ 0 \$	0 \$	442,656 \$	0 \$	17,238 \$	0 \$	1,149,327
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	207,493
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	1,850
<u>Other Governments and Citizens Groups (Cont.)</u>							
<u>Other</u>							
Other	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,576
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	210,919
Total	\$ 953,505 \$	4,153,096 \$	6,074,593 \$	609,839 \$	17,238 \$	0 \$	34,099,947

Jefferson County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - RZEDB	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,638,224	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	359,271	0	0	0	0	0
Trustee's Collections - Bankruptcy	3,134	0	0	0	0	0
Circuit/Clerk and Master Collections - Prior Years	169,072	0	0	0	0	0
Interest and Penalty	46,947	0	0	0	0	0
Pickup Taxes	10,211	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	13,297	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	15,241	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,204,316	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	13,519	0	0	0	0	0
Wholesale Beer Tax	2,469	0	0	0	0	0
Interstate Telecommunications Tax	8,916	0	0	0	0	0
Total Local Taxes	\$ 14,484,617	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	2,708	0	0	0	0	0
Total Licenses and Permits	\$ 2,708	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 495,415	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds			Capital Projects Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - RZEDB	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	61,482	\$ 0	\$ 0	0
Income from Breakfast	0	0	57,549	0	0	0
A la carte Sales	0	0	233,485	0	0	0
Receipts from Individual Schools	46,165	0	0	0	0	0
Community Service Fees - Children	163,685	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	29,947	0	0	0
Total Charges for Current Services	\$ 209,850	\$ 0	\$ 877,878	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0	0	924	\$ 0	\$ 0	0
E-Rate Funding	62,603	0	0	0	0	0
Miscellaneous Refunds	121,573	0	0	0	0	42,672
<u>Nonrecurring Items</u>						
Sale of Equipment	21,320	0	0	0	0	0
Damages Recovered from Individuals	75	0	0	0	0	0
Contributions and Gifts	7,060	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	5,310	0	0	0	0	0
Total Other Local Revenues	\$ 217,941	\$ 0	\$ 924	\$ 0	\$ 0	42,672

(Continued)

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

	Special Revenue Funds			Capital Projects Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - RZEDB	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 236,696	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State Education Funds</u>						
Basic Education Program	32,297,999	0	0	0	0	0
Early Childhood Education	744,518	0	0	0	0	0
School Food Service	0	0	35,763	0	0	0
Other State Education Funds	818,006	0	0	0	0	0
Career Ladder Program	193,431	0	0	0	0	0
Career Ladder - Extended Contract	59,770	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	443,721	0	0	0	0	0
Beer Tax	35,678	0	0	0	0	0
Alcoholic Beverage Tax	52,664	0	0	0	0	0
State Revenue Sharing - T. V.A.	974,060	0	0	0	0	0
Other State Grants	39,887	0	0	0	0	0
Total State of Tennessee	\$ 35,896,430	\$ 0	\$ 35,763	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,839,733	\$ 0	\$ 0	0
USDA - Commodities	0	0	257,616	0	0	0
Breakfast	0	0	600,010	0	0	0
Adult Education State Grant Program	156,783	0	0	0	0	0
Vocational Education - Basic Grants to States	0	113,693	0	0	0	0
Title I Grants to Local Education Agencies	0	2,369,108	0	0	0	0

(Continued)

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

	Special Revenue Funds			Capital Projects Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - RZEDB	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education - Grants to States	\$ 25,665	\$ 1,507,387	\$ 0	\$ 0	\$ 0	0
Special Education Preschool Grants	0	51,030	0	0	0	0
English Language Acquisition Grants	0	24,306	0	0	0	0
Eisenhower Professional Development State Grants	0	250,639	0	0	0	0
Job Training Partnership Act	52,814	0	0	0	0	0
Race-to-the-Top - ARRA	0	409,141	0	0	0	0
Other Federal through State	0	144,736	0	0	0	0
<u>Direct Federal Revenue</u>	61,219	0	0	0	0	0
ROTC Reimbursement	296,481	4,870,040	2,697,359	0	0	0
Total Federal Government	\$ 296,481	\$ 4,870,040	\$ 2,697,359	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 61,460	\$ 0	\$ 0	\$ 64,893	\$ 0	0
Total Other Governments and Citizens Groups	\$ 61,460	\$ 0	\$ 0	\$ 64,893	\$ 0	0
Total	\$ 51,169,487	\$ 4,870,040	\$ 3,611,924	\$ 64,893	\$ 42,672	

(Continued)

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

	Capital Projects Fund (Cont.)	Other Capital Projects - JCHS	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 8,638,224	
Trustee's Collections - Prior Year	0	359,271	
Trustee's Collections - Bankruptcy	0	3,134	
Circuit/Clerk and Master Collections - Prior Years	0	169,072	
Interest and Penalty	0	46,947	
Pickup Taxes	0	10,211	
Payments in-Lieu-of Taxes - T.V.A.	0	13,297	
Payments in-Lieu-of Taxes - Local Utilities	0	15,241	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	5,204,316	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	13,519	
Wholesale Beer Tax	0	2,469	
Interstate Telecommunications Tax	0	8,916	
Total Local Taxes	\$ 0	\$ 14,484,617	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$ 2,708	
Total Licenses and Permits	\$ 0	\$ 2,708	
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Lunch Payments - Children	\$ 0	\$ 495,415	

(Continued)

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

	Capital Projects Fund (Cont.)	Other Capital Projects - JCHS	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges (Cont.)</u>			
Lunch Payments - Adults	0	0	61,482
Income from Breakfast	0	0	57,549
A la carte Sales	0	0	233,485
Receipts from Individual Schools	0	0	46,165
Community Service Fees - Children	0	0	163,685
<u>Other Charges for Services</u>			
Other Charges for Services	0	0	29,947
<u>Total Charges for Current Services</u>	<u>0</u>	<u>0</u>	<u>1,087,728</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	0	0	924
E-Rate Funding	0	0	62,603
Miscellaneous Refunds	5,256	0	169,501
<u>Nonrecurring Items</u>			
Sale of Equipment	0	0	21,320
Damages Recovered from Individuals	0	0	75
Contributions and Gifts	0	0	7,060
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	5,310
<u>Total Other Local Revenues</u>	<u>5,256</u>	<u>0</u>	<u>266,793</u>

(Continued)

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

	Capital Projects Fund (Cont.)	Other Capital Projects - JCHS	Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
On-behalf Contributions for OPEB	\$	0 \$	236,696
<u>State Education Funds</u>			
Basic Education Program	0	32,297,999	32,297,999
Early Childhood Education	0	744,518	744,518
School Food Service	0	35,763	35,763
Other State Education Funds	0	818,006	818,006
Career Ladder Program	0	193,431	193,431
Career Ladder - Extended Contract	0	59,770	59,770
<u>Other State Revenues</u>			
Income Tax	0	443,721	443,721
Beer Tax	0	35,678	35,678
Alcoholic Beverage Tax	0	52,664	52,664
State Revenue Sharing - T. V.A.	0	974,060	974,060
Other State Grants	0	39,887	39,887
Total State of Tennessee	\$	0 \$	35,932,193
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$	0 \$	1,839,733
USDA - Commodities	0	257,616	257,616
Breakfast	0	600,010	600,010
Adult Education State Grant Program	0	156,783	156,783
Vocational Education - Basic Grants to States	0	113,693	113,693
Title I Grants to Local Education Agencies	0	2,369,108	2,369,108

(Continued)

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

	Capital Projects Fund (Cont.)	Other Capital Projects - JCHS	Total
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Special Education - Grants to States	\$ 0	\$ 1,533,052	
Special Education Preschool Grants	0	51,030	
English Language Acquisition Grants	0	24,306	
Eisenhower Professional Development State Grants	0	250,639	
Job Training Partnership Act	0	52,814	
Race-to-the-Top - ARRA	0	409,141	
Other Federal through State	0	144,736	
<u>Direct Federal Revenue</u>	0	61,219	
ROTC Reimbursement	0	\$ 7,863,880	
Total Federal Government	\$	\$	
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 0	\$ 126,353	
Total Other Governments and Citizens Groups	\$	\$ 126,353	
Total	\$	\$ 5,256	\$ 59,764,272

