

City of Johnson City, Tennessee

Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

City of Johnson City, Tennessee

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2022



Prepared by:

Finance Department

Stephanie Laos, CPA, Director of Finance

CITY OF JOHNSON CITY, TENNESSEE

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2022

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City of Johnson City Tennessee

601 East Main Street • Johnson City, TN 37605 • (423) 434-6000

Office of Finance Director

April 28, 2023

To the Honorable Mayor, Members of the Board of Commissioners and Citizens of the City of Johnson City, Tennessee:

The Annual Comprehensive Financial Report of the City of Johnson City for the fiscal year ended June 30, 2022 is hereby submitted, in accordance with the provisions of Section 2.89 of the Johnson City Code. This report consists of the City's representations concerning the finances of the City of Johnson City. Consequently, the City assumes full responsibility for the completeness and reliability of all of the information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures that are necessary to enable the reader to gain an understanding of the City's financial structures have been included.

The City is required to undergo an annual single audit in conformity with the Single Audit Act of 1984 and the United States Office of Management and Budget Circular A-128, Audits of State and Local Governments. Information related to this single audit, including the findings and recommendations and the auditors' reports on the internal controls and compliance with applicable laws and regulations, are included as a part of this report.

This report includes all funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The Johnson City Public Library, Johnson City Development Authority and Industrial Development Board are discretely presented in the financial statements to emphasize that they are legally separate from the City. The Johnson City Public Building Authority is presented as a blended component unit of the City.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Financial Information

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that all assets of the City are protected from loss, theft or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to facilitate compliance with applicable laws and regulations related to those programs. The internal controls are subject to periodic evaluation by management and the accounting staff of the City. As a part of the City's single audit, previously described, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

Independent Audit. The City Charter requires that an annual audit be made of the accounts, financial records and transactions of the City departments by a Certified Public Accountant. This fiscal year, the Certified Public Accounting Firm of Blackburn, Childers and Steagall, PLC audited all the City funds.

Budgeting Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. Project-length financial plans are adopted for all Capital Project Funds. The level of budgetary control is established on the department or activity level within an individual fund. Projected expenses for the Proprietary Funds and projected Transfers for all funds are included in the annual budget ordinance, as information items.

Profile of the Government

Policy-making and legislative authority are vested in the Board of Commissioners, consisting of the mayor and four other members. The Commission is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City and for appointing the heads of departments. The Commission is elected on a non-partisan basis. Board members serve four-year staggered terms, with an election every two years. The mayor is elected by his or her peers to serve a two-year term.

The Annual Budget serves as the foundation of the City's financial planning and fiscal control. The Board of Commissioners is required to hold a public hearing on the proposed budget and to annually adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and broad functional category. Transfers may be made within broad categories without governing body approval. Spending in excess of the amount appropriated for any broad category requires approval by the Board of Commissioners.

The City provides a full range of services, as directed by its charter. These services include police and fire protection, park and recreation activities, golf, a senior citizen's center, schools, street construction and maintenance, planning and zoning and general administrative services. In addition, water and sewer, transit service, garbage pick-up, landfill and stormwater are provided under the proprietary fund concept.

Factors Affecting Financial Condition

Local Economy. Johnson City, along with Kingsport and Bristol, Tennessee and Virginia, make up the “Tri-Cities” area of Northeastern Tennessee. The Combined Statistical Area has a population of 521,079. Business and industry in Johnson City are diverse and include retail, utilities, manufacturing, financial and medical services, as well as other services. The City’s economic base is still firmly rooted in institutional services. The three largest employers are Ballad Health (merger of Mountain States Health Alliance and Wellmont Health), East Tennessee State University and the James H Quillen Department of Veteran’s Affairs Medical Center. The City of Johnson City provides funding and other support to the Aerospace Park, East Tennessee State University Fine and Performing Arts Center and Northeast Tennessee Regional Economic Partnership. The City’s involvement in these partnerships, as well as others, demonstrates a continued commitment to working for a stronger local economy, improved quality of life, community pride, responsible city government and a more attractive community.

Consistent with national trends, the City experienced a decrease from 5.3% to 4.2% in the unemployment rate (not seasonally adjusted). The year-end statewide unemployment rate was 3.2% (not seasonally adjusted). A balance of property and sales taxes support the City’s finances. Current property taxes billed reflected moderate growth of 2.4%. The City did not increase the property tax rate, which continues to be the lowest of all the surrounding areas. Sales tax collections experienced healthy growth of 13.8% due to strong retail sales activity.

Long-term financial planning. Revitalization of the downtown area continues to spur outside investment, including condominium/apartment development, retail, dining and entertainment. In late fiscal year 2022, the City issued bonds in the amount of \$67.7 million to support further development of the Walnut Street Corridor, which serves as a connector between East Tennessee State University and Downtown. These bonds will also fund the addition of a sports complex at Winged Deer Park, along with multiple water/sewer projects and several school facility upgrades. These and other infrastructure, recreation, and educational investments continue to support the new development and growth throughout the City.

Financial management policies and practices. Restricted fund balance in the General Fund, for stabilization purposes, falls within the policy guidelines set by the Board of Commissioners (27.4% of total general fund expenditures and interfund transfers). In addition to the restricted reserve, the City has unassigned fund balance representing 16.5% of general fund expenditures and transfers. A planned build-up in this balance has resulted in the City having the ability to maintain its high service level to the citizens, even in challenging years. Additionally, the City has been able to continue cash funding capital equipment and undertake a number of significant capital projects.

Awards and Acknowledgements

The Government Finance Officers’ Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Johnson City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the City’s twenty-first consecutive year for receiving the award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this Annual Comprehensive Financial Report (ACFR) could not have been accomplished without the skill, effort and dedication of the Accounting staff. Credit is also due to the auditors for their assistance in the preparation of this report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Stephanie S. Laos". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephanie S. Laos, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Johnson City
Tennessee**

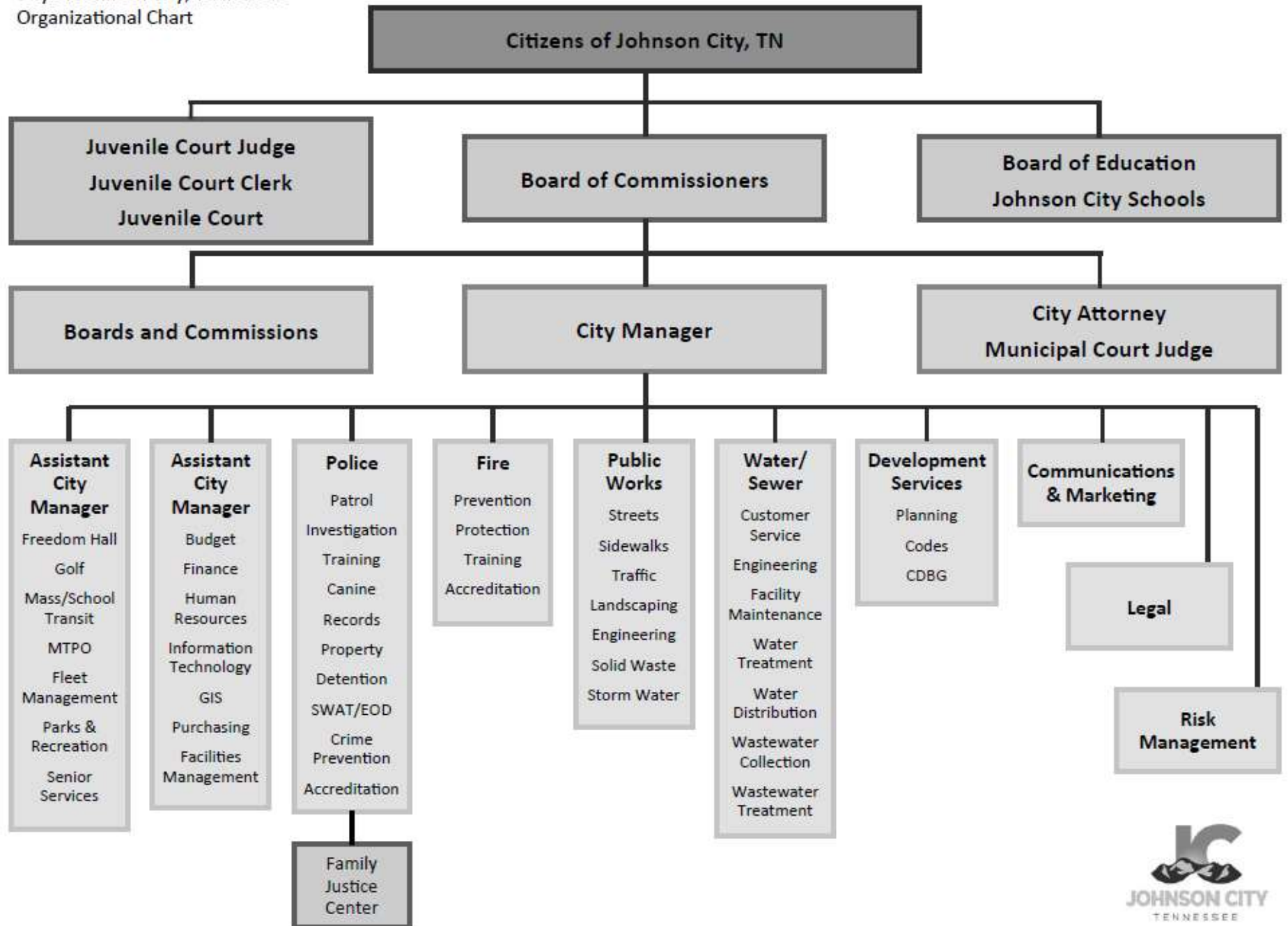
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

City of Johnson City, Tennessee
Organizational Chart



**CITY OF JOHNSON CITY, TENNESSEE
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2022**

Board of Commissioners:

Todd Fowler, Mayor
Aaron Murphy, Vice Mayor
Jenny Brock
John Hunter
Joe Wise

City Judges:

Sharon Greene, Juvenile Judge
Stan Widener, City Judge

City Administration:

Cathy Ball, City Manager
Charles J. Stahl, IV, Assistant City Manager
Randy Trivette, Assistant City Manager
Janet Jennings, City Finance Director

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Commissioners
City of Johnson City, Tennessee

Report on the Audit of the Financial Statements

Opinions

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 the City of Johnson City, Tennessee (the City) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of City of Johnson City, Tennessee's School's Internal School Fund, which represents .70 percent, 1.13 percent, and 1.03 percent, respectively, of the assets, fund balances, and revenues of the governmental funds as of June 30, 2022 and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Johnson City, Tennessee's School's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1.G.16, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and the pension and OPEB schedules, as detailed within the Required Supplementary Information section of the table of contents, on pages 159 through 168, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and supplemental information, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of other auditors, the combining and individual nonmajor fund financial statements and schedules and supplemental information, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Blackburn, Childers + Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

April 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Johnson City, Tennessee (the City), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iv of this report. All amounts included in this management's discussion and analysis, unless otherwise indicated, are expressed in the thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$442,902 (*net position*). Of this amount, \$342,364 is invested in capital assets (*net of related debt*) and \$161,714 is restricted for specific purposes.
- The City's overall net position increased by \$58,030. In addition, beginning net position decreased \$134 to reflect the exclusion of accounts in the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$141,199, a current year increase of \$54,150. Of this amount, \$554 is nonspendable, \$88,546 is restricted, \$6,205 is committed for specific purposes, and \$22,273 is assigned. In addition, beginning fund balance decreased \$280 to reflect the exclusion of accounts in the prior year.
- At the end of the current fiscal year, fund balance for the general fund was \$52,954, or 54% of total general fund expenditures including transfers out. This balance includes \$97 in nonspendable assets, \$19,051 of restricted funds, \$5,660 committed for specific purposes and \$4,525 assigned.
- The City's total outstanding long-term debt increased \$63,378 (33.6%) during the current fiscal year, a combination of the issuance of new debt (\$77,990) and principal repayments (\$14,611).

Overview of the Financial Statements.

This narrative overview is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, etc.).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks, recreation, culture and leisure, city services and education. The business-type activities of the City include water and sewer, city solid waste, regional solid waste, stormwater management, mass transit and building authority.

The government-wide financial statements include not only the City of Johnson City itself (known as the *primary government*), but also three legally separate entities for which the City is financially obligated, the public library, development authority and industrial development board. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The building authority, although also legally separate, functions almost entirely for the benefit of the City; therefore it has been reported as a part of the primary government. The government-wide financial statements can be found on pages 16 through 19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, general purpose school fund, debt service fund, educational facilities debt service fund, and capital project fund, which are considered to be major funds. Data from the other twelve governmental funds are combined into a single aggregated presentation and summarized under the heading "Nonmajor Governmental Funds" in the governmental fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

The City adopts an annual appropriation budget for its general and other major special revenue funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 20 through 41 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the water/sewer, city solid waste, regional solid waste, mass transit, stormwater management and public building authority. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet management and insurance activities. Because these services predominantly benefit governmental rather than business-type functions, they have been primarily included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and city solid waste operations, both of which are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation and summarized under the heading "Nonmajor Proprietary Funds". Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

Data from the City's internal service funds (fleet management and insurance) are included in the proprietary fund financial statements under the heading "Governmental Activities – Internal Service Funds". Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 42 through 49 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one fiduciary fund. The NETCO fund is used to report resources held in a custodial capacity for the Northeast Tennessee Cooperative to use to make combined purchases for its member cities and counties. The fiduciary fund financial statement can be found on page 50 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54 through 158 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 159 through 168 of this report.