Jefferson County, Tennessee
 Schedule of Detailed Expenditures -
All Governmental Fund Types
 For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Medical Personnel	\$	29,000	
Part-time Personnel		17,471	
Board and Committee Members Fees		88,850	
Social Security		6,592	
Unemployment Compensation		151	
Employer Medicare		1,542	
Advertising		5,251	
Audit Services		15,422	
Dues and Memberships		6,584	
Legal Services		34,620	
Other Contracted Services		48,354	
Office Supplies		273	
Total County Commission			\$ 254,110

Board of Equalization

Board and Committee Members Fees	\$	1,200	
Total Board of Equalization			1,200

County Mayor/Executive

County Official/Administrative Officer	\$	85,898	
Longevity Pay		700	
Other Salaries and Wages		64,612	
Social Security		9,014	
State Retirement		22,245	
Life Insurance		181	
Medical Insurance		26,400	
Dental Insurance		450	
Unemployment Compensation		288	
Employer Medicare		2,108	
Communication		1,397	
Pauper Burials		1,800	
Gasoline		2,099	
Office Supplies		1,688	
Other Charges		2,224	
Total County Mayor/Executive			221,104

Election Commission

Supervisor/Director	\$	66,443	
Clerical Personnel		53,298	
Part-time Personnel		17,338	
Longevity Pay		700	
Election Commission		7,500	
Election Workers		21,700	
Social Security		9,507	
State Retirement		17,633	
Life Insurance		194	
Medical Insurance		24,837	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Dental Insurance	\$	425	
Unemployment Compensation		671	
Employer Medicare		2,223	
Advertising		2,973	
Communication		1,878	
Data Processing Services		4,018	
Dues and Memberships		3,925	
Maintenance Agreements		14,860	
Postal Charges		4,480	
Printing, Stationery, and Forms		763	
Travel		10,382	
Other Contracted Services		1,042	
Office Supplies		3,497	
Utilities		228	
Other Charges		176	
Data Processing Equipment		1,308	
Voting Machines		69,170	
Total Election Commission			\$ 341,169

Register of Deeds

Life Insurance	\$	205	
Medical Insurance		22,597	
Dental Insurance		450	
Unemployment Compensation		570	
Data Processing Services		13,136	
Maintenance Agreements		2,393	
Data Processing Supplies		869	
Office Supplies		966	
Other Charges		71	
Total Register of Deeds			41,257

Codes Compliance

Supervisor/Director	\$	46,261	
Clerical Personnel		27,320	
Longevity Pay		2,100	
Social Security		4,529	
State Retirement		11,178	
Life Insurance		137	
Medical Insurance		17,074	
Dental Insurance		300	
Unemployment Compensation		288	
Employer Medicare		1,059	
Communication		405	
Gasoline		1,182	
Office Supplies		353	
Other Charges		12	
Total Codes Compliance			112,198

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	40,753	
Custodial Personnel		72,349	
Maintenance Personnel		86,998	
Longevity Pay		5,600	
Social Security		12,554	
State Retirement		30,208	
Life Insurance		455	
Medical Insurance		53,796	
Dental Insurance		900	
Unemployment Compensation		1,008	
Employer Medicare		2,936	
Communication		37,362	
Maintenance Agreements		87,714	
Maintenance and Repair Services - Buildings		161,084	
Pest Control		3,265	
Postal Charges		49,344	
Other Contracted Services		16,382	
Custodial Supplies		10,168	
Electricity		31,693	
Gasoline		6,970	
Natural Gas		16,047	
Office Supplies		4,102	
Uniforms		3,963	
Water and Sewer		20,891	
Building and Contents Insurance		34,853	
Vehicle and Equipment Insurance		3,503	
Other Charges		10,703	
Motor Vehicles		35,268	
Office Equipment		1,082	
Other Equipment		13,881	
Total County Buildings			\$ 855,832

Other Facilities

Supervisor/Director	\$	39,598
Mechanic(s)		58,815
Longevity Pay		2,100
Overtime Pay		1,446
In-service Training		621
Social Security		6,047
State Retirement		15,060
Life Insurance		205
Medical Insurance		25,620
Dental Insurance		238
Unemployment Compensation		432
Employer Medicare		1,414
Communication		2,261
Maintenance Agreements		1,809

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Maintenance and Repair Services - Equipment	\$	1,309	
Other Contracted Services		1,608	
Gasoline		7,716	
Office Supplies		1,162	
Tires and Tubes		42,385	
Uniforms		4,073	
Utilities		8,826	
Vehicle Parts		126,814	
Other Charges		488	
Motor Vehicles		23,040	
Office Equipment		815	
Other Equipment		1,179	
Total Other Facilities			\$ 375,081

Other General Administration

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

Preservation of Records

Communication	\$	1	
Maintenance and Repair Services - Office Equipment		905	
Travel		85	
Office Supplies		3,206	
Data Processing Equipment		1,015	
Total Preservation of Records			5,212

Finance

Accounting and Budgeting

Assistant(s)	\$	41,819	
Supervisor/Director		83,640	
Deputy(ies)		60,469	
Part-time Personnel		5,140	
Longevity Pay		7,600	
Other Salaries and Wages		232,417	
In-service Training		200	
Social Security		25,646	
State Retirement		60,971	
Life Insurance		690	
Medical Insurance		86,827	
Dental Insurance		1,450	
Unemployment Compensation		1,639	
Employer Medicare		5,998	
Communication		2,744	
Maintenance Agreements		10,031	
Rentals		30,000	
Travel		698	
Other Contracted Services		3,931	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Data Processing Supplies	\$	5,070	
Office Supplies		4,742	
Utilities		5,952	
Other Charges		571	
Data Processing Equipment		209	
Office Equipment		2,910	
Total Accounting and Budgeting			\$ 681,364

Property Assessor's Office

County Official/Administrative Officer	\$	73,825	
Assessment Personnel		220,874	
Clerical Personnel		25,356	
Longevity Pay		3,800	
Social Security		19,558	
State Retirement		42,605	
Life Insurance		479	
Medical Insurance		58,446	
Dental Insurance		900	
Unemployment Compensation		1,347	
Employer Medicare		4,577	
Audit Services		7,220	
Data Processing Services		25,433	
Maintenance Agreements		3,908	
Postal Charges		12,564	
Travel		562	
Gasoline		3,422	
Office Supplies		1,077	
Other Supplies and Materials		1,379	
Other Charges		227	
Data Processing Equipment		245	
Office Equipment		1,012	
Total Property Assessor's Office			508,816

County Trustee's Office

Life Insurance	\$	181	
Medical Insurance		27,778	
Dental Insurance		450	
Unemployment Compensation		553	
Communication		1,549	
Data Processing Services		9,861	
Legal Notices, Recording, and Court Costs		300	
Maintenance Agreements		13,836	
Travel		1,959	
Gasoline		164	
Office Supplies		2,616	
Other Charges		196	
Data Processing Equipment		5,115	
Total County Trustee's Office			64,558

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

Life Insurance	\$	678	
Medical Insurance		78,178	
Dental Insurance		1,488	
Unemployment Compensation		1,468	
Communication		2,219	
Maintenance Agreements		14,918	
Travel		1,085	
Office Supplies		11,146	
Other Charges		731	
Data Processing Equipment		3,690	
Total County Clerk's Office			\$ 115,601

Data Processing

Supervisor/Director	\$	52,902	
Longevity Pay		400	
Social Security		3,319	
State Retirement		7,873	
Life Insurance		68	
Medical Insurance		7,485	
Dental Insurance		88	
Unemployment Compensation		144	
Employer Medicare		776	
Communication		563	
Other Contracted Services		27,251	
Gasoline		1,333	
Other Supplies and Materials		153	
Other Charges		2,139	
Data Processing Equipment		1,120	
Other Equipment		4,354	
Total Data Processing			109,968

Other Finance

Other Contracted Services	\$	40,000	
Liability Insurance		85,179	
Trustee's Commission		242,103	
Workers' Compensation Insurance		126,318	
Liability Claims		524	
Tax Relief Program		126,750	
Total Other Finance			620,874

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,825	
Clerical Personnel		320,759	
Longevity Pay		8,900	
Jury and Witness Expense		5,406	
Social Security		24,151	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

State Retirement	\$	59,594	
Life Insurance		752	
Medical Insurance		94,809	
Dental Insurance		1,525	
Unemployment Compensation		1,440	
Employer Medicare		5,648	
Communication		2,000	
Legal Notices, Recording, and Court Costs		24	
Maintenance Agreements		24,599	
Postal Charges		252	
Travel		436	
Maintenance and Repair Services - Records		3,000	
Other Contracted Services		36,000	
Data Processing Supplies		1,005	
Electricity		22,111	
Library Books/Media		30	
Natural Gas		5,830	
Office Supplies		14,220	
Other Charges		856	
Data Processing Equipment		2,157	
Office Equipment		574	
Total Circuit Court			\$ 709,903