The individual statements for the debt service funds and combining statements, referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds, are presented immediately following the required supplementary information on pensions and OPEB. These statements can be found on pages 169 through 197 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Johnson City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,030 from the prior fiscal year. In addition, beginning net position decreased \$134 due to unrecorded accounts in the prior year statements.

City of Johnson City's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 309,103	\$ 181,944	\$ 76,671	\$ 54,206	\$ 385,774	\$ 236,150
Capital assets	273,018	263,690	255,576	223,279	528,594	486,969
Total assets	582,121	445,634	332,247	277,485	914,368	723,119
Total deferred outflows of resources	34,619	20,920	2,986	1,401	37,605	22,321
Long-term liabilities outstanding	203,268	173,054	115,729	82,620	318,997	255,674
Other liabilities	26,835	27,364	8,942	7,648	35,777	35,012
Total liabilities	230,103	200,418	124,671	90,268	354,774	290,686
Total deferred inflows of resources	147,060	69,510	7,240	241	154,300	69,751
Net position:						
Net investment in capital assets	168,892	134,543	173,473	150,129	342,365	284,672
Restricted	129,173	14,479	32,541	-	161,714	14,479
Unrestricted	(58,488)	47,604	(2,691)	38,248	(61,179)	85,852
Total net position	\$ 239,577	\$ 196,626	\$ 203,322	\$ 188,377	\$ 442,899	\$ 385,003

By far, the largest portion of the City's net position (77%) reflects its investment in capital assets (e.g. land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (37%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City reports positive balances in all categories of net position except unrestricted, both for the government as a whole, and for its separate governmental and business-type activities.

City of Johnson City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 14,912	\$ 11,469	\$ 61,478	\$ 57,214	\$ 76,390	\$ 68,683
Operating grants & contributions	62,748	57,044	3,008	3,117	65,756	60,161
Capital grants & contributions	1,540	111	1,610	1,670	3,150	1,781
General revenues:					-	-
Property taxes	56,563	55,556	-	-	56,563	55,556
Sales taxes	60,392	51,995	-	-	60,392	51,995
Other taxes	12,097	10,372	-	-	12,097	10,372
Unrestricted investment earnings	355	510	(47)	1	308	511
Other	34	4	-	13	34	17
Total revenues	\$ 208,641	\$ 187,061	\$ 66,049	\$ 62,015	\$ 274,690	\$ 249,076
Expenses:						
General government	\$ 3,909	\$ 15,279	\$ -	\$ -	\$ 3,909	\$ 15,279
Public safety	30,094	29,132	-	-	30,094	29,132
Public works	19,465	21,848	-	-	19,465	21,848
Parks, recreation, culture, & leisure	11,497	9,017	-	-	11,497	9,017
City services	1,888	1,703	-	-	1,888	1,703
Education	95,626	92,698	-	-	95,626	92,698
Interest on long-term debt	3,075	2,559	-	-	3,075	2,559
Water and sewer	-	-	30,672	30,067	30,672	30,067
City solid waste	-	-	11,067	10,645	11,067	10,645
Regional solid waste	-	-	3,326	3,162	3,326	3,162
Public building authority	-	-	356	22	356	22
Mass transit	-	-	4,081	4,215	4,081	4,215
Stormwater management	-	-	1,601	1,768	1,601	1,768
Total expenses	\$ 165,554	\$ 172,236	\$ 51,103	\$ 49,879	\$ 216,657	\$ 222,115
Increase (decrease) in net position before transfers	\$ 43,087	\$ 14,825	\$ 14,946	\$ 12,136	\$ 58,033	\$ 26,961
Transfers	1	-	(1)	-	-	-
Increase (decrease) in net position	\$ 43,088	\$ 14,825	\$ 14,945	\$ 12,136	\$ 58,033	\$ 26,961
Net position, beginning	196,626	180,553	188,377	176,241	385,003	356,794
Prior period adjustment	(134)	1,248	-	-	(134)	1,248
Net position, ending	\$ 239,580	\$ 196,626	\$ 203,322	\$ 188,377	\$ 442,902	\$ 385,003

Governmental activities. During the current fiscal year, net position for governmental activities increased \$43,088 due mainly to an increase in cash generated by healthy tax revenue collection and the receipt of significant grant funds. In addition, beginning net position decreased \$134 due to accounts not reported in the statements in the prior year. Governmental activities reported an ending net position balance of \$239,580.

Business-type activities. For the city's business-type activities, current year net position increased \$14,945, due mainly to positive performance by the utility funds. Strong revenue performance and effective cost control measures in water and sewer operations, city solid waste, regional solid waste,

mass transit and stormwater management, resulted in increases in net position for those funds. Business-type activities reported an ending net position of \$203,323. Key elements include:

- Water and Sewer Activities contributed \$11,812 of net position growth, a portion of which was utilized to provide funds for debt principal repayments and capital expansion as indicated in the statement of cash flows located on pages 47 through 49 of this report.
- Mass transit activities reported positive performance and provided \$384 of net position growth. A portion of these funds were invested in capital assets.
- Stormwater management experienced a net position increase of \$1,606. The majority of these funds were utilized for debt principal repayments and capital improvements.
- Other business-type reported a increase of \$1,143 in net position.

Financial Analysis of the City's Funds

As noted earlier, the City of Johnson City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, it is useful to review the various classifications of fund balance in measuring the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$141,199, a current year increase of \$54,150. Additionally, beginning fund balance decreased \$280 to adjust for accounts excluded in prior year statements. Included in ending fund balance are assets of \$554 which are nonspendable, indicating that they are either not in a spendable form or must be maintained intact. Restricted fund balance of \$88,546 includes amounts legally constrained for education (\$2,412), school debt service (\$7,242), debt service (\$454), specific capital projects (\$53,873), school food service (\$3,490), public safety and drug enforcement (\$1,458), senior services (\$785), community development (\$394), fund balance policy (\$18,430), and other services (\$7). Funds committed for a particular purpose total \$6,205 and include economic development (\$5,660) and education (\$545). Funds assigned for a particular purpose total \$22,273, consisting of unpaid leave (\$4,652), education (\$16,651), transportation planning operations (\$102), Freedom Hall (\$862) and other services (\$6). The remaining unassigned balance of \$23,622 comprises 17% of total fund balance and represents funds available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance was \$52,954, including \$97 of nonspendable assets, \$19,051 of restricted funds, \$5,660 committed for specific purposes and \$4,525 assigned for a particular purpose.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance of \$23,622 represents 24% of total general fund expenditures and transfers out, while total fund balance represents 54% of that same amount. In conjunction with the 24% unassigned fund balance, it is important to consider that the restricted balance in fund balance includes 20% set aside to meet 2.4 months of the annual general fund expenditures and transfers out, in accordance with the City's fund balance policy. The total fund balance of the City's general fund increased \$7,492, due mainly to robust retail sales activity that translated into strong revenue collections. Cost control measures in place in all City departments, open positions within the larger departments and a pause in recreational activities spurred by the pandemic also contributed to the fund balance growth.

The general-purpose school fund has a total fund balance of \$17,315, including \$52 of nonspendable assets, \$545 committed for specific purposes and \$16,718 assigned for general education. The current year increase in fund balance was \$7,106. This was mainly due to healthy sales tax collections, in conjunction with reduced spending across most departments.

At the end of the current fiscal year, the fund balance of the City's debt service fund totals \$454, all of which is restricted. Fund balance increased \$454 from the prior year due mainly to the transfer of funds from other funds to cover debt service costs.

The City's capital project fund has a total fund balance of \$53,873, all of which is restricted for capital projects. This increase is due to bonds issued during the current fiscal year.

The educational facilities trust fund has a total fund balance of \$7,242, all of which is restricted. The net increase was \$1,106. This increase is attributable to dedicated local sales tax collections exceeding principal and interest payments.

The capital project trust fund has a total fund balance of \$53,873, all of which is restricted. The net increase was \$35,376. This increase is attributable to bond issuances.

Nonmajor (other) governmental funds have a fund balance of \$9,360, including \$405 of nonspendable assets, \$7,925 of restricted funds and \$1,030 assigned for a particular purpose. The net increase in fund balance during the current year was \$2,458. This net increase is primarily attributed to the receipt of significant federal funds for the schools. Additionally, the beginning fund balances for nonmajor governmental funds were decreased \$146 for accounts inadvertently excluded from prior year report..

Proprietary funds. The City of Johnson City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund and City Solid Waste Fund, at the end of the year, amounted to -\$12,745 and \$3,630, respectively. Nonmajor (other) proprietary funds reported unrestricted net position of \$6,425. Total unrestricted net position of proprietary funds amounted to -\$2,691.

As noted earlier in the discussion of business-type activities, net position for the proprietary funds increased \$14,945 with water and sewer and city solid waste operations contributing growth of \$11,812 and \$1,085, respectively. Nonmajor (other) proprietary funds reported an increase of \$2,048. Other factors concerning the financial position of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Original and Final Budgeted Amounts. Differences between the original budget and the final amended budget for the general fund represent a \$1,269 increase in expenditures and a \$1,470 increase in other financing uses. This increase consists of the following:

\$	400	Johnson City Development Authority elevator modernization
	201	Parks and recreation grand funding
	668	Relocation of capital expenses to contribution to schools
\$	<u>1,269</u>	
\$	2,138	Transfer to Capital Projects for Winged Deer Park and Buffalo Street projects
	(668)	Relocation of capital expenses to contribution to schools
\$	<u>1,470</u>	
\$	<u>2,739</u>	

Better than expected tax collections, grant funding, lower debt service requirements and cost savings across City departments provided available funding to completely offset the additional spending.

Final Amended Budget and Actual Amounts. Differences between the final amended budget and actual results for the general fund represent a \$4,461 decrease in expenditures and a \$110 net increase in other financing uses, for a total decrease of \$4,351. This decrease consists of the following:

\$	(923)	General government spending lower than expected, due to open positions.
	(660)	Public safety spending lower than expected due to vacancies
	(1,951)	Public works spending lower than expected due to savings in outside purchased services
	(1,074)	Parks, Recreation, Culture and Leisure spending lower than expected due to vacancies.
	147	Debt service higher in general fund than expected.
\$	<u>(4,461)</u>	
\$	(212)	Lower than expected match funding for mass transit
	514	Increased transfer to Capital Projects Fund
	(330)	Reduced transfer to Debt Service Fund
	141	Additional transfer to Community Development
	(3)	Other
\$	<u>110</u>	
\$	<u>(4,351)</u>	

Since the budget to actual variance represents a reduction in required appropriations, no additional funding was necessary. Open positions, effective departmental cost saving measures, a pause in the recreational department's activity due to the pandemic, and the delayed issuance of debt accounted for the expenditure savings. This savings, combined with robust revenue collections, resulted in the net change in fund balance exceeding budget by \$537. The local economy has remained vibrant.

Capital Asset and Debt Administration

Capital Assets. The City of Johnson City's investment in capital assets for its governmental and business type activities as of June 30, 2022, totaled \$528,594 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, plant in service, equipment and vehicles, infrastructure and construction in progress.

Major capital asset events during the fiscal year included the following:

- Acquisition of new vehicles and equipment for police, fire, public works, parks and recreation, school transportation, information technology, solid waste, stormwater, water and sewer, mass transit and fleet management
- Southside Elementary and Indian Trail Intermediate School additions/alterations completed
- Numerous water and sewer line extensions, replacements and upgrades completed.
- Carver Park splashpad and restroom addition completed.
- Winged Deer Athletic Park
- Lake Ridge classroom addition
- Woodland Elementary classroom addition
- Ashe Street Courthouse project

The following capital projects are in progress:

- Downtown - sesquicentennial legacy project – interactive recreational area and history circle.
- Classroom additions at Lake Ridge, Southside and Woodland elementary schools.
- Knob Creek Road improvements.
- West Walnut Street corridor improvements – public works, stormwater management, water/sewer.
- Science Hill track turf
- Implementation of new financial software.
- Water/Sewer service center facility.
- Numerous water and sewer line extensions, replacements and upgrades.
- Other various projects

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 30,958	\$ 30,487	\$ 11,381	\$ 11,331	\$ 42,339	\$ 41,818
Buildings & Improvements	280,332	277,112	19,341	19,163	299,673	296,275
Right-To-Use Leased Assets	267	-	20	-	287	-
Plant and Lines	-	-	270,968	259,959	270,968	259,959
Vehicles & Equipment	55,486	52,706	46,078	43,719	101,564	96,425
Intellectual Property	5	5	-	-	5	5
Artwork	265	265	-	-	265	265
Infrastructure	187,562	187,562	-	-	187,562	187,562
Construction in Progress	28,593	11,585	64,932	37,297	93,525	48,882
Accumulated Depreciation	\$ (310,452)	\$ (296,032)	\$ (157,142)	\$ (148,190)	\$ (467,594)	\$ (444,222)
Total	\$ 273,016	\$ 263,690	\$ 255,578	\$ 223,279	\$ 528,594	\$ 486,969

Additional information on the City's capital assets can be found in Note 3.D. on pages 85 through 86 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of \$251,770. All of this debt is backed by the full faith and credit of the government.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 1,890	\$ 2,224	\$ 1,023	\$ 1,053	\$ 2,913	\$ 3,277
General obligation bonds	143,636	111,612	105,221	73,503	248,857	185,115
Total	\$ 145,526	\$ 113,836	\$ 106,244	\$ 74,556	\$ 251,770	\$ 188,392

The City's total debt increased \$63,378 (33.6%) during the current fiscal year. The governmental activities net increase of \$31,690 was the combination of the issuance of \$41,955 in new debt and principal repayments of \$10,266. The \$31,688 business-type activities increase resulted from the issuance of \$36,035 in new debt and principal repayments of \$4,345. The City maintains a 'AA' rating from Standard and Poor's, a 'AA' rating from Fitch and a 'Aa2' rating from Moody's Investors Service, for its debt.