General Sessions Court

County Official/Administrative Officer	\$	156,444	
Secretary(ies)		35,486	
Longevity Pay		1,500	
Other Per Diem and Fees		18,546	
Social Security		10,162	
State Retirement		28,570	
Life Insurance		103	
Medical Insurance		18,675	
Dental Insurance		300	
Unemployment Compensation		144	
Employer Medicare		2,724	
Dues and Memberships		680	
Maintenance Agreements		727	
Travel		1,520	
Electricity		12,992	
Library Books/Media		1,871	
Natural Gas		3,495	
Office Supplies		1,228	
Other Charges		377	
Total General Sessions Court			295,544

Drug Court

Contracts with Government Agencies	\$	28,569	
Other Charges		112,801	
Total Drug Court			141,370

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	73,825	
Assistant(s)		35,896	
Deputy(ies)		34,267	
Longevity Pay		3,000	
Jury and Witness Expense		89	
Social Security		8,780	
State Retirement		21,710	
Life Insurance		171	
Medical Insurance		21,794	
Dental Insurance		450	
Unemployment Compensation		432	
Employer Medicare		2,053	
Advertising		1,064	
Communication		406	
Dues and Memberships		40	
Maintenance Agreements		7,835	
Travel		874	
Office Supplies		2,561	
Total Chancery Court			\$ 215,247

Juvenile Court

Youth Service Officer(s)	\$	101,079	
Attendants		36,336	
Longevity Pay		4,500	
In-service Training		600	
Social Security		8,301	
State Retirement		20,961	
Life Insurance		274	
Medical Insurance		31,585	
Dental Insurance		450	
Unemployment Compensation		576	
Employer Medicare		1,941	
Communication		1,915	
Contracts with Government Agencies		8,175	
Maintenance Agreements		4,794	
Postal Charges		80	
Travel		2,367	
Drug Treatment		478	
Electricity		14,983	
Gasoline		1,513	
Natural Gas		4,019	
Office Supplies		3,672	
Uniforms		198	
Data Processing Equipment		3,315	
Total Juvenile Court			252,112

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Other Charges	\$ 347	
Total Other Administration of Justice		\$ 347

Victim Assistance Programs

Remittance of Revenue Collected	\$ 44,701	
Total Victim Assistance Programs		44,701

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 81,208	
Assistant(s)	127,901	
Deputy(ies)	1,212,245	
Detective(s)	149,009	
Secretary(ies)	25,747	
Part-time Personnel	208,013	
Longevity Pay	21,600	
Overtime Pay	13,552	
In-service Training	41,799	
Social Security	116,089	
State Retirement	226,838	
Life Insurance	3,388	
Medical Insurance	388,300	
Dental Insurance	5,716	
Unemployment Compensation	10,792	
Employer Medicare	27,150	
Other Fringe Benefits	45,523	
Communication	51,533	
Data Processing Services	480	
Dues and Memberships	2,693	
Maintenance Agreements	28,196	
Maintenance and Repair Services - Equipment	7,261	
Maintenance and Repair Services - Vehicles	36,251	
Postal Charges	2,132	
Rentals	1,818	
Travel	6,963	
Other Contracted Services	5,941	
Gasoline	253,722	
Instructional Supplies and Materials	2,356	
Library Books/Media	742	
Office Supplies	13,371	
Uniforms	25,233	
Liability Insurance	40,708	
Vehicle and Equipment Insurance	12,649	
Workers' Compensation Insurance	62,175	
Other Charges	2,646	
Data Processing Equipment	31,044	
Motor Vehicles	240,000	
Other Equipment	57,744	
Total Sheriff's Department		3,590,528

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Wheel Tax Officer

Part-time Personnel	\$	11,836	
Social Security		734	
Unemployment Compensation		152	
Employer Medicare		160	
Travel		42	
Office Supplies		143	
Office Equipment		302	
Total Wheel Tax Officer			\$ 13,369

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	2,000	
Other Equipment		14,040	
Total Administration of the Sexual Offender Registry			16,040

Jail

Medical Personnel	\$	40,267	
Guards		913,290	
Cafeteria Personnel		52,212	
Part-time Personnel		52,464	
Longevity Pay		19,400	
In-service Training		2,756	
Social Security		67,936	
State Retirement		145,182	
Life Insurance		2,546	
Medical Insurance		296,225	
Dental Insurance		4,091	
Unemployment Compensation		7,015	
Employer Medicare		15,888	
Other Fringe Benefits		37,868	
Medical and Dental Services		237,467	
Other Contracted Services		140	
Custodial Supplies		54,162	
Electricity		147,142	
Food Supplies		371,751	
Natural Gas		55,777	
Uniforms		6,074	
Water and Sewer		55,874	
Building and Contents Insurance		24,545	
Other Charges		7,460	
Other Equipment		24,161	
Total Jail			2,641,693

Workhouse

Guards	\$	171,216	
Social Security		10,960	
State Retirement		16,029	
Life Insurance		509	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Medical Insurance	\$	56,032	
Dental Insurance		805	
Unemployment Compensation		1,631	
Employer Medicare		2,563	
Other Fringe Benefits		7,455	
Electricity		19,209	
Natural Gas		8,372	
Water and Sewer		16,330	
Total Workhouse			\$ 311,111

Inspection and Regulation

Supervisor/Director	\$	42,238	
Clerical Personnel		22,679	
Social Security		3,716	
State Retirement		8,539	
Life Insurance		125	
Medical Insurance		19,435	
Dental Insurance		212	
Unemployment Compensation		586	
Employer Medicare		869	
Communication		732	
Dues and Memberships		620	
Travel		276	
Gasoline		3,339	
Instructional Supplies and Materials		734	
Office Supplies		2,147	
Refunds		747	
Other Charges		87	
Total Inspection and Regulation			107,081

Public Safety Grants Programs

Instructional Supplies and Materials	\$	7,227	
Total Public Safety Grants Programs			7,227

Other Public Safety

Contributions	\$	433,600	
Total Other Public Safety			433,600

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	89,639	
Longevity Pay		2,900	
Social Security		5,451	
State Retirement		10,454	
Life Insurance		205	
Medical Insurance		22,574	
Dental Insurance		450	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Unemployment Compensation	\$	782	
Employer Medicare		1,275	
Communication		4,281	
Contracts with Government Agencies		22,602	
Contributions		19,500	
Travel		1,818	
Drugs and Medical Supplies		704	
Instructional Supplies and Materials		1,458	
Utilities		22,466	
Other Charges		6,753	
Building Improvements		16,641	
Total Local Health Center			\$ 229,953

Rabies and Animal Control

Other Salaries and Wages	\$	49,464	
Social Security		3,134	
State Retirement		6,499	
Life Insurance		137	
Medical Insurance		15,993	
Dental Insurance		300	
Unemployment Compensation		364	
Employer Medicare		733	
Other Fringe Benefits		1,636	
Communication		1,906	
Gasoline		13,800	
Vehicle and Equipment Insurance		196	
Motor Vehicles		26,114	
Other Equipment		2,937	
Total Rabies and Animal Control			123,213

Ambulance/Emergency Medical Services

Assistant(s)	\$	140,633	
Supervisor/Director		59,236	
Medical Personnel		1,500	
Clerical Personnel		71,315	
Attendants		1,585,472	
Part-time Personnel		232,865	
Longevity Pay		40,600	
Overtime Pay		70,574	
Other Salaries and Wages		26,662	
In-service Training		19,100	
Social Security		139,967	
State Retirement		299,402	
Life Insurance		3,129	
Medical Insurance		402,128	
Dental Insurance		5,138	
Unemployment Compensation		8,983	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Employer Medicare	\$	32,734	
Other Fringe Benefits		73,204	
Communication		33,281	
Data Processing Services		830	
Debt Collection Services		14,945	
Maintenance Agreements		15,451	
Maintenance and Repair Services - Equipment		14,703	
Postal Charges		8,382	
Travel		1,765	
Tuition		1,965	
Diesel Fuel		186,649	
Drugs and Medical Supplies		206,036	
Electricity		28,965	
Natural Gas		9,520	
Office Supplies		6,874	
Uniforms		22,892	
Water and Sewer		4,534	
Other Supplies and Materials		11,479	
Building and Contents Insurance		3,759	
Liability Insurance		17,926	
Refunds		43,922	
Vehicle and Equipment Insurance		9,161	
Workers' Compensation Insurance		104,241	
Other Charges		8,966	
Data Processing Equipment		773	
Furniture and Fixtures		1,998	
Motor Vehicles		327,973	
Other Equipment		61,666	
Total Ambulance/Emergency Medical Services			\$ 4,361,298

Aid to Dependent Children

Other Charges	\$	1,523	
Total Aid to Dependent Children			1,523

Sanitation Education/Information

Guards	\$	33,297	
Longevity Pay		1,100	
Social Security		2,098	
State Retirement		5,081	
Life Insurance		68	
Medical Insurance		10,560	
Dental Insurance		150	
Unemployment Compensation		144	
Employer Medicare		491	
Communication		365	
Gasoline		7,229	
Instructional Supplies and Materials		8,419	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Other Supplies and Materials	\$ 400	
Vehicle and Equipment Insurance	196	
Total Sanitation Education/Information		\$ 69,598

Other Public Health and Welfare

Supervisor/Director	\$ 48,698	
Longevity Pay	2,800	
Other Salaries and Wages	59,246	
Social Security	6,870	
State Retirement	16,357	
Life Insurance	205	
Medical Insurance	22,034	
Dental Insurance	450	
Unemployment Compensation	432	
Employer Medicare	1,607	
Communication	2,268	
Postal Charges	188	
Travel	845	
Gasoline	5,730	
Office Supplies	542	
Chemicals	686	
Refunds	100	
Motor Vehicles	25,259	
Office Equipment	589	
Total Other Public Health and Welfare		194,906

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 88,447	
Supervisor/Director	32,559	
Salary Supplements	5,100	
Longevity Pay	5,400	
Social Security	8,017	
State Retirement	17,917	
Life Insurance	328	
Medical Insurance	44,668	
Dental Insurance	738	
Unemployment Compensation	916	
Employer Medicare	1,875	
Communication	2,173	
Maintenance Agreements	410	
Travel	2,400	
Office Supplies	123	
Vehicle and Equipment Insurance	392	
Total Senior Citizens Assistance		211,463

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Librarians	\$	149,716	
Part-time Personnel		71,785	
Longevity Pay		2,300	
In-service Training		898	
Social Security		13,475	
State Retirement		18,680	
Life Insurance		376	
Medical Insurance		55,165	
Dental Insurance		700	
Unemployment Compensation		1,999	
Employer Medicare		3,151	
Communication		1,997	
Maintenance Agreements		317	
Maintenance and Repair Services - Equipment		1,427	
Library Books/Media		9,924	
Periodicals		3,182	
Utilities		2,306	
Other Supplies and Materials		2,760	
Other Charges		12,203	
Building Construction		667	
Building Improvements		4,333	
Data Processing Equipment		4,701	
Other Equipment		3,566	
Total Libraries			\$ 365,628

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	58,584	
Part-time Personnel		12,418	
Social Security		3,905	
State Retirement		6,949	
Unemployment Compensation		158	
Employer Medicare		1,527	
Other Fringe Benefits		1,235	
Communication		5,911	
Data Processing Services		318	
Dues and Memberships		1,080	
Printing, Stationery, and Forms		500	
Travel		5,267	
Electricity		1,484	
Instructional Supplies and Materials		529	
Natural Gas		5	
Water and Sewer		252	
Other Charges		80	
Furniture and Fixtures		1,118	
Total Agricultural Extension Service			101,320

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	24,398	
Longevity Pay		400	
Social Security		1,535	
State Retirement		3,663	
Life Insurance		68	
Medical Insurance		7,185	
Dental Insurance		62	
Unemployment Compensation		144	
Employer Medicare		359	
Dues and Memberships		450	
Total Soil Conservation			\$ 38,264

Other Operations

Veterans' Services

Supervisor/Director	\$	33,456	
Longevity Pay		500	
Social Security		2,072	
State Retirement		5,015	
Life Insurance		68	
Medical Insurance		7,425	
Dental Insurance		150	
Unemployment Compensation		144	
Employer Medicare		485	
Communication		1,288	
Postal Charges		213	
Travel		1,006	
Other Contracted Services		399	
Office Supplies		283	
Data Processing Equipment		320	
Total Veterans' Services			52,824

Contributions to Other Agencies

Contributions	\$	1,048,595	
Total Contributions to Other Agencies			1,048,595

Employee Benefits

Workers' Compensation Insurance	\$	3,063	
Total Employee Benefits			3,063

Total General Fund \$ 19,948,115

Courthouse and Jail Maintenance Fund

Finance

Other Finance

Trustee's Commission	\$	465	
Total Other Finance			\$ 465

Total Courthouse and Jail Maintenance Fund 465

(Continued)

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

Law Library Fund

Public Safety

Jail

Library Books/Media	\$ 11,217	
Trustee's Commission	121	
Total Jail		\$ 11,338

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 1,000	
Total Libraries		1,000

Total Law Library Fund \$ 12,338

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$ 30,170	
Part-time Personnel	43,500	
Longevity Pay	9,650	
Other Salaries and Wages	315,998	
Social Security	23,715	
State Retirement	46,610	
Life Insurance	716	
Medical Insurance	98,822	
Dental Insurance	775	
Unemployment Compensation	522	
Employer Medicare	5,753	
Contracts with Private Agencies	11,550	
Maintenance and Repair Services - Vehicles	70,649	
Rentals	6,986	
Travel	296	
Disposal Fees	738,528	
Crushed Stone	755	
Diesel Fuel	58,640	
Gasoline	12,999	
Lubricants	5,323	
Pipe	2,556	
Tires and Tubes	24,667	
Utilities	17,890	
Other Supplies and Materials	12,328	
Building and Contents Insurance	81	
Trustee's Commission	35,487	
Vehicle and Equipment Insurance	9,791	
Workers' Compensation Insurance	30,315	
Other Charges	6,034	
Solid Waste Equipment	102,562	
Total Waste Pickup		\$ 1,723,668

Total Solid Waste/Sanitation Fund 1,723,668

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Veterinary Services	\$	3,688	
Other Contracted Services		9,255	
Animal Food and Supplies		1,179	
Law Enforcement Supplies		7,847	
Trustee's Commission		386	
Other Charges		235	
Other Equipment		52,771	
Total Drug Enforcement			\$ 75,361

Total Drug Control Fund \$ 75,361

Other Special Revenue Fund

Finance

Other Finance

Trustee's Commission	\$	8,193	
Total Other Finance			\$ 8,193

Total Other Special Revenue Fund 8,193

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	228,305	
Total Register of Deeds			\$ 228,305

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	207,594	
Total County Trustee's Office			207,594

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	524,834	
Total County Clerk's Office			524,834

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	50	
Total Circuit Court			50

General Sessions Court

Constitutional Officers' Operating Expenses	\$	50	
Total General Sessions Court			50

Chancery Court

Constitutional Officers' Operating Expenses	\$	78	
Total Chancery Court			78

Total Constitutional Officers - Fees Fund 960,911

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,208	
Accountants/Bookkeepers		44,691	
Clerical Personnel		25,992	
Longevity Pay		1,900	
Board and Committee Members Fees		16,920	
Social Security		10,580	
State Retirement		22,730	
Life Insurance		205	
Medical Insurance		24,961	
Dental Insurance		150	
Unemployment Compensation		72	
Employer Medicare		2,474	
Communication		11,748	
Data Processing Services		776	
Dues and Memberships		2,851	
Legal Notices, Recording, and Court Costs		501	
Postal Charges		220	
Other Contracted Services		4,043	
Office Supplies		2,621	
Other Charges		3,307	
Total Administration			\$ 257,950

Highway and Bridge Maintenance

Laborers	\$	1,060,111	
Longevity Pay		31,300	
Social Security		67,062	
State Retirement		153,115	
Life Insurance		2,212	
Medical Insurance		257,059	
Dental Insurance		3,326	
Unemployment Compensation		1,249	
Employer Medicare		15,684	
Rentals		8,121	
Asphalt - Liquid		689,249	
Other Road Materials		48,893	
Pipe - Metal		24,476	
Road Signs		18,935	
Salt		8,084	
Other Supplies and Materials		5,069	
Total Highway and Bridge Maintenance			2,393,945