The City of Johnson City is subject to debt limitations imposed by its Charter. The total bonded indebtedness (excluding sales tax revenue debt) shall not exceed 10% of the assessed taxable value of property within the City. The current debt limitation for the City is in excess of the outstanding general obligation debt, with the amount of debt applicable to the debt limit at only 8%. Additional information on the City's long-term debt can be found in Note 3.K. on pages 120 through 148 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate (not seasonally adjusted) for Johnson City is currently 4.2%, which is a decrease from last year's rate of 5.3%. This compares to the state's unemployment rate (not seasonally adjusted) of 3.2% as of June 30, 2022.
- Inflationary trends in the region are comparable to national indices.
- The City's property tax assessment saw moderate growth of 2.4% over the prior year.
- Sales tax collections grew 13.8% over the prior year and are anticipated to continue to increase.

Short-term interest rates on the City's pooled cash account remained relatively steady. The City's financial institution currently credits interest on the pooled cash at a rate of 20 basis points. The interest rate on longer term investments averaged 1%. All of these factors were considered in preparing the City of Johnson City's budget for fiscal year 2023.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,622, an increase of \$3,548. All appropriations lapse at year-end.

During the fiscal year, water and sewer rates increased 5% and 2%, respectively, for outside and inside city customers. Residential garbage collection rates remained steady, as well as commercial garbage collection rates.

Discretely Presented Component Units

The Johnson City Public Library (the Library) is a non-profit organization under IRC Section 501(c)(3) incorporated in September 1989. The Library's Board of Directors is appointed by the City Commission and an appropriation of at least 85% of its annual support is provided by the City. The City is obligated to finance any deficits and all debt is financed by the City. The Library's property is also owned and titled to the City. Separately issued financial statements may be requested from: Johnson City Public Library, 100 West Millard Street, Johnson City, Tennessee 37604.

The Johnson City Development Authority (JCDA) was established in February 1990, to facilitate business development within the City. To accomplish this function, the JCDA operates a tax increment financing (TIF) program that utilizes tax money provided to the JCDA by the City and Washington County for use in redevelopment projects. The JCDA's Board is approved by the City Commission. Separately issued financial statements may be requested from: Johnson City Development Authority, 300 East Main Street, Suite 406, Johnson City, Tennessee 37601.

The Industrial Development Board (IDB) was organized to acquire, own, lease and dispose of properties to the end that the corporation may be able to maintain and increase employment opportunities by promoting industry, trade, commerce, tourism and recreation by inducing manufacturing, industrial, governmental, education, research and development, financial, service, commercial, medical-related, and recreational enterprises, to locate or remain in the City, and to have all powers that may be necessary to enable the corporation to accomplish these purposes. To further such ends the aforementioned corporation shall be empowered to finance, acquire, own, lease and/or dispose of such properties within the City or within three (3) miles of its corporate limits or to accumulate and lend money for said purposes as may be necessary to achieve said goals. The IDB's Board of Directors is appointed by the City Commission and the IDB does not issue separate financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in such. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Johnson City, Director of Finance, 601 East Main Street, Johnson City, Tennessee 37601.

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units
	Governmental	Business-Type	Total	
	Activities	Activities		
ASSETS				
Cash and Cash Equivalents	\$ 47,542,994	30,975,352	78,518,346	2,365,409
Investments	50,835,729	1,018,766	51,854,495	
Accounts Receivable (Net)	3,080,594	1,933,464	5,014,058	21,802
Notes Receivable	4,393	-	4,393	-
Taxes Receivable	39,121,138	-	39,121,138	-
Less: Estimated Uncollectible	(662,400)	-	(662,400)	-
Intergovernmental Receivables	39,247,484	1,779,074	41,026,558	324,705
Deposits	5,050	-	5,050	600
Inventories	1,073,872	2,107,872	3,181,744	-
Prepaid Expenses	328,924	-	328,924	10,430
Restricted Assets:				
Cash and Cash Equivalents	44,299	-	44,299	32,434
Investments	61,220,918	32,339,755	93,560,673	-
Other Assets:				
Lease Receivable	424,977	873,419	1,298,396	
Net Pension Asset	66,835,223	5,643,529	72,478,752	-
Capital Assets:				
Land	30,958,481	11,380,994	42,339,475	379,300
Book Collection	-	-	-	1,138,049
Buildings and Improvements	280,332,051	19,341,144	299,673,195	6,938,042
Right-to-Use Leased Assets	266,996	20,007	287,003	
Plant in Service	-	270,967,911	270,967,911	-
Equipment and Vehicles	55,486,373	46,076,177	101,562,550	991,422
Intellectual Property	5,500	-	5,500	-
Artwork	265,150	-	265,150	-
Infrastructure	187,561,942	-	187,561,942	-
Less: Accumulated Depreciation	(310,451,851)	(157,142,301)	(467,594,152)	(1,540,946)
Construction in Progress	28,593,207	64,932,265	93,525,472	-
Total Assets	582,121,044	332,247,428	914,368,472	10,661,247
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of TIF Funds	-	-	-	1,316,640
OPEB Related	5,816,750	-	5,816,750	-
Pension Related	27,787,163	2,941,376	30,728,539	-
Deferred Bond Refunding Costs	1,015,263	44,540	1,059,803	-
Total Deferred Outflows of Resources	34,619,176	2,985,916	37,605,092	1,316,640

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	5,964,739	5,742,743	11,707,482	43,150
Accrued Payroll Expenses	7,901,006	565,632	8,466,638	46,168
Accrued Expenses	5,790,869	138,517	5,929,386	123,153
Accrued Interest Payable	829,236	451,120	1,280,356	57,059
Due to Other Governments	278,828	-	278,828	-
Matured Bonds and Interest Payable	-	33,253	33,253	-
Retainages Payable	642,377	1,277,355	1,919,732	-
Unearned Revenue	4,990,221	34,715	5,024,936	6,652
Contractor Deposits	437,503	213,074	650,577	-
Customer Deposits	-	485,424	485,424	28,152
Noncurrent Liabilities:				
Due within one year	11,492,498	4,692,899	16,185,397	1,148,988
Due in more than one year	191,775,820	111,035,658	302,811,478	6,450,111
Total Liabilities	230,103,097	124,670,390	354,773,487	7,903,433
DEFERRED INFLOWS OF RESOURCES				
Lease Related	417,080	841,158	1,258,238	-
Deferred - Current Property Taxes	56,301,659	-	56,301,659	-
Deferred - American Rescue Plan	13,415,440	-	13,415,440	-
Deferred - Other	53,947	-	53,947	-
OPEB Related	12,536,435	-	12,536,435	-
Pension Related	64,335,805	6,399,144	70,734,949	-
Total Deferred Inflows of Resources	147,060,366	7,240,302	154,300,668	-
NET POSITION				
Net Investment in Capital Assets	168,891,753	173,472,721	342,364,474	2,748,702
Restricted for/by:				
Expendable:				
Stabilization Funds	675,247	-	675,247	-
Net Pension Asset	66,835,223	5,643,529	72,478,752	-
Imagination Library	-	-	-	34,040
Enabling Legislation	-	-	-	933,009
External Contributions	-	-	-	55,577
School Trust	7,200	-	7,200	-
Capital Improvements - Unspent Bond Proceeds	53,784,203	26,897,047	80,681,250	-
Debt Service	7,696,541	-	7,696,541	-
Nonexpendable:				
School Trust	174,679	-	174,679	-
Unrestricted (deficit)	(58,488,089)	(2,690,645)	(61,178,734)	303,126
Total Net Position	\$ 239,576,757	203,322,652	442,899,409	4,074,454

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Functions/Programs		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
					Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Primary Government								
Governmental Activities								
General Government	\$ 3,912,065	3,382,365	575,826	-	46,126	-	46,126	-
Public Safety	30,094,302	1,464,236	1,092,051	-	(27,538,015)	-	(27,538,015)	-
Public Works	19,465,588	48,900	385,123	1,539,509	(17,492,056)	-	(17,492,056)	-
Parks, Recreation, Culture and Leisure	11,496,806	332,672	2,032,361	-	(9,131,773)	-	(9,131,773)	-
City Services	1,887,669	4,937,876	2,909,872	-	5,960,079	-	5,960,079	-
Education	95,625,942	4,745,968	55,752,547	-	(35,127,427)	-	(35,127,427)	-
Interest on Long-Term Debt	3,074,680	-	-	-	(3,074,680)	-	(3,074,680)	-
Total Governmental Activities	165,557,052	14,912,017	62,747,780	1,539,509	(86,357,746)	-	(86,357,746)	-
Business-Type Activities								
Water and Sewer	30,671,877	41,936,030	-	1,324,208	-	12,588,361	12,588,361	-
City Solid Waste	11,066,084	12,150,591	-	-	-	1,084,507	1,084,507	-
Regional Solid Waste	3,325,840	3,738,615	-	-	-	412,775	412,775	-
Mass Transit	4,080,913	421,948	3,007,815	285,831	-	(365,319)	(365,319)	-
Stormwater Management	1,601,201	3,230,334	-	-	-	1,629,133	1,629,133	-
Johnson City Building Authority	356,103	-	-	-	-	(356,103)	(356,103)	-
Total Business-Type Activities	51,102,018	61,477,518	3,007,815	1,610,039	-	14,993,354	14,993,354	-
Total Primary Government	\$ 216,659,070	76,389,535	65,755,595	3,149,548	(86,357,746)	14,993,354	(71,364,392)	-

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

					NET (EXPENSE) REVENUE AND CHANGES			
					IN NET POSITION			
					Primary Government			
PROGRAM REVENUES								
		Charges for	Operating	Capital	Governmental	Business-Type		Component
Functions/Programs	Expenses	Services	Grants and	Grants and	Activities	Activities	Total	Units
Component Units			Contributions	Contributions				
Johnson City Public Library	\$ 2,315,433	19,749	2,249,356	41,844	-	-	-	(4,484)
Johnson City Development Authority	2,262,738	1,160,675	1,085,082	-	-	-	-	(16,981)
Total Component Units	<u>\$ 4,578,171</u>	<u>1,180,424</u>	<u>3,334,438</u>	<u>41,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,465)</u>
General Revenues								
Property Taxes					\$ 56,562,922	-	56,562,922	-
Sales Taxes					60,392,012	-	60,392,012	-
Beer and Liquor Taxes					3,105,852	-	3,105,852	-
Business Taxes					3,170,557	-	3,170,557	-
Room Occupancy Taxes					2,936,121	-	2,936,121	-
Telephone and Cable Taxes					733,965	-	733,965	-
State of Tennessee Mixed Drink Taxes					1,022,808	-	1,022,808	-
Franchise Taxes					790,494	-	790,494	-
Unrestricted State Income Taxes					16,708	-	16,708	-
Unrestricted State of Tennessee Excise Taxes					320,275	-	320,275	-
Unrestricted Investment Earnings					355,087	(46,540)	308,547	4,860
Gain on Disposal of Capital Assets					29,498	-	29,498	-
Other General Revenue					4,726	-	4,726	12,960
E-Rate Reimbursement					-	-	-	101,500
Transfers					1,472	(1,472)	-	-
Total General Revenues and Transfers					<u>129,442,497</u>	<u>(48,012)</u>	<u>129,394,485</u>	<u>119,320</u>
Change in Net Position					<u>43,084,751</u>	<u>14,945,342</u>	<u>58,030,093</u>	<u>97,855</u>
Net Position, July 1, 2021					196,625,923	188,377,310	385,003,233	4,076,191
Prior Period Adjustments					<u>(133,917)</u>	<u>-</u>	<u>(133,917)</u>	<u>(99,592)</u>
Net Position, July 1, 2021 (Restated)					<u>196,492,006</u>	<u>188,377,310</u>	<u>384,869,316</u>	<u>3,976,599</u>
Net Position, June 30, 2022					\$ 239,576,757	203,322,652	442,899,409	4,074,454

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

CITY OF JOHNSON CITY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 3,482,312	15,111,769	3,047	6,094,760	5,962,098	7,463,257	38,117,243
Investments	50,835,729	-	-	-	-	-	50,835,729
Accounts Receivable, Net	1,566,150	94,871	-	-	958,230	77,259	2,696,510
Lease Receivable	424,977	-	-	-	-	-	424,977
Notes Receivable	-	-	-	-	-	4,393	4,393
Due from Other Funds	13,422	11,705	452,575	563,012	-	443,915	1,484,629
Taxes Receivable	39,121,138	-	-	-	-	-	39,121,138
Less: Estimated Uncollectible	(662,400)	-	-	-	-	-	(662,400)
Due from Federal Government	-	-	-	-	-	831,777	831,777
Due from State of Tennessee	2,195,256	863,209	-	-	458,085	4,194,058	7,710,608
Due from Washington County	4,964,994	25,069,812	-	545,534	-	-	30,580,340
Due from Local Governments	-	120,758	-	-	-	4,001	124,759
Deposits	5,050	-	-	-	-	-	5,050
Inventories	96,946	51,848	-	-	-	230,233	379,027
Restricted Cash and Cash Equivalents	-	-	-	39,488	4,811	-	44,299
Restricted Investments	6,585,461	675,247	-	-	53,784,203	176,007	61,220,918
Total Assets	<u>\$ 108,629,035</u>	<u>41,999,219</u>	<u>455,622</u>	<u>7,242,794</u>	<u>61,167,427</u>	<u>13,424,900</u>	<u>232,918,997</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES							
Accounts Payable	\$ 1,059,490	498,121	1,330	545	2,019,962	1,706,413	5,285,861
Accrued Payroll Expenditures	2,073,084	3,980,661	-	-	-	1,764,355	7,818,100
Accrued Expenditures	4,259	-	-	-	-	1,917	6,176
Due to State of Tennessee	50,130	6,742	-	-	-	221,956	278,828
Due to Other Funds	-	1,489,784	-	-	-	11,705	1,501,489
Retainages Payable	-	-	-	-	642,377	-	642,377
Unearned Revenue	-	-	-	-	4,631,919	358,302	4,990,221
Contractor Deposits	437,503	-	-	-	-	-	437,503
Total Liabilities	3,624,466	5,975,308	1,330	545	7,294,258	4,064,648	20,960,555
DEFERRED INFLOWS OF RESOURCES							
Deferred - Current Property Taxes	37,592,718	18,708,941	-	-	-	-	56,301,659
Deferred Revenue - Other	13,469,387	-	-	-	-	-	13,469,387
Lease Related	417,080	-	-	-	-	-	417,080
Unavailable Revenue - Property Taxes	571,439	-	-	-	-	-	571,439
Total Deferred Inflows of Resources	52,050,624	18,708,941	-	-	-	-	70,759,565
FUND BALANCES							
Nonspendable	96,946	51,848	-	-	-	404,912	553,706
Restricted	19,051,384	-	454,292	7,242,249	53,873,169	7,924,983	88,546,077
Committed	5,659,625	545,246	-	-	-	-	6,204,871
Assigned	4,524,298	16,717,876	-	-	-	1,030,357	22,272,531
Unassigned	23,621,692	-	-	-	-	-	23,621,692
Total Fund Balances	52,953,945	17,314,970	454,292	7,242,249	53,873,169	9,360,252	141,198,877
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 108,629,035	41,999,219	455,622	7,242,794	61,167,427	13,424,900	232,918,997

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

CITY OF JOHNSON CITY, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances of Governmental Funds	\$ 141,198,877
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	270,484,064
Prepays are expensed when disbursed and are not recognized based upon economic benefit or recorded as assets in the governmental funds.	328,924
Property tax assessments are reported as revenue in the government-wide statements in the period in which an enforceable legal claim arises against property owners. In governmental funds, these assessments are not available to finance current period expenditures and are reported as unavailable revenue at the fund level.	571,439
Other post-employment benefits represent liabilities of the City that are not recorded at the fund level. This amount is the OPEB liability, net of deferred outflows and deferred inflows related to OPEB.	(44,038,215)
Compensated absences and termination benefits are not considered due and payable in governmental funds until an employee has terminated service. Therefore, these amounts are presented as assigned fund balance at the fund level.	(4,780,978)
Accrued interest on the notes and bonds payable represents a liability of the City that is generally not recorded at the fund level.	(801,933)
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(157,910,299)
Long-term pension plan retirement payments are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. This amount is the net pension liability (asset), net of deferred outflows and deferred inflows related to pensions.	29,780,662
Internal service funds are used by management to charge the costs of fleet maintenance and employee insurance to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.	4,744,216
Net Position of Governmental Activities	<u>\$ 239,576,757</u>

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 82,892,884	33,651,808	-	3,065,712	-	-	119,610,404
Licenses and Permits	1,102,607	1,651	-	-	-	-	1,104,258
Intergovernmental Revenues	13,804,790	35,568,010	134,669	-	1,548,967	22,622,388	73,678,824
Charges for Services	1,895,502	1,908,168	-	-	-	185,659	3,989,329
Fines and Forfeitures	793,102	-	-	-	-	279,040	1,072,142
Revenue from Use of Property	2,031,612	83,480	-	-	-	1,791,521	3,906,613
Investment Earnings	238,609	(31,585)	62,617	12,591	48,683	1,074	331,989
Miscellaneous	1,487,158	234,617	1,050	-	109,989	3,045,942	4,878,756
Total Revenues	104,246,264	71,416,149	198,336	3,078,303	1,707,639	27,925,624	208,572,315
Expenditures							
Current							
General Government	17,540,335	-	-	-	-	-	17,540,335
Public Safety	29,024,150	-	-	-	-	369,641	29,393,791
Public Works	13,520,874	-	-	-	-	-	13,520,874
Parks, Recreation, Culture and Leisure	7,400,616	-	-	-	-	2,413,355	9,813,971
City Services	-	-	-	-	-	1,618,160	1,618,160
Education	-	72,681,183	-	-	-	15,635,857	88,317,040
Capital Outlay	334,666	604,765	-	-	24,120,038	1,550,886	26,610,355
Debt Service							
Principal Retirement	128,359	-	7,039,993	2,922,849	-	-	10,091,201
Interest and Fiscal Charges	73,091	-	2,738,028	964,194	-	-	3,775,313
Other Fees	-	-	54,243	58,939	-	-	113,182
Total Expenditures	68,022,091	73,285,948	9,832,264	3,945,982	24,120,038	21,587,899	200,794,222

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,224,173	(1,869,799)	(9,633,928)	(867,679)	(22,412,399)	6,337,725	7,778,093
Other Financing Sources (Uses)							
Transfers from Other Funds	893,901	12,035,114	10,088,220	1,973,735	12,067,462	523,962	37,582,394
Transfers to Other Funds	(30,117,995)	(3,059,427)	-	-	-	(4,403,500)	(37,580,922)
Proceeds from Sale of Real Estate and Equipment	225,314	50	-	-	-	-	225,364
Leases Issued	266,996	-	-	-	-	-	266,996
Bond Issuance	-	-	-	-	45,878,070	-	45,878,070
Total Other Financing Sources (Uses)	(28,731,784)	8,975,737	10,088,220	1,973,735	57,945,532	(3,879,538)	46,371,902
Net Change in Fund Balances	7,492,389	7,105,938	454,292	1,106,056	35,533,133	2,458,187	54,149,995
Fund Balances, July 1, 2021	45,438,220	10,209,032	-	6,136,193	18,497,289	7,047,842	87,328,576
Prior Period Adjustments	23,336	-	-	-	(157,253)	(145,777)	(279,694)
Fund Balances, July 1, 2021 Adjusted	45,461,556	10,209,032	-	6,136,193	18,340,036	6,902,065	87,048,882
Fund Balances, June 30, 2022	\$ 52,953,945	17,314,970	454,292	7,242,249	53,873,169	9,360,252	141,198,877

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

CITY OF JOHNSON CITY, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances of Governmental Funds	\$ 54,149,995
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. This is the amount by which capital outlay exceeds depreciation of general capital assets and other capital related expenses in the current period.	9,610,580
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(34,950,443)
Inventories for certain nonmajor funds are accounted for using the purchase method. Inventories are reported using the consumption method in the government-wide financial statements. This is the amount by which expenses were adjusted to convert from purchase method to consumption method.	(145,777)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	15,417
Other post-employment benefits 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.	(411,777)
Premiums paid for insurance from the governmental funds are expensed as paid. A portion of the payments are prepaid insurance.	98,289
Expenses for accrued interest payable on long-term debt does not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	(218,679)
Expenses for compensated absences and termination benefits do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	(332,747)
Some pension 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.	16,779,455
Internal service funds are used by management to charge the costs of fleet maintenance and employee insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(1,509,562)
Change in Net Position of Governmental Activities	<u>\$ 43,084,751</u>

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes				
Property Tax, Net	\$ 36,300,000	36,300,000	36,673,563	373,563
Property Tax - Penalty and Interest	250,000	250,000	282,322	32,322
Received in Lieu of Taxes	6,676,000	6,676,000	6,597,222	(78,778)
Local Sales Tax	23,500,000	23,500,000	29,081,519	5,581,519
Business Tax	2,150,000	2,150,000	2,727,479	577,479
Local Beer Tax	2,025,000	2,025,000	2,115,709	90,709
Local Liquor Tax	875,000	875,000	954,490	79,490
Hotel/Motel Tax	1,876,000	1,876,000	2,936,121	1,060,121
Franchise Tax	550,000	550,000	790,494	240,494
Telephone Commissions/Cable	750,000	750,000	733,965	(16,035)
Total Taxes	74,952,000	74,952,000	82,892,884	7,940,884
Licenses and Permits				
Building Permits	550,000	550,000	712,820	162,820
Electrical Permits and Electrician Certificates	65,000	65,000	91,114	26,114
Plumbing Permits and Plumbers Certificates	25,000	25,000	35,986	10,986
Natural Gas Permits	12,000	12,000	16,428	4,428
Zoning Permits and Fees	12,000	12,000	19,386	7,386
Mechanical Permits	47,000	47,000	62,066	15,066
Sign Permits	15,000	15,000	15,193	193
Plan Review Permits	38,000	38,000	54,884	16,884
Beverage and Private Club Permits	80,000	80,000	83,994	3,994
Other Fees and Licenses	2,500	2,500	10,736	8,236
Total Licenses and Permits	846,500	846,500	1,102,607	256,107
Intergovernmental Revenues				
State of Tennessee				
Boarding of Prisoners	1,275,000	1,275,000	738,045	(536,955)
Sales Tax	6,400,000	6,400,000	8,033,649	1,633,649
Income Tax	-	-	16,708	16,708
Beer Tax	30,000	30,000	32,453	2,453
Mixed Drink Tax	725,000	725,000	1,022,808	297,808
State Street Aid	2,460,000	2,460,000	2,463,773	3,773
Highway Maintenance	348,580	348,580	316,267	(32,313)
Street and Transit	125,000	125,000	129,832	4,832
Excise Taxes	95,000	95,000	320,275	225,275
Fire Supplement	102,000	102,000	101,600	(400)
Police Supplement	106,000	106,000	106,400	400
First TN-VA Development				
District Senior Citizens Grant	77,000	77,000	74,845	(2,155)
Telecommunications	155,000	155,000	158,954	3,954
Other State Funding	-	201,400	125,337	(76,063)
Total State of Tennessee	11,898,580	12,099,980	13,640,946	1,540,966

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues (Continued)				
Intergovernmental Revenues (Continued)				
Washington County				
Senior Citizens	40,000	40,000	38,000	(2,000)
Juvenile Court	4,500	4,500	4,500	-
Federal Revenue	205,000	205,000	121,344	(83,656)
Total Washington County	249,500	249,500	163,844	(85,656)
Total Intergovernmental Revenues	12,148,080	12,349,480	13,804,790	1,455,310
Charges for Services				
School Bus Charters	120,000	120,000	148,241	28,241
Accident Reports	1,500	1,500	92	(1,408)
Special Work Charges	8,000	8,000	44,200	36,200
Administrative Fees from Other Funds	1,632,861	1,632,861	1,632,861	-
Miscellaneous Services	20,500	20,500	70,108	49,608
Total Charges for Services	1,782,861	1,782,861	1,895,502	112,641
Fines and Forfeitures				
Municipal Courts - Fines and Court Costs	965,000	965,000	793,102	(171,898)
Revenue From Use of Property				
Rents from Buildings and Equipment	280,000	280,000	301,952	21,952
Parks and Recreation	1,187,000	1,187,000	1,349,752	162,752
Print Shop Charges	25,000	25,000	29,908	4,908
Computer Services (MIS)	350,000	350,000	350,000	-
Total Revenue From Use of Property	1,842,000	1,842,000	2,031,612	189,612
Investment Earnings				
Investment Income	300,000	300,000	238,609	(61,391)
Miscellaneous				
Refunds and Reimbursements	162,000	162,000	309,023	147,023
Senior Citizens	200,000	200,000	113,326	(86,674)
Donations	53,000	53,000	34,358	(18,642)
Damages	-	-	73,814	73,814
Sale of Methane Gas	25,000	25,000	250,999	225,999
Miscellaneous	250,000	250,000	705,638	455,638
Total Miscellaneous	690,000	690,000	1,487,158	797,158
Total Revenues	93,526,441	93,727,841	104,246,264	10,518,423