Operation and Maintenance of Equipment

Mechanic(s)	\$	175,765	
Longevity Pay		3,600	
Social Security		10,832	
State Retirement		26,521	
Life Insurance		342	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Medical Insurance	\$	41,979	
Dental Insurance		300	
Unemployment Compensation		180	
Employer Medicare		2,533	
Maintenance and Repair Services - Equipment		188,348	
Diesel Fuel		83,639	
Gasoline		129,095	
Lubricants		24,969	
Natural Gas		101,923	
Tires and Tubes		32,961	
Water and Sewer		493	
Other Supplies and Materials		14,692	
Other Equipment		321,131	
Total Operation and Maintenance of Equipment			\$ 1,159,303

Quarry Operations

Laborers	\$	286,530	
Longevity Pay		3,500	
Social Security		17,899	
State Retirement		33,629	
Life Insurance		570	
Medical Insurance		76,982	
Dental Insurance		850	
Unemployment Compensation		425	
Employer Medicare		4,186	
Explosive and Drilling Services		21,065	
Maintenance and Repair Services - Equipment		42,030	
Electricity		160,409	
Other Charges		9,475	
Total Quarry Operations			657,550

Asphalt Plant Operations

Maintenance and Repair Services - Equipment	\$	24,782	
Other Contracted Services		2,600	
Total Asphalt Plant Operations			27,382

Other Charges

Building and Contents Insurance	\$	7,975	
Liability Insurance		8,005	
Trustee's Commission		62,186	
Vehicle and Equipment Insurance		19,203	
Total Other Charges			97,369

Employee Benefits

Workers' Compensation Insurance	\$	84,785	
Total Employee Benefits			84,785

Total Highway/Public Works Fund \$ 4,678,284

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 175,000	
Principal on Notes	110,000	
Principal on Other Loans	630,000	
Total General Government	<u>915,000</u>	\$ 915,000

Education

Principal on Bonds	\$ 100,000	
Principal on Notes	200,000	
Principal on Other Loans	2,328,239	
Total Education	<u>2,628,239</u>	2,628,239

Interest on Debt

General Government

Interest on Bonds	\$ 318,181	
Interest on Notes	26,976	
Interest on Other Loans	102,275	
Total General Government	<u>447,432</u>	447,432

Education

Interest on Bonds	\$ 1,953,266	
Interest on Notes	20,374	
Interest on Other Loans	929,646	
Total Education	<u>2,903,286</u>	2,903,286

Other Debt Service

General Government

Trustee's Commission	\$ 72,017	
Underwriter's Discount	25,251	
Other Debt Issuance Charges	55,083	
Other Debt Service	13,686	
Total General Government	<u>166,037</u>	166,037

Education

Underwriter's Discount	\$ 4,456	
Other Debt Issuance Charges	9,720	
Total Education	<u>14,176</u>	14,176

Total General Debt Service Fund \$ 7,074,170

General Capital Projects Fund

Capital Projects

Other General Government Projects

Architects	\$ 6,910	
Trustee's Commission	11,823	
Building Improvements	86,135	
Data Processing Equipment	7,445	
Total Other General Government Projects	<u>112,313</u>	\$ 112,313

(Continued)

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Education Capital Projects

Contributions

\$ 68,103

Total Education Capital Projects

\$ 68,103

Total General Capital Projects Fund

\$ 180,416

Total Governmental Funds - Primary Government

\$ 34,661,921

Jefferson County, Tennessee
 Schedule of Detailed Expenditures -
 All Governmental Fund Types
 Discretely Presented Jefferson County School Department
 For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,856,634	
Career Ladder Program	124,804	
Career Ladder Extended Contracts	30,600	
Educational Assistants	210,013	
Longevity Pay	6,973	
Other Salaries and Wages	57,600	
Certified Substitute Teachers	158,942	
Non-certified Substitute Teachers	234,554	
Social Security	1,022,599	
State Retirement	1,525,409	
Life Insurance	28,700	
Medical Insurance	3,451,218	
Dental Insurance	64,070	
Employer Medicare	243,026	
Contributions	553	
Other Contracted Services	35,996	
Instructional Supplies and Materials	307,979	
Textbooks	608,239	
Fee Waivers	150,000	
Other Charges	4,000	
Regular Instruction Equipment	61,312	
Total Regular Instruction Program		\$ 25,183,221

Alternative Instruction Program

Teachers	\$ 113,396	
Educational Assistants	9,587	
Longevity Pay	213	
Social Security	7,089	
State Retirement	11,517	
Life Insurance	274	
Medical Insurance	32,428	
Dental Insurance	850	
Employer Medicare	1,658	
Instructional Supplies and Materials	7,458	
Other Supplies and Materials	1,004	
Total Alternative Instruction Program		185,474

Special Education Program

Teachers	\$ 1,695,768
Career Ladder Program	7,507
Career Ladder Extended Contracts	2,000
Homebound Teachers	2,790
Educational Assistants	127,542
Speech Pathologist	345,988
Social Security	127,466
State Retirement	201,418

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	4,046	
Medical Insurance		484,736	
Dental Insurance		10,013	
Employer Medicare		29,811	
Other Fringe Benefits		2,348	
Instructional Supplies and Materials		26,638	
Other Supplies and Materials		7,507	
Special Education Equipment		32,897	
Total Special Education Program			\$ 3,108,475

Vocational Education Program

Teachers	\$	1,144,251	
Career Ladder Program		7,000	
Certified Substitute Teachers		1,190	
Non-certified Substitute Teachers		3,328	
Social Security		67,870	
State Retirement		102,231	
Life Insurance		1,722	
Medical Insurance		210,908	
Dental Insurance		3,583	
Employer Medicare		15,879	
Instructional Supplies and Materials		49,000	
Vocational Instruction Equipment		5,943	
Total Vocational Education Program			1,612,905

Adult Education Program

Teachers	\$	63,990	
Longevity Pay		277	
Other Salaries and Wages		29,820	
Social Security		4,267	
State Retirement		5,528	
Life Insurance		68	
Dental Insurance		200	
Employer Medicare		1,363	
Instructional Supplies and Materials		2,698	
Total Adult Education Program			108,211

Support Services

Attendance

Supervisor/Director	\$	78,536	
Career Ladder Program		3,550	
Career Ladder Extended Contracts		4,000	
Other Salaries and Wages		37,681	
Social Security		5,235	
State Retirement		7,596	
Life Insurance		68	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Medical Insurance	\$	6,585	
Dental Insurance		200	
Employer Medicare		1,779	
Total Attendance			\$ 145,230

Health Services

Medical Personnel	\$	235,970	
Longevity Pay		3,913	
Other Salaries and Wages		10,178	
Social Security		14,974	
State Retirement		32,677	
Life Insurance		832	
Medical Insurance		86,327	
Dental Insurance		1,233	
Employer Medicare		3,502	
Travel		291	
Other Supplies and Materials		6,193	
In Service/Staff Development		126	
Health Equipment		5,349	
Total Health Services			401,565

Other Student Support

Career Ladder Program	\$	5,000	
Guidance Personnel		974,302	
Career Ladder Extended Contracts		12,000	
Assessment Personnel		54,783	
Clerical Personnel		13,766	
Longevity Pay		4,392	
Other Salaries and Wages		96,236	
Social Security		67,433	
State Retirement		108,892	
Life Insurance		1,930	
Medical Insurance		240,903	
Dental Insurance		5,543	
Employer Medicare		15,771	
Other Fringe Benefits		4,125	
Evaluation and Testing		55,305	
Travel		6,412	
Other Contracted Services		108,654	
Other Supplies and Materials		14,852	
In Service/Staff Development		8,964	
Other Charges		21,520	
Other Equipment		5,964	
Total Other Student Support			1,826,747

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	139,153	
Career Ladder Program		7,200	
Librarians		578,025	
Medical Personnel		1,670	
Materials Supervisor		8,834	
Assessment Personnel		100,834	
Instructional Computer Personnel		117,443	
Secretary(ies)		124,399	
Clerical Personnel		45,595	
Longevity Pay		12,390	
Other Salaries and Wages		282,195	
Certified Substitute Teachers		105	
Social Security		85,386	
State Retirement		159,426	
Life Insurance		2,201	
Medical Insurance		246,598	
Dental Insurance		5,287	
Employer Medicare		19,988	
Postal Charges		150	
Travel		11,888	
Other Contracted Services		940	
Other Supplies and Materials		35,811	
In Service/Staff Development		76,400	
Other Charges		1,699	
Other Equipment		13,104	
Total Regular Instruction Program			\$ 2,076,721

Alternative Instruction Program

Supervisor/Director	\$	59,258	
Secretary(ies)		16,968	
Longevity Pay		404	
Social Security		4,532	
State Retirement		7,828	
Life Insurance		137	
Medical Insurance		15,237	
Dental Insurance		600	
Employer Medicare		1,060	
Communication		3,356	
Travel		259	
Other Contracted Services		1,754	
Office Supplies		2,000	
Other Charges		217	
Other Equipment		10,695	
Total Alternative Instruction Program			124,305

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	78,686	
Career Ladder Program		3,000	
Assessment Personnel		52,514	
Secretary(ies)		11,418	
Other Salaries and Wages		136,496	
Social Security		15,911	
State Retirement		32,463	
Life Insurance		404	
Medical Insurance		50,726	
Dental Insurance		1,200	
Employer Medicare		3,887	
Other Fringe Benefits		2,608	
Travel		5,199	
Other Contracted Services		19,790	
Total Special Education Program			\$ 414,302

Vocational Education Program

Supervisor/Director	\$	141,440	
Career Ladder Program		2,000	
Secretary(ies)		28,773	
Longevity Pay		1,240	
Social Security		9,865	
State Retirement		16,856	
Life Insurance		205	
Medical Insurance		29,983	
Dental Insurance		600	
Employer Medicare		2,307	
Communication		1,291	
Maintenance and Repair Services - Equipment		365	
Travel		12,596	
Other Contracted Services		3,387	
Other Supplies and Materials		2,598	
In Service/Staff Development		435	
Other Equipment		4,447	
Total Vocational Education Program			258,388

Adult Programs

Supervisor/Director	\$	60,125
Social Security		3,666
State Retirement		5,339
Life Insurance		68
Medical Insurance		6,345
Dental Insurance		200
Employer Medicare		857
Travel		1,200
Other Contracted Services		4,225

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

In Service/Staff Development	\$ 4,994	
Other Equipment	14,942	
Total Adult Programs		\$ 101,961

Other Programs

On-behalf Payments to OPEB	\$ 236,696	
Total Other Programs		236,696

Board of Education

Board and Committee Members Fees	\$ 8,400	
Social Security	372	
Unemployment Compensation	34,667	
Employer Medicare	122	
Audit Services	11,500	
Dues and Memberships	22,516	
Legal Services	13,006	
Travel	8,961	
Other Contracted Services	1,404	
Trustee's Commission	315,686	
Workers' Compensation Insurance	185,942	
Other Charges	2,245	
Total Board of Education		604,821

Director of Schools

County Official/Administrative Officer	\$ 107,500	
Secretary(ies)	77,688	
Longevity Pay	2,600	
Social Security	11,725	
State Retirement	27,202	
Life Insurance	113	
Medical Insurance	15,134	
Dental Insurance	400	
Employer Medicare	2,742	
Communication	4,965	
Postal Charges	2,618	
Travel	1,040	
Other Contracted Services	29,579	
Office Supplies	5,087	
Other Supplies and Materials	5,359	
Administration Equipment	1,357	
Total Director of Schools		295,109

Office of the Principal

Principals	\$ 782,853	
Career Ladder Program	9,000	
Assistant Principals	638,845	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(ies)	\$	603,606	
Clerical Personnel		107,638	
Longevity Pay		23,432	
Social Security		126,752	
State Retirement		229,618	
Life Insurance		3,708	
Medical Insurance		426,600	
Dental Insurance		8,553	
Employer Medicare		29,644	
Communication		65,000	
Travel		1,753	
Other Contracted Services		106,746	
Other Supplies and Materials		18,652	
Other Charges		5,387	
Total Office of the Principal			\$ 3,187,787

Fiscal Services

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

Human Services/Personnel

Supervisor/Director	\$	49,379	
Secretary(ies)		34,923	
Longevity Pay		600	
Social Security		4,771	
State Retirement		12,540	
Life Insurance		137	
Medical Insurance		17,955	
Dental Insurance		400	
Employer Medicare		1,116	
Advertising		100	
Dues and Memberships		235	
Travel		49	
Other Supplies and Materials		1,077	
In Service/Staff Development		403	
Total Human Services/Personnel			123,685

Operation of Plant

Supervisor/Director	\$	75,296	
Guards		96,163	
Custodial Personnel		785,946	
Longevity Pay		32,424	
Other Salaries and Wages		53,369	
Social Security		59,205	
State Retirement		134,102	
Life Insurance		2,955	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Medical Insurance	\$	295,227	
Dental Insurance		5,753	
Employer Medicare		14,653	
Other Contracted Services		707,263	
Custodial Supplies		168,356	
Electricity		1,395,834	
Natural Gas		264,792	
Water and Sewer		158,263	
Building and Contents Insurance		378,794	
Other Charges		3,040	
Total Operation of Plant			\$ 4,631,435

Maintenance of Plant

Supervisor/Director	\$	57,491	
Maintenance Personnel		364,473	
Longevity Pay		8,900	
Social Security		26,567	
State Retirement		62,623	
Life Insurance		876	
Medical Insurance		77,847	
Dental Insurance		2,149	
Employer Medicare		6,213	
Communication		3,783	
Maintenance and Repair Services - Buildings		505,559	
Maintenance and Repair Services - Equipment		142,566	
Other Contracted Services		328,199	
Other Supplies and Materials		229,300	
Other Charges		19,878	
Maintenance Equipment		44,586	
Total Maintenance of Plant			1,881,010

Transportation

Supervisor/Director	\$	57,491	
Mechanic(s)		189,724	
Bus Drivers		1,056,053	
Clerical Personnel		21,701	
Longevity Pay		5,100	
Other Salaries and Wages		45,120	
Social Security		81,069	
State Retirement		57,431	
Life Insurance		542	
Medical Insurance		67,630	
Dental Insurance		1,182	
Employer Medicare		19,729	
Contracts with Public Carriers		2,000	
Maintenance and Repair Services - Vehicles		43,649	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	7,992	
Other Contracted Services		32,179	
Diesel Fuel		353,506	
Garage Supplies		4,096	
Gasoline		88,913	
Lubricants		8,792	
Tires and Tubes		51,927	
Vehicle Parts		78,199	
Other Charges		13,257	
Transportation Equipment		833,143	
Total Transportation			\$ 3,120,425

Central and Other

Consultants	\$	70,000	
Maintenance and Repair Services - Equipment		262	
Other Contracted Services		446,210	
Office Supplies		846	
Other Supplies and Materials		17,994	
In Service/Staff Development		9,919	
Administration Equipment		19,944	
Other Equipment		592,762	
Total Central and Other			1,157,937

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	81,782	
Longevity Pay		1,500	
Other Salaries and Wages		50,402	
Social Security		8,266	
State Retirement		7,778	
Life Insurance		68	
Medical Insurance		6,585	
Dental Insurance		200	
Employer Medicare		1,933	
Communication		1,251	
Travel		108	
Food Supplies		7,921	
Other Supplies and Materials		4,914	
Other Charges		1,991	
Total Community Services			174,699

Early Childhood Education

Supervisor/Director	\$	8,834	
Teachers		273,474	
Assessment Personnel		3,000	
Clerical Personnel		5,020	

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	127,417	
Longevity Pay		4,483	
Other Salaries and Wages		750	
Non-certified Substitute Teachers		7,700	
Social Security		25,121	
State Retirement		38,559	
Life Insurance		1,053	
Medical Insurance		101,561	
Dental Insurance		2,507	
Employer Medicare		5,876	
Contracts with Other Public Agencies		93,048	
Travel		206	
Instructional Supplies and Materials		13,082	
In Service/Staff Development		2,750	
Other Charges		4,378	
Other Equipment		34,211	
Total Early Childhood Education			\$ 753,030

Total General Purpose School Fund

\$ 52,081,672

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	97,169	
Educational Assistants		547,397	
Other Salaries and Wages		650	
Certified Substitute Teachers		5,985	
Non-certified Substitute Teachers		6,376	
Social Security		40,153	
State Retirement		92,915	
Life Insurance		3,070	
Medical Insurance		353,704	
Dental Insurance		6,381	
Employer Medicare		9,391	
Other Fringe Benefits		32,432	
Instructional Supplies and Materials		81,659	
Other Charges		3,582	
Regular Instruction Equipment		427,652	
Total Regular Instruction Program			\$ 1,708,516