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures				
General Government				
City Commission				
Other	250	250	517	(267)
Personnel Services	47,814	47,814	46,157	1,657
Purchased Services	13,900	13,900	30,303	(16,403)
Supplies	1,575	1,575	1,553	22
Total City Commission	63,539	63,539	78,530	(14,991)
City Court				
Personnel Services	157,199	157,199	216,627	(59,428)
Purchased Services	224,300	224,300	60,491	163,809
Supplies	10,600	10,600	19,071	(8,471)
Total City Court	392,099	392,099	296,189	95,910
Staff Attorney				
Fixed Charges	1,897	1,897	992	905
Personnel Services	227,796	227,796	240,059	(12,263)
Purchased Services	143,920	143,920	143,094	826
Supplies	2,000	2,000	767	1,233
Total Staff Attorney	375,613	375,613	384,912	(9,299)
Juvenile Court				
Building Materials	150	150	18	132
Fixed Charges	6,316	6,316	3,917	2,399
Personnel Services	857,347	857,347	825,332	32,015
Purchased Services	64,383	64,383	36,627	27,756
Supplies	23,525	23,525	13,377	10,148
Total Juvenile Court	951,721	951,721	879,271	72,450
City Manager				
Fixed Charges	33,069	33,069	15,038	18,031
Other	2,006	2,006	25,981	(23,975)
Personnel Services	506,957	506,957	685,333	(178,376)
Purchased Services	26,100	26,100	41,381	(15,281)
Supplies	50,500	50,500	8,295	42,205
Total City Manager	618,632	618,632	776,028	(157,396)
Management Services				
Personnel Services	627,019	627,019	483,881	143,138
Purchased Services	30,754	30,754	9,495	21,259
Supplies	6,264	6,264	5,498	766
Other	-	-	25	(25)
Total Management Services	664,037	664,037	498,899	165,138

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures (Continued)				
General Government (Continued)				
Community Relations Office				
Building Materials	10,000	10,000	15,206	(5,206)
Fixed Charges	1,358	1,358	4,368	(3,010)
Other	5,500	5,500	219	5,281
Personnel Services	428,419	428,419	411,771	16,648
Purchased Services	56,531	56,531	36,548	19,983
Supplies	18,200	18,200	13,709	4,491
Total Community Relations Office	520,008	520,008	481,821	38,187
Purchasing				
Fixed Charges	2,026	2,026	1,597	429
Personnel Services	262,202	262,202	279,756	(17,554)
Purchased Services	15,270	15,270	12,585	2,685
Supplies	640	640	1,625	(985)
Total Purchasing	280,138	280,138	295,563	(15,425)
Human Resources				
Fixed Charges	2,613	2,613	14,488	(11,875)
Other	11,974	11,974	67	11,907
Personnel Services	428,213	428,213	402,287	25,926
Purchased Services	34,540	34,540	19,031	15,509
Supplies	4,700	4,700	8,296	(3,596)
Total Human Resources	482,040	482,040	444,169	37,871
Development Services				
Building Materials	-	-	-	-
Fixed Charges	7,841	7,841	7,624	217
Personnel Services	1,472,835	1,472,835	1,389,009	83,826
Purchased Services	203,025	203,025	228,060	(25,035)
Supplies	34,800	34,800	25,010	9,790
Total Development Services	1,718,501	1,718,501	1,649,703	68,798
Miscellaneous Appropriations				
Capital Outlay	-	-	10,000	(10,000)
Fixed Charges	544,963	544,963	162,641	382,322
Other	-	1,068,000	783,978	284,022
Personnel Services	-	-	(21,445)	21,445
Purchased Services	505,000	505,000	462,456	42,544
Supplies	-	-	1,489	(1,489)
Total Miscellaneous Appropriations	1,049,963	2,117,963	1,399,119	718,844

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
General Government (Continued)				
Risk Management				
Building Materials	200	200	97	103
Fixed Charges	199,552	199,552	225,642	(26,090)
Personnel Services	47,980	47,980	47,226	754
Purchased Services	170,897	170,897	104,765	66,132
Supplies	22,800	22,800	29,775	(6,975)
Total Risk Management	441,429	441,429	407,505	33,924
Information Technology				
Building Materials	100	100	-	100
Fixed Charges	829,863	829,863	1,075,233	(245,370)
Personnel Services	1,252,701	1,252,701	1,165,610	87,091
Purchased Services	98,955	98,955	106,645	(7,690)
Supplies	236,480	236,480	126,102	110,378
Total Information Technology	2,418,099	2,418,099	2,473,590	(55,491)
Central Print Shop				
Fixed Charges	2,870	2,870	3,855	(985)
Personnel Services	85,612	85,612	84,776	836
Purchased Services	13,025	13,025	3,607	9,418
Supplies	19,150	19,150	16,086	3,064
Total Central Print Shop	120,657	120,657	108,324	12,333
Special Appropriations	5,936,386	5,936,386	5,773,010	163,376
Finance Administration				
Fixed Charges	6,723	6,723	668	6,055
Other	593	593	108	485
Personnel Services	222,585	222,585	218,623	3,962
Purchased Services	7,436	7,436	2,833	4,603
Supplies	1,777	1,777	982	795
Total Finance Administration	239,114	239,114	223,214	15,900
Accounting				
Other	-	-	15	(15)
Personnel Services	655,435	655,435	661,957	(6,522)
Purchased Services	195,727	195,727	189,122	6,605
Supplies	1,952	1,952	1,664	288
Total Accounting	853,114	853,114	852,758	356

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
General Government (Continued)				
Collections				
Fixed Charges	1,016	1,016	703	313
Other	21,500	21,500	17,772	3,728
Personnel Services	308,448	308,448	280,745	27,703
Purchased Services	143,443	143,443	159,224	(15,781)
Supplies	5,311	5,311	3,659	1,652
Total Collections	479,718	479,718	462,103	17,615
Records Management				
Personnel Services	66,653	66,653	65,114	1,539
Purchased Services	405	405	15	390
Supplies	740	740	463	277
Total Records Management	67,798	67,798	65,592	2,206
General Elections				
Purchased Services	-	-	35	(35)
Total General Elections	-	-	35	(35)
Total General Government	17,672,606	18,740,606	17,550,335	1,190,271
Public Safety				
Student Transportation				
Building Materials	-	-	160	(160)
Fixed Charges	6,671	6,671	4,607	2,064
Personnel Services	1,800,134	1,800,134	1,767,666	32,468
Purchased Services	715,293	715,293	489,458	225,835
Supplies	10,750	10,750	6,717	4,033
Total Student Transportation	2,532,848	2,532,848	2,268,608	264,240
Police Department				
Building Materials	-	-	1,373	(1,373)
Capital Outlay	-	-	266,996	(266,996)
Fixed Charges	106,957	106,957	133,762	(26,805)
Other	14,650	14,650	24,752	(10,102)
Personnel Services	13,289,452	13,289,452	12,821,255	468,197
Purchased Services	1,642,015	1,642,015	1,347,384	294,631
Supplies	330,876	330,876	269,867	61,009
Total Police Department	15,383,950	15,383,950	14,865,389	518,561

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Public Safety (Continued)				
Fire Department				
Building Materials	250	250	8,650	(8,400)
Fixed Charges	33,727	33,727	20,655	13,072
Other	1,250	1,250	1,007	243
Personnel Services	10,427,130	10,427,130	10,913,515	(486,385)
Purchased Services	901,357	901,357	883,312	18,045
Supplies	403,777	403,777	330,010	73,767
Total Fire Department	11,767,491	11,767,491	12,157,149	(389,658)
Total Public Safety	29,684,289	29,684,289	29,291,146	393,143
Public Works				
Administration				
Other	-	-	57	(57)
Fixed Charges	106,350	106,350	43,976	62,374
Personnel Services	252,809	252,809	217,664	35,145
Purchased Services	34,800	34,800	16,110	18,690
Supplies	9,697	9,697	11,535	(1,838)
Total Administration	403,656	403,656	289,342	114,314
Streets				
Building Materials	640,915	640,915	2,960,266	(2,319,351)
Capital Outlay	-	-	24,670	(24,670)
Fixed Charges	6,200	6,200	13,288	(7,088)
Other	600	600	1,282	(682)
Personnel Services	3,722,184	3,722,184	3,253,808	468,376
Purchased Services	4,276,771	4,276,771	933,077	3,343,694
Supplies	266,200	266,200	281,682	(15,482)
Total Streets	8,912,870	8,912,870	7,468,073	1,444,797

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures (Continued)				
Public Works (Continued)				
Engineering				
Building Materials	-	-	598	(598)
Fixed Charges	4,200	4,200	4,672	(472)
Personnel Services	881,837	881,837	806,773	75,064
Purchased Services	38,950	38,950	23,280	15,670
Supplies	22,000	22,000	12,542	9,458
Total Engineering	946,987	946,987	847,865	99,122
Traffic Control				
Building Materials	26,600	26,600	6,592	20,008
Fixed Charges	3,700	3,700	1,517	2,183
Personnel Services	1,025,599	1,025,599	969,364	56,235
Purchased Services	1,879,571	1,879,571	1,729,464	150,107
Supplies	259,350	259,350	287,408	(28,058)
Total Traffic Control	3,194,820	3,194,820	2,994,345	200,475
Sidewalks				
Building Materials	137,900	137,900	219,959	(82,059)
Fixed Charges	-	-	2,644	(2,644)
Purchased Services	14,500	14,500	12,706	1,794
Supplies	9,200	9,200	15,991	(6,791)
Total Sidewalks	161,600	161,600	251,300	(89,700)
Mowing				
Building Materials	-	-	-	-
Other	-	-	69	(69)
Purchased Services	451,717	451,717	369,354	82,363
Supplies	450	450	301	149
Total Mowing	452,167	452,167	369,724	82,443
General Facilities				
Building Materials	5,800	5,800	13,205	(7,405)
Capital Outlay	-	-	6,250	(6,250)
Fixed Charges	6,236	6,236	6,523	(287)
Personnel Services	689,729	689,729	687,981	1,748
Purchased Services	209,107	209,107	89,149	119,958
Supplies	23,140	23,140	40,346	(17,206)
Total General Facilities	934,012	934,012	843,454	90,558

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Public Works (Continued)				
Municipal Building				
Building Materials	100	100	9,008	(8,908)
Fixed Charges	7,551	7,551	7,653	(102)
Purchased Services	299,090	299,090	225,160	73,930
Supplies	24,750	24,750	30,832	(6,082)
Total Municipal Building	331,491	331,491	272,653	58,838
Keystone				
Building Materials	-	-	16,157	(16,157)
Fixed Charges	3,126	3,126	3,100	26
Personnel Services	46,414	46,414	45,638	776
Purchased Services	75,720	75,720	74,231	1,489
Supplies	6,250	6,250	15,631	(9,381)
Total Keystone	131,510	131,510	154,757	(23,247)
Facilities Center				
Building Materials	-	-	391	(391)
Fixed Charges	5,375	5,375	5,922	(547)
Purchased Services	25,860	25,860	46,026	(20,166)
Supplies	2,400	2,400	7,444	(5,044)
Total Facilities Center	33,635	33,635	59,783	(26,148)
Facilities Center				
Personnel Services	-	-	485	(485)
Purchased Services	-	-	13	(13)
Total Facilities Center	-	-	498	(498)
Total Public Works	15,502,748	15,502,748	13,551,794	1,950,954
Parks, Recreation, Culture and Leisure				
Parks and Recreation				
Building Materials	173,775	173,775	115,190	58,585
Capital Outlay	-	-	26,750	(26,750)
Fixed Charges	179,003	179,003	149,993	29,010
Other	7,650	7,650	6,514	1,136
Personnel Services	4,965,618	5,167,018	4,336,658	830,360
Purchased Services	1,450,849	1,450,849	1,366,489	84,360
Supplies	659,070	659,070	694,090	(35,020)
Total Parks and Recreation	7,435,965	7,637,365	6,695,684	941,681