Special Education Program

Teachers	\$	40,206	
Educational Assistants		481,695	
Non-certified Substitute Teachers		1,692	
Social Security		30,741	
State Retirement		74,440	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	2,840	
Medical Insurance		309,197	
Dental Insurance		4,815	
Employer Medicare		7,189	
Other Fringe Benefits		22,734	
Other Contracted Services		61,974	
Instructional Supplies and Materials		30,742	
Other Supplies and Materials		14,963	
Other Charges		16,463	
Special Education Equipment		66,668	
Total Special Education Program			\$ 1,166,359

Vocational Education Program

Teachers	\$	10,176	
Social Security		631	
State Retirement		904	
Life Insurance		17	
Medical Insurance		2,182	
Dental Insurance		50	
Employer Medicare		148	
Vocational Instruction Equipment		76,993	
Total Vocational Education Program			91,101

Support Services

Other Student Support

Assessment Personnel	\$	5,244	
Other Salaries and Wages		131,805	
Social Security		8,062	
State Retirement		14,782	
Employer Medicare		1,885	
Evaluation and Testing		4,550	
Travel		39,941	
Other Contracted Services		7,423	
Other Supplies and Materials		11,792	
In Service/Staff Development		1,160	
Other Charges		17,957	
Other Equipment		4,145	
Total Other Student Support			248,746

Regular Instruction Program

Supervisor/Director	\$	70,673	
Clerical Personnel		39,307	
Other Salaries and Wages		686,318	
Certified Substitute Teachers		1,385	
Non-certified Substitute Teachers		3,555	
Social Security		41,863	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	64,388	
Life Insurance		821	
Medical Insurance		114,159	
Dental Insurance		2,397	
Employer Medicare		10,975	
Travel		2,296	
Food Supplies		7,418	
Other Supplies and Materials		5,003	
In Service/Staff Development		74,274	
Other Charges		2,578	
Other Equipment		2,376	
Total Regular Instruction Program			\$ 1,129,786

Special Education Program

Psychological Personnel	\$	149,290	
Other Salaries and Wages		48,117	
Social Security		11,475	
State Retirement		20,469	
Life Insurance		274	
Medical Insurance		36,006	
Dental Insurance		600	
Employer Medicare		2,684	
Other Fringe Benefits		712	
Maintenance and Repair Services - Equipment		485	
Travel		2,601	
Other Contracted Services		2,073	
In Service/Staff Development		29,278	
Total Special Education Program			304,064

Vocational Education Program

Travel	\$	1,349	
Total Vocational Education Program			1,349

Transportation

Bus Drivers	\$	52,798	
Other Salaries and Wages		14,889	
Social Security		4,197	
State Retirement		4,303	
Employer Medicare		981	
Total Transportation			77,168

Total School Federal Projects Fund \$ 4,727,089

(Continued)

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

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	47,050	
Accountants/Bookkeepers		62,768	
Cafeteria Personnel		913,123	
Longevity Pay		22,098	
Other Salaries and Wages		10,865	
In-service Training		1,528	
Social Security		61,815	
State Retirement		100,530	
Life Insurance		2,608	
Medical Insurance		273,732	
Dental Insurance		6,098	
Employer Medicare		14,776	
Communication		9,843	
Maintenance and Repair Services - Equipment		35,848	
Transportation - Other than Students		12,771	
Travel		2,574	
Other Contracted Services		155,966	
Food Supplies		1,582,007	
Office Supplies		9,857	
USDA - Commodities		257,616	
Other Supplies and Materials		147,809	
In Service/Staff Development		3,815	
Total Food Service			\$ 3,735,097

Total Central Cafeteria Fund \$ 3,735,097

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	53,926	
Other Construction		64,893	
Total Education Capital Projects			\$ 118,819

Total Education Capital Projects Fund 118,819

Other Capital Projects Fund - RZEDB

Capital Projects

Education Capital Projects

Architects	\$	441,613	
Instructional Supplies and Materials		19,798	
Other Equipment		148,521	
Total Education Capital Projects			\$ 609,932

Total Other Capital Projects Fund - RZEDB 609,932

(Continued)

Jefferson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2014

	Cities - Sales Tax	Cities - Property Tax	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 969,948	\$ 969,948
Trustee's Collections - Prior Years	0	79,662	79,662
Circuit/Clerk and Master Collections - Prior Years	0	23,842	23,842
Interest and Penalty	0	16,681	16,681
Local Option Sales Tax	4,751,297	0	4,751,297
Total Cash Receipts	\$ 4,751,297	\$ 1,090,133	\$ 5,841,430
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,703,784	\$ 1,072,513	\$ 5,776,297
Trustee's Commission	47,513	21,529	69,042
Total Cash Disbursements	\$ 4,751,297	\$ 1,094,042	\$ 5,845,339
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (3,909)	\$ (3,909)
Cash Balance, July 1, 2013	0	13,116	13,116
Cash Balance, June 30, 2014	\$ 0	\$ 9,207	\$ 9,207

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated January 23, 2015. Our report includes a reference to other auditors who audited the financial statements of the Jefferson County Nursing Home and the Jefferson County Emergency Communications District, as described in our report on Jefferson County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2014-008 and 2014-009.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-002, 2014-004, 2014-006, and 2014-007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001, 2014-003, and 2014-005.

Jefferson County's Responses to Findings

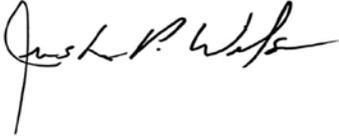
Jefferson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the

effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2015

JPW/yu



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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Jefferson County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jefferson County's major federal programs for the year ended June 30, 2014. Jefferson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jefferson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Jefferson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Jefferson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson County's internal control over compliance.

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

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

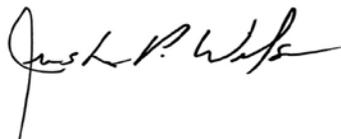
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated January 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2015

JPW/yu

Jefferson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 600,010
National School Lunch Program	10.555	N/A	1,839,733 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	257,616 (3)
Total U.S. Department of Agriculture			<u>\$ 2,697,359</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33268	\$ 17,238
Total U.S. Department of Housing and Urban Development			<u>\$ 17,238</u>
U.S. Department of Justice:			
Passed-through Tennessee Bureau of Investigation:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	(2)	\$ 79
Total U.S. Department of Justice			<u>\$ 79</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 3,532
Total U.S. Institute of Museum and Library Services			<u>\$ 3,532</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 148,592
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,411,448
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,533,051
Special Education - Preschool Grants	84.173	N/A	51,030
Career and Technical Education - Basic Grants to States	84.048	N/A	113,693
Twenty-first Century Community Learning Centers	84.287	N/A	144,736
English Language Acquisition Grants	84.365	N/A	24,006
Improving Teacher Quality State Grants	84.367	N/A	114,247
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	409,141
Total U.S. Department of Education			<u>\$ 4,949,944</u>
U.S. Department of Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 69,170
Total U.S. Department of Election Assistance Commission			<u>\$ 69,170</u>
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 29,727
Total U.S. Department of Health and Human Services			<u>\$ 29,727</u>

(Continued)

Jefferson County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Executive Office of the President: Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	G-12-AP001A	\$ 11,412
Total Executive Office of the President			\$ 11,412
U.S. Department of Homeland Security: Passed-through State Department of the Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 35,500
Homeland Security Grant Program	97.067	34101-9503	13,861
Total U.S. Department of Homeland Security			\$ 49,361
Total Expenditures of Federal Awards			\$ 7,827,822
<u>State Grants</u>		<u>Contract Number</u>	
Health Department Programs - State Department of Health	N/A	GG-1338848	\$ 135,710
Diabetes Grant - State Department of Health	N/A	GG-14-39542-00	15,000
Litter Program - State Department of Transportation	N/A	(2)	43,919
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	22,504
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	25,000
Adult Basic Education - State Department of Education	N/A	(2)	48,350
Early Childhood Education Pilot Project - State Department of Education	N/A	(2)	744,518
Coordinated School Health - State Department of Education	N/A	(2)	144,004
Statewide Student Management System - State Department of Education	N/A	(2)	19,139
Internet Connectivity - Connect TN - State Department of Education	N/A	(2)	21,228
ACT Explore - State Department of Education	N/A	(2)	8,826
Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	5,387
Family Resource Center - State Department of Education	N/A	(2)	88,835
Safe Schools Act of 1998 - State Department of Education	N/A	(2)	39,300
Total State Grants			\$ 1,361,720

CFDA = Catalog of Federal Domestic Assistance
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$2,097,349.