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures (Continued)				
Senior Citizens				
Building Materials	-	-	349	(349)
Fixed Charges	631	631	587	44
Other	6,200	6,200	675	5,525
Personnel Services	701,375	701,375	627,299	74,076
Purchased Services	108,031	108,031	68,817	39,214
Supplies	47,793	47,793	33,955	13,838
Total Senior Citizens	864,030	864,030	731,682	132,348
Total Parks, Recreation, Culture and Leisure	8,299,995	8,501,395	7,427,366	1,074,029
Debt Service				
Principal Retirement	54,000	54,000	128,359	(74,359)
Interest and Fiscal Charges	-	-	73,091	(73,091)
Total Debt Service	54,000	54,000	201,450	(147,450)
Total Expenditures	71,213,638	72,483,038	68,022,091	4,460,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,312,803	21,244,803	36,224,173	14,979,370
Other Financing Sources (Uses)				
Transfer to General Purpose School Fund	(11,626,736)	(11,626,736)	(11,626,736)	-
Transfer to Mass Transit	(961,000)	(961,000)	(748,528)	212,472
Transfer to Freedom Hall	(355,000)	(355,000)	(320,810)	34,190
Transfer to Transportation Planning	(85,000)	(85,000)	(115,794)	(30,794)
Transfer to Capital Projects Fund	(6,229,751)	(7,699,602)	(8,213,675)	(514,073)
Transfer to Debt Service	(9,422,091)	(9,422,091)	(9,092,452)	329,639
Transfer from Community Development	-	-	141,335	141,335
Transfer from General Purpose School Fund	-	-	2,566	2,566
Transfer from Water and Sewer Fund	750,000	750,000	750,000	-
Leases Issued	-	-	266,996	266,996
Proceeds from Sale of Real Estate and Equipment	125,000	125,000	225,314	100,314
Total Other Financing Sources (Uses)	(27,804,578)	(29,274,429)	(28,731,784)	542,645
Net Change in Fund Balance	(5,491,775)	(8,029,626)	7,492,389	15,522,015
Fund Balance, July 1, 2021	45,438,220	45,438,220	45,438,220	-
Prior Period Adjustment	23,336	23,336	23,336	-
Fund Balance, July 1, 2018 (Restated)	45,461,556	45,461,556	45,461,556	-
Fund Balance, June 30, 2022	\$ 39,969,781	37,431,930	52,953,945	15,522,015

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes				
Local Sales Tax	\$ 15,198,850	15,198,850	20,211,132	5,012,282
Local Liquor Tax	-	-	3,200	3,200
County Property Tax	12,524,819	12,524,819	12,699,906	175,087
Interest and Penalty	188,000	188,000	64,845	(123,155)
Business Tax	315,000	315,000	443,078	128,078
In Lieu - Local Utilities	207,000	207,000	229,647	22,647
Total Taxes	28,433,669	28,433,669	33,651,808	5,218,139
Licenses and Permits				
Marriage Licenses	1,500	1,500	1,651	151
Intergovernmental Revenues				
State of Tennessee				
Basic Education Program	35,337,000	35,379,000	35,352,280	(26,720)
Career Ladder Program	136,000	136,000	109,284	(26,716)
Bank Excise Tax	32,000	32,000	79,248	47,248
Other State of Tennessee Funds	9,000	9,000	10,166	1,166
Total State of Tennessee	35,514,000	35,556,000	35,550,978	(5,022)
Federal				
ROTC Reimbursement	60,000	60,000	17,032	(42,968)
Total Intergovernmental Revenues	35,574,000	35,616,000	35,568,010	(47,990)
Charges for Services				
School Tuition	250,000	250,000	285,797	35,797
Educare Revenue	1,449,160	1,449,160	1,622,371	173,211
Total Charges for Services	1,699,160	1,699,160	1,908,168	209,008
Investment Earnings				
Investment Income (Loss)	-	-	(31,585)	(31,585)
Revenue From Use of Property				
Rents from Buildings and Equipment	50,000	50,000	83,480	33,480
Miscellaneous				
Refunds and Reimbursements	218,500	218,500	166,411	(52,089)
Other Local Revenue	47,000	47,000	68,206	21,206
Total Miscellaneous	265,500	265,500	234,617	(30,883)
Total Revenues	66,023,829	66,065,829	71,416,149	5,350,320

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures				
Instruction				
Regular Education				
Capital Outlay	142,625	209,003	132,515	76,488
Other	139,970	139,970	139,970	-
Personnel Services	41,989,872	41,518,143	39,963,429	1,554,714
Purchased Services	408,270	478,487	470,573	7,914
Supplies	526,855	444,445	382,910	61,535
Total Regular Education	43,207,592	42,790,048	41,089,397	1,700,651
Special Education				
Capital Outlay	-	15,000	10,769	4,231
Personnel Services	4,794,685	4,811,285	4,712,604	98,681
Supplies	17,650	55,650	47,092	8,558
Total Special Education	4,812,335	4,881,935	4,770,465	111,470
Vocational Education				
Capital Outlay	-	2,500	2,418	82
Personnel Services	2,053,373	2,050,873	2,030,243	20,630
Purchased Services	5,000	5,000	5,000	-
Supplies	10,362	40,362	33,305	7,057
Total Vocational Education	2,068,735	2,098,735	2,070,966	27,769
Alternative Education				
Capital Outlay	7,094	7,894	7,821	73
Other	3,000	3,000	3,000	-
Personnel Services	1,085,475	1,084,675	1,047,048	37,627
Purchased Services	5,100	5,100	5,100	-
Supplies	22,411	22,411	22,411	-
Total Alternative Education	1,123,080	1,123,080	1,085,380	37,700
Total Instruction	51,211,742	50,893,798	49,016,208	1,877,590
Support Services				
Health Services				
Capital Outlay	500	19,550	8,425	11,125
Other	1,800	2	1	1
Personnel Services	656,725	145,618	50,431	95,187
Purchased Services	8,320	40,320	26,325	13,995
Supplies	19,280	25,135	23,216	1,919
Total Health Services	686,625	230,625	108,398	122,227

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Support Services (Continued)				
Student Support				
Capital Outlay	2,500	2,500	-	2,500
Purchased Services	143,000	160,000	140,223	19,777
Personnel Services	1,865,683	1,753,683	1,700,502	53,181
Total Student Support	2,011,183	1,916,183	1,840,725	75,458
Regular Education				
Capital Outlay	30,000	33,497	21,401	12,096
Other	55,500	73,500	54,932	18,568
Personnel Services	3,206,254	3,049,795	2,930,762	119,033
Purchased Services	685,700	190,699	184,914	5,785
Supplies	93,530	138,845	139,710	(865)
Total Regular Education	4,070,984	3,486,336	3,331,719	154,617
Alternative Education				
Other	500	500	500	-
Personnel Services	56,602	56,602	53,368	3,234
Supplies	2,500	2,500	2,000	500
Total Alternative Education	59,602	59,602	55,868	3,734
Special Education				
Capital Outlay	-	500	227	273
Other	5,000	6,000	4,982	1,018
Personnel Services	575,817	618,167	599,233	18,934
Purchased Services	5,350	25,200	20,797	4,403
Supplies	3,400	5,100	4,985	115
Total Special Education	589,567	654,967	630,224	24,743
Vocational Education				
Personnel Services	207,781	205,511	191,319	14,192
Purchased Services	-	41,000	40,571	429
Supplies	100,750	115,750	108,739	7,011
Other	-	150	147	3
Total Vocational Education	308,531	362,411	340,776	21,635
Board of Education				
Fixed Charges	438,611	438,611	438,605	6
Other	521,680	611,744	533,953	77,791
Personnel Services	19,920	19,920	15,544	4,376
Purchased Services	51,700	53,700	44,432	9,268
Supplies	2,000	2,000	1,200	800
Total Board of Education	1,033,911	1,125,975	1,033,734	92,241

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Support Services (Continued)				
Office of Director of Schools				
Capital Outlay	1,250	-	-	-
Other	22,000	3,000	1,119	1,881
Personnel Services	285,406	299,957	297,473	2,484
Purchased Services	128,157	147,156	144,957	2,199
Supplies	7,000	6,500	5,977	523
Total Office of Director of Schools	443,813	456,613	449,526	7,087
Office of Principal				
Capital Outlay	-	6,266	1,211	5,055
Other	1,694	1,819	1,819	-
Personnel Services	5,210,894	5,184,344	5,078,694	105,650
Purchased Services	124,263	150,563	148,439	2,124
Supplies	6,035	6,160	6,160	-
Total Office of Principal	5,342,886	5,349,152	5,236,323	112,829
Fiscal Services				
Capital Outlay	3,000	8,000	7,639	361
Other	750	6,450	5,053	1,397
Personnel Services	452,491	454,441	451,127	3,314
Purchased Services	49,250	51,250	50,696	554
Supplies	8,000	9,650	9,137	513
Total Fiscal Services	513,491	529,791	523,652	6,139
Operation of Plant				
Capital Outlay	-	25,000	-	25,000
Other	-	200	165	35
Personnel Services	2,337,786	2,316,586	2,176,335	140,251
Purchased Services	2,495,000	2,517,076	2,489,459	27,617
Supplies	155,000	155,000	149,086	5,914
Total Operation of Plant	4,987,786	5,013,862	4,815,045	198,817
Maintenance of Plant				
Capital Outlay	40,000	35,000	1,811	33,189
Other	3,000	3,000	30	2,970
Personnel Services	1,569,633	1,489,633	1,402,700	86,933
Purchased Services	160,525	212,794	202,332	10,462
Supplies	225,000	288,454	288,162	292
Total Maintenance Of Plant	1,998,158	2,028,881	1,895,035	133,846
Preschool				
Capital Outlay	5,000	5,000	-	5,000
Other	1,500	3,300	2,666	634
Personnel Services	352,413	323,113	277,872	45,241
Purchased Services	26,100	18,600	12,242	6,358
Supplies	8,000	8,000	2,674	5,326
Total Preschool	393,013	358,013	295,454	62,559

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Support Services (Continued)				
Transportation				
Personnel	12,255	34,300	33,781	519
Purchased Services	2,547,848	2,547,848	10,518	2,537,330
Supplies	54,000	85,205	61,478	23,727
Total Transportation	2,614,103	2,667,353	105,777	2,561,576
Other Support				
Capital Outlay	3,000	3,000	2,461	539
Other	4,000	2,445	1,991	454
Personnel Services	87,249	87,954	84,081	3,873
Purchased Services	-	11,050	10,490	560
Supplies	5,700	5,700	445	5,255
Total Other Support	99,949	110,149	99,468	10,681
Community Services				
Capital Outlay	55,000	45,000	31,438	13,562
Other	43,750	45,500	20,833	24,667
Personnel Services	1,123,329	1,018,239	918,122	100,117
Purchased Services	5,275	15,275	12,951	2,324
Supplies	94,350	79,994	44,947	35,047
Total Community Services	1,321,704	1,204,008	1,028,291	175,717
Technology				
Capital Outlay	30,000	30,000	15,060	14,940
Other	4,000	4,000	1,101	2,899
Personnel Services	1,416,358	1,439,958	1,414,215	25,743
Purchased Services	500,225	480,965	379,452	101,513
Supplies	23,700	52,060	13,588	38,472
Total Technology	1,974,283	2,006,983	1,823,416	183,567
Other Capital Outlay				
Capital Outlay	60,000	578,492	113,993	464,499
Other	70,000	245,929	245,883	46
Total Other Capital Outlay	130,000	824,421	359,876	464,545

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures (Continued)				
Support Services (Continued)				
Human Resources				
Capital Outlay	1,250	2,000	1,693	307
Other	1,000	150	150	-
Personnel Services	248,647	250,097	246,176	3,921
Purchased Services	900	1,700	1,221	479
Supplies	1,000	1,400	1,342	58
Total Human Resources	252,797	255,347	250,582	4,765
Attendance				
Purchased Services	46,000	46,000	45,851	149
Total Attendance	46,000	46,000	45,851	149
Total Support Services	28,878,386	28,686,672	24,269,740	4,416,932
Total Expenditures	80,090,128	79,580,470	73,285,948	6,294,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,066,299)	(13,514,641)	(1,869,799)	11,644,842
Other Financing Sources (Uses)				
Transfer from General Fund	14,159,584	14,159,584	11,626,736	(2,532,848)
Transfer from Federal and Special Project Funds	-	-	408,378	408,378
Transfer to Educational Facilities Debt Service	-	-	(1,973,735)	(1,973,735)
Transfer to General Fund	-	-	(2,566)	(2,566)
Transfer to School Federal and Special Project Funds	(95,179)	(195,179)	(87,358)	107,821
Transfer to Debt Service	(2,523,124)	(3,023,124)	(995,768)	2,027,356
Sale of Real Estate and Other Equipment	-	-	50	50
Total Other Financing Sources (Uses)	11,541,281	10,941,281	8,975,737	(1,965,544)
Net Change in Fund Balance	(2,525,018)	(2,573,360)	7,105,938	9,679,298
Fund Balance, July 1, 2021	10,209,032	10,209,032	10,209,032	-
Fund Balance, June 30, 2022	\$ 7,684,014	7,635,672	17,314,970	9,679,298