Jefferson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Jefferson County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	212	Employees shared usernames and passwords

JEFFERSON COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-005	213	The Solid Waste Disposal Fund had a deficit in unrestricted net position
2013-006	214	Jefferson County has a material recurring audit finding

JEFFERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Jefferson County is unmodified.
2. The audit of the financial statements of Jefferson County disclosed significant deficiencies in internal control. Two of these conditions were considered to be material weaknesses.
3. The audit disclosed two instances of noncompliance that are material to the financial statements of Jefferson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Jefferson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The current finance director and current county clerk provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF FINANCE DIRECTOR

FINDING 2014-001 **A CASH SHORTAGE OF AT LEAST \$144,797.95 EXISTED IN THE OFFICE AS OF MARCH 7, 2014**
(Material Noncompliance Under *Government Auditing Standards*)

On November 12, 2014, our office issued a special report on the Office of Finance Director for the period July 1, 2011, through March 7, 2014, which disclosed a cash shortage of at least \$144,797.95. A portion of the reported cash shortage was refunded to Jefferson County on April 7, 2014, leaving a balance of \$138,233.34 on June 30, 2014. The remaining cash shortage of \$138,233.34 was liquidated on November 17, 2014, with the receipt of funds from the county's insurance carrier. The special report disclosed that a Finance Department employee disbursed county funds to pay her personal credit card and vendor accounts and altered the accounting records in an apparent effort to conceal the improper payments. The former employee was indicted on August 25, 2014, on one count of theft over \$60,000, one count of official misconduct, and is awaiting trial. The report also disclosed internal control weaknesses related to the segregation of duties in the office. This special report can be accessed at www.comptroller.tn.gov.

MANAGEMENT'S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

The Finance Department has taken action to correct the weakness in internal controls. The Finance Department was unaware of the flaw in the software program provided by our software vendor. This flaw contributed to the employee's ability to misuse funds. Jefferson County was reimbursed by our insurance carrier so there was no loss of taxpayer dollars.

FINDING 2014-002 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 37 disbursements totaling \$330,206 from a population of 11,280 vendor checks totaling \$104,420,603. Our examination revealed the following deficiencies, which are the result of a lack of management oversight, which weakens internal controls over the purchasing process.

- A. Our sample revealed that in seven instances, purchase orders had not been issued or the original purchase order could not be located to confirm that the appropriate authorizing signatures had been obtained. Properly approved purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders or to maintain the proper documentation after they have been issued, increases the risks of unauthorized purchases.
- B. Audit procedures revealed other isolated weaknesses in internal controls. These weaknesses included: some invoices were paid without adequate documentation to support the disbursements, an invoice was overpaid by \$2,395, finance charges were paid to a vendor, and two purchase orders were improperly coded. Individually, these deficiencies are not material; however, collectively they indicate significant weaknesses in internal controls over the purchasing process that could lead to fraud, waste, and abuse.

RECOMMENDATION

Management should ensure that internal control policies and procedures over the purchasing process have been put in place, communicated to employees involved in the purchasing process, and monitored for compliance.

MANAGEMENT’S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

The Finance Department has taken action to improve internal controls.

FINDING 2014-003 **EXPENDITURES EXCEEDED APPROPRIATIONS**
 (Material Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded total appropriations approved by the County Commission in the Courthouse and Jail Maintenance and the Other Special Revenue funds by \$15 and \$693, respectively.

Expenditures exceeded appropriations approved by the County Commission in the following funds’ major appropriation categories (the legal level of control):

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Drug Court	\$ 2,919
Victims Assistance Programs	12,201
General Debt Service:	
Interest on Debt - Education	541,724

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative.” This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

Funds were actually available, but payments were budgeted from the wrong accounts.

FINDING 2014-004

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office’s information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without those controls, unauthorized system activity could occur. This deficiency was corrected in July 2014 after being brought to the attention of management.

RECOMMENDATION

Management should ensure that adequate controls over its information systems and the resources associated with those systems are in place.

FINDING 2014-005

USED VEHICLES AND EQUIPMENT WERE PURCHASED WITHOUT OBTAINING THE REQUIRED DOCUMENTATION

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures to obtain reasonable assurance that bids were properly solicited, we reviewed certain purchases that were just below or above the \$10,000 bid limit. Our examination revealed the following deficiencies:

- A. In November 2013, the Finance Department solicited bids for new and used school buses, and bids were received for new buses. No bids were received for used buses; however, the department requested that vendors inform them if any used buses would become available. In February 2014, the department received information from a vendor that two used buses were available, and the two buses were purchased for \$68,500 and \$26,500.
- B. In April 2014, a set of used Snap-On Tools was purchased for \$15,000 for the school's Transportation Department; however, bids were not solicited for this purchase. The \$15,000 paid for the tools approximated the amount still owed to a vendor by the original purchaser of the tool set.

Purchasing procedures for Jefferson County are governed by purchasing laws applicable to the County Financial Management System of 1981 as provided by Section 5-21-119, *Tennessee Code Annotated (TCA)*. This statute requires competitive bids to be solicited on all purchases exceeding \$10,000. Since the buses and the tool set were used, Section 12-3-1202, *TCA*, permits the purchase of used equipment without competitive bidding if certain documentation is obtained and conditions met. However, the required documentation was not obtained. As a result, the best and lowest price may not have been obtained for the purchase of these items.

RECOMMENDATION

All purchases should be made in compliance with applicable state statutes.

MANAGEMENT'S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

Jefferson County purchasing will comply with Section 12-3-1202, *TCA*, going forward.

OFFICE OF COUNTY CLERK

FINDING 2014-006

EMPLOYEES SHARED A USERNAME AND PASSWORD (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, employees also used a shared username and password when processing transactions. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because of the shared username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. Proper controls were implemented on September 18, 2014.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure transactions are properly identified to that employee.

MANAGEMENT'S RESPONSE – FRANK HERNDON, CURRENT COUNTY CLERK

I was newly elected in 2014, accepting office on September 2, 2014, after the fiscal year 2014 audit was complete. This finding was brought to my attention on September 18, 2014, through an interview by the audit staff. Looking back through audit records, I noticed this to be listed as finding 2013-003 in the prior year. Once this finding was brought to my attention, I quickly met with the staff involved in this practice, remedied a solution, set unique user ID's for each of them with unique passwords, and dismantled the shared account. With this being said, I agree each employee should have a unique username and password so each transaction is properly identified.

OFFICE OF SOLID WASTE DEPARTMENT

FINDING 2014-007

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without those controls, unauthorized system activity could occur. This deficiency was corrected on September 28, 2014, after being brought to the attention of management.

RECOMMENDATION

Management should ensure that adequate controls over its information systems and the resources associated with those systems are in place.

JEFFERSON COUNTY

FINDING 2014-008

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit of \$5,176,878 in unrestricted net position at June 30, 2014, an increase of \$37,053 from the previous year. This deficit primarily resulted from the recognition of liabilities in the financial statements for closure and postclosure care costs associated with closing the county’s landfill and monitoring the landfill for 30 years after its closure. The \$5,497,862 reported as landfill closure and postclosure care liability at June 30, 2014, represents the cumulative amount reported to date based on 49 percent of the estimated capacity of the Patterson Landfill Site (\$3,515,756) and postclosure care costs of the Highway 92 Landfill Site (\$1,982,106). Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because of the failure of management to correct the finding noted in the prior-year audit report and results in inadequate financing to fund the liability.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

The county’s Audit Committee has met and continues to work toward a resolution to this finding. We anticipate submitting a report to the Comptroller’s Office in fiscal year 2014-2015.

FINDING 2014-009

JEFFERSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

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

<u>Finding Numbers</u>	<u>Description</u>
2014-009, 2013-005, 12.07	The Solid Waste Disposal Fund had a deficit in unrestricted net position

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Jefferson County has established an Audit

Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – LANGDON POTTS, CURRENT FINANCE DIRECTOR

The county's Audit Committee has met and continues to work toward a resolution to this finding. We anticipate submitting a report to the Comptroller's Office in fiscal year 2014-2015.

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

There were no findings and questioned costs for federal programs.

**JEFFERSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.