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	Activities- Internal Service Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 21,176,538	4,056,809	5,742,005	30,975,352	9,425,751
Investments	712,445	-	306,321	1,018,766	-
Accounts Receivable (Net)	1,080,631	606,736	246,097	1,933,464	384,084
Due from Other Funds	-	-	-	-	16,860
Due from Federal Government	-	-	1,276,072	1,276,072	-
Due from State of Tennessee	-	-	503,002	503,002	-
Inventories	2,097,939	9,933	-	2,107,872	694,845
Total Current Assets	25,067,553	4,673,478	8,073,497	37,814,528	10,521,540
Noncurrent Assets					
Capital Assets					
Land	4,076,278	2,296,132	5,008,584	11,380,994	-
Buildings and Improvements	1,394,042	5,017,392	12,929,710	19,341,144	311,001
Right-to-Use Leased Assets	20,007	-	-	20,007	-
Plant in Service	270,967,911	-	-	270,967,911	-
Equipment and Vehicles	18,085,437	14,199,316	13,791,424	46,076,177	3,557,729
Less: Accumulated Depreciation	(136,643,339)	(9,503,666)	(10,995,296)	(157,142,301)	(1,334,945)
Construction In Progress	60,424,596	282,577	4,225,092	64,932,265	-
Net Capital Assets	218,324,932	12,291,751	24,959,514	255,576,197	2,533,785
Restricted Assets					
Investments	26,897,047	-	5,442,708	32,339,755	-
Total Restricted Assets	26,897,047	-	5,442,708	32,339,755	-
Other Assets					
Lease Receivable	863,066	-	10,353	873,419	-
Net Pension Asset	3,716,688	513,545	1,413,296	5,643,529	1,128,380
Total Other Assets	4,579,754	513,545	1,423,649	6,516,948	1,128,380
Total Noncurrent Assets	249,801,733	12,805,296	31,825,871	294,432,900	3,662,165
Total Assets	274,869,286	17,478,774	39,899,368	332,247,428	14,183,705

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
DEFERRED OUTFLOWS OF RESOURCES					
Pension Contributions After Measurement Date	594,825	115,515	284,496	994,836	239,925
Pension Changes in Experience	7,358	1,307	3,002	11,667	2,273
Pension Changes in Assumptions	1,220,485	216,715	497,673	1,934,873	376,922
Deferred Bond Refunding Costs	44,540	-	-	44,540	-
43 Total Deferred Outflows of Resources	1,867,208	333,537	785,171	2,985,916	619,120
LIABILITIES					
Current Liabilities					
Accounts Payable	5,157,592	257,232	327,919	5,742,743	678,878
Accrued Payroll Expenses	365,066	71,119	129,447	565,632	82,906
Accrued Expenses	130,314	7,538	665	138,517	5,784,693
Accrued Interest Payable	370,898	17,304	62,918	451,120	27,303
Unearned Revenue	1,430	33,285	-	34,715	-
Matured Bonds and Interest Payable	33,253	-	-	33,253	-
Retainages Payable	1,241,440	-	35,915	1,277,355	-
Contractor Deposits	213,074	-	-	213,074	-
Customer Deposits	417,852	28,461	39,111	485,424	-
Leases Payable	11,249	-	-	11,249	-
Notes and Bonds Payable - Current Portion	4,016,535	91,686	456,000	4,564,221	242,335
Compensated Absences - Current Portion	54,461	14,707	10,881	80,049	21,062
Deferred Landfill Postclosure Cost - Current Portion	-	37,380	-	37,380	-
Total Current Liabilities	12,013,164	558,712	1,062,856	13,634,732	6,837,177

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	Activities- Internal Service Funds
LIABILITIES (CONTINUED)					
Noncurrent Liabilities					
Compensated Absences Payable	734,276	153,136	198,565	1,085,977	239,813
Notes and Bonds Payable (Net)	97,844,802	2,680,548	9,386,951	109,912,301	1,740,038
Deferred Landfill Postclosure Cost	-	37,380	-	37,380	-
Total Noncurrent Liabilities	98,579,078	2,871,064	9,585,516	111,035,658	1,979,851
Total Liabilities	110,592,242	3,429,776	10,648,372	124,670,390	8,817,028
DEFERRED INFLOWS OF RESOURCES					
Lease Related	829,987	-	11,171	841,158	-
Pension Changes in Experience	14,837	2,556	6,987	24,380	4,918
Pension Changes in Investment Earnings (Net)	4,036,488	717,388	1,620,888	6,374,764	1,236,663
Total Deferred Inflows of Resources	4,881,312	719,944	1,639,046	7,240,302	1,241,581
NET POSITION					
Net Investment in Capital Assets	143,393,933	9,519,517	20,559,271	173,472,721	551,412
Restricted for:					
Net Pension Asset	3,716,688	513,545	1,413,296	5,643,529	-
Capital Improvements - Unspent Bond Proceeds	26,897,047	-	-	26,897,047	-
Unrestricted (Deficit)	(12,744,728)	3,629,529	6,424,554	(2,690,645)	4,192,804
Total Net Position	\$ 161,262,940	13,662,591	28,397,121	203,322,652	4,744,216

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	Activities- Internal Service Funds
Operating Revenues					
Charges for Services (Net)	\$ 41,213,648	11,858,470	7,358,247	60,430,365	21,261,700
Other Revenue	722,382	292,121	32,650	1,047,153	1,562,598
Total Operating Revenues	41,936,030	12,150,591	7,390,897	61,477,518	22,824,298
Operating Expenses					
Administration	923,065	504,912	891,312	2,319,289	-
Personnel Services	9,545,540	2,449,558	4,113,050	16,108,148	2,293,395
Contractual Services	1,492,025	3,867,670	905,059	6,264,754	16,229,797
Materials and Supplies	2,089,151	255,833	327,594	2,672,578	27,524
Repairs and Maintenance	2,683,360	2,565,226	1,427,806	6,676,392	5,255,553
Other Operating Expenses	4,642,764	216,093	164,709	5,023,566	150,469
Depreciation and Amortization	6,632,820	1,119,802	1,321,724	9,074,346	329,295
Total Operating Expenses	28,008,725	10,979,094	9,151,254	48,139,073	24,286,033
Operating Income (Loss)	13,927,305	1,171,497	(1,760,357)	13,338,445	(1,461,735)
Nonoperating Revenues (Expenses)					
Investment Income (Loss)	(27,008)	-	(19,532)	(46,540)	23,098
Operating Grants	-	-	3,007,815	3,007,815	-
Interest Expenses and Commissions	(2,700,113)	(86,990)	(212,803)	(2,999,906)	(70,925)
Amortization of Loss on Refunding	(25,197)	-	-	(25,197)	-
Amortization of Gain on Refunding	67,459	-	-	67,459	-
Gain (Loss) on Sale of Capital Assets	(5,301)	-	-	(5,301)	-
Total Nonoperating Revenues (Expenses)	(2,690,160)	(86,990)	2,775,480	(1,670)	(47,827)

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	Activities- Internal Service Funds
Income (Loss) Before Transfers and Capital Contributions	11,237,145	1,084,507	1,015,123	13,336,775	(1,509,562)
Transfers and Capital Contributions					
Transfers In	-	-	748,528	748,528	-
Transfers Out	(750,000)	-	-	(750,000)	-
Federal Capital Grant Revenue	1,324,208	-	276,544	1,600,752	-
State Capital Grant Revenue	-	-	9,287	9,287	-
Total Transfers and Capital Contributions	574,208	-	1,034,359	1,608,567	-
Change in Net Position	11,811,353	1,084,507	2,049,482	14,945,342	(1,509,562)
Net Position, July 1, 2021	149,451,587	12,578,084	26,347,639	188,377,310	6,253,778
Net Position, June 30, 2022	<u>\$ 161,262,940</u>	<u>13,662,591</u>	<u>28,397,121</u>	<u>203,322,652</u>	<u>4,744,216</u>

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

47

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	Activities- Internal Service Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 41,159,137	11,952,236	7,445,263	60,556,636	30,805
Receipts from Interfund Services Provided	857,444	167,557	-	1,025,001	22,804,047
Receipts (Payments) for Contractor Deposits	(119,692)	-	-	(119,692)	-
Payments to Employees	(10,352,685)	(2,637,077)	(4,583,379)	(17,573,141)	(2,615,635)
Payments to Suppliers	(10,091,419)	(4,578,333)	(1,605,246)	(16,274,998)	(23,001,018)
Payments for Interfund Services Used	(2,022,058)	(3,005,120)	(1,886,083)	(6,913,261)	(11,611)
Net Cash Provided by (Used for) Operating Activities	19,430,727	1,899,263	(629,445)	20,700,545	(2,793,412)
Cash Flows from Noncapital Financing Activities					
Transfers to Other Funds	(750,000)	-	-	(750,000)	-
Transfers from Other Funds	-	-	748,528	748,528	-
Operating Grants Received	-	-	2,206,611	2,206,611	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(750,000)	-	2,955,139	2,205,139	-
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(36,605,874)	(1,035,120)	(3,735,915)	(41,376,909)	(46,571)
Proceeds from Bonds Issued	33,274,980	-	2,760,000	36,034,980	-
Payments of Construction Retainages	1,045,066	-	-	1,045,066	-
Bond Issue Costs	(149,926)	-	-	(149,926)	-
Bond Premium	2,150,126	-	257,574	2,407,700	-
Capital Grants Received	1,324,208	-	389,981	1,714,189	-
Principal Paid on Capital Debt	(3,926,761)	(81,597)	(338,000)	(4,346,358)	(227,795)
Interest Paid on Capital Debt	(2,744,267)	(109,053)	(245,866)	(3,099,186)	(93,327)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(5,632,448)	(1,225,770)	(912,226)	(7,770,444)	(367,693)

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
Cash Flows from Investing Activities					
Interest and Related Income (Expenses) on Investments	-	-	3,240	3,240	23,098
Purchase of Investments	(22,004,545)	-	(3,000,634)	(25,005,179)	-
Sale of Investments	-	-	110,390	110,390	-
Net Cash Provided by (Used for) Investing Activities	(22,004,545)	-	(2,887,004)	(24,891,549)	23,098
Net Increase (Decrease) in Cash and Cash Equivalents	(8,956,266)	673,493	(1,473,536)	(9,756,309)	(3,138,007)
Cash and Cash Equivalents, July 1, 2021	30,132,804	3,383,316	7,215,541	40,731,661	12,563,758
Cash and Cash Equivalents, June 30, 2022	<u>\$ 21,176,538</u>	<u>4,056,809</u>	<u>5,742,005</u>	<u>30,975,352</u>	<u>9,425,751</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 13,927,305	1,171,497	(1,760,357)	13,338,445	(1,461,735)
Adjustments:					
Depreciation	6,632,820	1,119,802	1,321,724	9,074,346	329,295
Change in Net Pension Liability (Asset)	(3,886,905)	(702,758)	(1,631,303)	(6,220,966)	(1,247,690)
Change in Lease Receivable	(863,066)	-	(10,353)	(873,419)	-
Landfill Postclosure Cost	-	(37,380)	-	(37,380)	-
Changes in the Allowance for Uncollectible Receivables	488,644	-	15,800	504,444	-
(Increase) Decrease in Deferred Pension Outflows	(979,639)	(185,307)	105,591	(1,059,355)	(356,675)
Increase (Decrease) in Deferred Pension Inflows	3,906,508	701,625	1,066,542	5,674,675	1,217,131
Increase (Decrease) in Deferred Lease Inflows	829,987	-	11,171	841,158	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(357,124)	(41,309)	48,215	(350,218)	104,548
(Increase) Decrease in Inventories	(280,313)	-	-	(280,313)	(239,036)
(Increase) Decrease in Due from Other Funds	-	-	-	-	11,450
Increase (Decrease) in Accounts Payable and Accrued Expenses	(18,109)	(137,103)	225,168	69,956	(1,215,694)

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
Changes in Assets and Liabilities (Continued):					
Increase (Decrease) in Accrued Payroll Expenses	81,062	8,561	8,973	98,596	17,733
Increase (Decrease) in Compensated Absences	71,829	(9,640)	(31,303)	30,886	47,261
Increase (Decrease) in Contractor Deposits	(119,692)	-	1,764	(117,928)	-
Increase (Decrease) in Customer Deposits	(13,882)	(822)	-	(14,704)	-
Increase (Decrease) in Other Payables	4,061	764	3	4,828	-
Increase (Decrease) in Lease Payable	11,249	-	-	11,249	-
Increase (Decrease) in Unearned Revenue	(4,008)	11,333	(1,080)	6,245	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 19,430,727</u>	<u>1,899,263</u>	<u>(629,445)</u>	<u>20,700,545</u>	<u>(2,793,412)</u>

Non-Cash Capital and Related Financing Activities

Water and Sewer:

- Amortization of Deferred Bond Refunding totaling \$25,197 as shown on the Statement of Revenues, Expenses, and Changes in Net Position.
- Amortization of Gain on Deferred Bond Refunding totaling \$67,459 as shown on the Statement of Revenues, Expenses, and Changes in Net Position.
- Amortization of Bond Premium totaling \$343,500 included in interest expense on the Statement of Revenues, Expenses, and Changes in Net Position.

City Solid Waste:

- Amortization of Bond Premium totaling \$21,453 included in interest expense on the Statement of Revenues, Expenses, and Changes in Net Position.

Nonmajor Proprietary - Stormwater Management:

- Amortization of Bond Premium totaling \$50,424 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.

Internal Service Funds - Fleet Management:

- Amortization of Bond Premium totaling \$18,605 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND - NETCO
June 30, 2022

ASSETS	
Cash and Cash Equivalents	\$ 152,394
Receivables	<u>121,009</u>
Total Assets	<u>273,403</u>
LIABILITIES	
Due to Cooperative	<u>136,612</u>
TOTAL LIABILITIES	<u>136,612</u>
NET POSITION	
Unrestricted	<u>136,791</u>
TOTAL NET POSITION	<u><u>\$ 136,791</u></u>

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

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND - NETCO
For the Fiscal Year Ended June 30, 2022

ADDITIONS

Processing Payments and Rebates	\$ 2,186,758
Interest Income	187
Total Additions	<u>2,186,945</u>

DEDUCTIONS

Personnel Services	92,250
Contractual Services	2,072,742
Materials and Supplies	2,478
Other Operating Expenses	<u>10,344</u>
Total Deductions	<u>2,177,814</u>

NET INCREASE IN FIDUCIARY NET POSITION 9,131

NET POSITION, BEGINNING 127,660

NET POSITION, ENDING \$ 136,791

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

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2022

	Johnson City Public Library	Johnson City Development Authority	Industrial Development Board	Total Component Units
ASSETS				
Cash and Cash Equivalents	\$ 530,537	1,831,900	2,972	2,365,409
Restricted Cash and Cash Equivalents	-	32,434	-	32,434
Accounts Receivable (Net)	6,935	14,867	-	21,802
Intergovernmental Receivables	-	324,705	-	324,705
Prepaid Expenses	-	10,430	-	10,430
Deposits	-	600	-	600
Capital Assets:				
Land	-	379,300	-	379,300
Book Collection	1,138,049	-	-	1,138,049
Buildings and Improvements	566,669	6,371,373	-	6,938,042
Equipment and Furniture	956,470	34,952	-	991,422
Less: Accumulated Depreciation	(928,964)	(611,982)	-	(1,540,946)
Total Assets	2,269,696	8,388,579	2,972	10,661,247
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of TIF Funds	-	1,316,640	-	1,316,640
LIABILITIES				
Accounts Payable	4,819	38,331	-	43,150
Deposits Payable	-	28,152	-	28,152
Accrued Payroll Expenses	46,168	-	-	46,168
Accrued Interest Payable	-	57,059	-	57,059
Other Accrued Expenses	-	123,153	-	123,153
Deferred Revenue	-	6,652	-	6,652
Noncurrent Liabilities:				
Due within one year	41,114	1,107,874	-	1,148,988
Due in more than one year	-	6,450,111	-	6,450,111
Total Liabilities	92,101	7,811,332	-	7,903,433
NET POSITION				
Net Investment in Capital Assets	1,732,224	1,016,478	-	2,748,702
Restricted for Imagination Library	34,040	-	-	34,040
Restricted by External Contributions	-	55,577	-	55,577
Restricted by Enabling Legislation	-	933,009	-	933,009
Unrestricted	411,331	(111,177)	2,972	303,126
Total Net Position	\$ 2,177,595	1,893,887	2,972	4,074,454

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

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2022

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Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Johnson City Public Library	Johnson City Development Authority	Industrial Development Board	
Johnson City Public Library:								
General Government	\$ 2,250,947	19,749	2,184,585	41,844	(4,769)	-	-	(4,769)
Imagination Library	64,486	-	64,771	-	285	-	-	285
Total Johnson City Public Library	2,315,433	19,749	2,249,356	41,844	(4,484)	-	-	(4,484)
Johnson City Development Authority:								
General Government	470,021	83,432	283,048	-	-	(103,541)	-	(103,541)
John Sevier Center	1,357,614	1,077,243	-	-	-	(280,371)	-	(280,371)
Tax Increment Financing	293,276	-	660,207	-	-	366,931	-	366,931
Interest on Long-Term Debt	141,827	-	141,827	-	-	-	-	-
Total Johnson City Development Authority	2,262,738	1,160,675	1,085,082	-	-	(16,981)	-	(16,981)
Total Component Units	\$ 4,578,171	1,180,424	3,334,438	41,844	(4,484)	(16,981)	-	(21,465)
General Revenues:								
Unrestricted Investment Earnings					\$ 57	4,803	-	4,860
Other General Revenue					12,860	-	-	12,860
E-Rate Reimbursement					101,500	-	-	101,500
Miscellaneous Revenue					-	-	100	100
Total General Revenues					114,417	4,803	100	119,320
Change in Net Position					109,933	(12,178)	100	97,855
Net Position, July 1, 2021					2,067,662	2,005,657	2,872	4,076,191
Prior Period Adjustment					-	(99,592)	-	(99,592)
Net Position, July 1, 2021 (Restated)					2,067,662	1,906,065	2,872	3,976,599
Net Position, June 30, 2022	\$ 2,177,595				1,893,887	2,972		4,074,454

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Johnson City, Tennessee (the City) was incorporated in 1869 and operates under a Board of Commission – City Manager form of government. The City is part of a 12 county area in northeast Tennessee and southwest Virginia known as the Appalachian Highlands.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The Governmental Accounting and Financial Reporting Standards, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. Description of Government-Wide 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. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The accompanying financial statements present the City (primary government) and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on the organization or (2) there is potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are aggregately reported in a single column in the government-wide financial statements to emphasize that they are legally separate from the government.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Discretely Presented Component Units

Johnson City Public Library - The Johnson City Public Library is a non-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) incorporated in September 1989. The Library's Board of Directors is appointed by the City Commission and an appropriation of at least 85% of its annual support is provided by the City of Johnson City. The City is obligated to finance any deficits and all debt is financed by the City. The Library property is also owned and titled to the City of Johnson City. Separately issued financial statements may be requested from: Johnson City Public Library; 100 West Millard Street; Johnson City, Tennessee 37604.

Johnson City Development Authority (JCDA) - The JCDA was established in February 1990, to facilitate business development within the City. To accomplish this function, the JCDA operates a tax increment financing (TIF) program that utilizes tax money provided to the JCDA by the City and Washington County for use in redevelopment projects. The JCDA's Board of Commissioners and TIF projects are approved by the City Commission. Separately issued financial statements may be requested from: Johnson City Development Authority; 207 Boone Street, Suite 23; Johnson City, Tennessee 37601.

Industrial Development Board (IDB) - The IDB is organized to acquire, own, lease and dispose of properties to the end that the corporation may be able to maintain and increase employment opportunities by promoting industry, trade, commerce, tourism and recreation by inducing manufacturing, industrial, governmental, education, research and development, financial, service, commercial, medical-related, and recreational enterprises, to locate or remain in the City, and to have all powers that may be necessary to enable the corporation to accomplish these purposes. To further such ends, the aforementioned corporation shall be empowered to finance, acquire, own, lease and/or dispose of such properties within the City or within three miles of its corporate limits or to accumulate and lend money for said purposes as may be necessary to achieve said goals. The IDB's Board of Directors is appointed by the City Commission and the IDB does not issue separate financial statements.

Joint Ventures and Jointly Governed Organizations

The City is a participant with Washington County in joint ventures to operate the Washington County-Johnson City Animal Control Center, the Washington County-Johnson City Emergency Medical Services, Inc. – Ambulance Division, the Washington County Economic Development Council and the Tri-County Industrial Park. The City also participates with other local governments in the joint governance of the Tri-Cities Airport Authority.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer, solid waste, and building functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provided information about the government's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. A custodial fund is generally used to account for assets that the City holds on behalf of others as their agent. All custodial funds use the accrual basis of accounting.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *General Purpose School Fund* accounts for transactions of the City School System. The major sources of revenue for this fund are state-shared revenues and local property and sales taxes.

The *Debt Service Fund* accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation debt other than that payable from enterprise funds and the general obligation debt used to construct educational facilities. Even though the fund had no assets, liabilities or fund balance at June 30, 2022, the City treats the Debt Service Fund as major.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

The *Educational Facilities Debt Service Fund* accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation debt for the construction of educational facilities.

The *Capital Project Fund* accounts for the acquisition and construction of major capital facilities, equipment, and infrastructure other than those financed by proprietary funds. This fund was reported in nonmajor governmental funds in the prior fiscal year.

The City reports the following nonmajor governmental funds:

The *Freedom Hall Civic Center Fund* accounts for the revenues generated from the Civic Center's operations. Fee revenues are supplemented by the General Fund to the extent of the Civic Center's costs.

The *School Federal Projects Fund* accounts for all revenues received under this law.

The *Special School Projects Fund* accounts for all revenues received for various special projects for the schools.

The *School Food Service Fund* accounts for the revenues and expenditures of the school cafeterias.

The *Internal School Fund* accounts for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund.

The *Transportation Planning Fund* accounts for special state and federal transportation planning projects through state and federal revenues.

The *Drug Fund* accounts for drug fines awarded by court action.

The *Police Grant and Technology Fund* accounts for all police grants from the federal, state and local governments and fees provided by moving violations to fund safety equipment and technology for the police department.

The *Community Development Fund* accounts for federal and state Housing and Urban Development Funds.

The *Senior Citizens Fund* accounts for contributions and fundraising for the Senior Citizens Center.

The *Employee Scholarship Fund* accounts for donations from City employees to fund scholarships for children of City employees who are entering college.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

The *Permanent Fund (School Trust Fund)* accounts for nonexpendable assets left to the City by the late Paul Gollong. The fund's earnings are used for awarding scholarships to graduating high school students

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the activities of the City's production, storage and transportation of potable water and the City's collection, transportation, treatment and disposal of wastewater.

The *City Solid Waste Fund* accounts for the activities of the City's residential garbage refuse collection and recycling activities within City limits.

The City reports the following nonmajor proprietary funds:

The *Regional Solid Waste Fund* accounts for the activities of the City's regional residential garbage, refuse collection and recycling activities.

The *Mass Transit Fund* accounts for activities funded by federal grants from the Federal Transportation Administration and state grants provided from federal funds for support of local government transportation programs.

The *Stormwater Management Fund* accounts for the activities of the City's stormwater and drainage management system.

The *Johnson City Public Building Authority Fund* accounts for the activities of the PBA, a blended component unit of the City. The PBA's main activity is to design, plan, acquire property and construct projects delegated to the PBA by the Board of Commissioners. The primary source of revenue is rental income.

The City reports the following fiduciary fund:

The *Northeast Tennessee Cooperative (NETCO) Fund* accounts for the purchase of food-related materials, supplies, equipment, and services jointly by combining the purchasing requirements of five cities and nine counties in the surrounding area. Processing costs are allocated to each member district and reimbursed to NETCO.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (Continued)

Additionally, the City reports the following fund type:

The *Internal Service Funds (Fleet Management Fund and Insurance Fund)* account for fleet management and insurance services provided to other departments or agencies of the government on a cost-reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at fiscal year end are reported as due from / to other funds and advances to / from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in / out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 fiscal 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.

The 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 are 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.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for local revenues, 120 days for state-shared revenues, and 360 days for expenditure-driven grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

In general, taxes, licenses, federal and state grant funds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Business taxes are not considered measurable and therefore are not susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and the fiduciary fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Budgetary Information

Budgetary Basis of Accounting

The City Manager is required by charter to present to the Board of Commissioners an estimate of expenditures and revenue of the City for the ensuing fiscal year. The estimates are to be compiled from detailed information obtained from the departments of the City. The Board of Commissioners then prepares a tentative appropriation ordinance. Three readings of the appropriation ordinance must be approved on or before June 30th, after which date the new budget goes into effect.

As a management control, annual budgets are prepared by City departments for approval by the City Commission for all funds except for the Senior Citizens and Employee Scholarship Funds. The budget for the Johnson City Public Building Authority is not prepared by the City. Appropriations for the General Fund and applicable Special Revenue Funds are authorized at the departmental level except for the Community Development Fund, which is authorized on the project level on an annual basis to satisfy U.S. Department of Housing and Urban Development requirements. Appropriations for the Debt Service, Educational Facilities Debt Service, and the proprietary funds are authorized at the fund level. Supplemental appropriations may be authorized by ordinance during the fiscal year.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

Budgetary Basis of Accounting (Continued)

Annual budgets for the General Fund, certain Special Revenue Funds (Freedom Hall Civic Center, School Federal Projects, Special School Projects, School Food Service, Transportation Planning, Drug, Police Grant and Technology, and Community Development), the Capital Project Fund, the Debt Service Fund, and the Educational Facilities Debt Service Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). An annual budget is also adopted for the General Purpose School Fund, which is adopted on the modified accrual basis of accounting. All annual appropriations lapse at fiscal year-end.

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

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes impose various restrictions on the City's and its component units' deposits and investments, including repurchase agreements. These restrictions are summarized as follows:

DEPOSITS - State statutes require that all deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits.

INVESTMENTS - State statutes authorize the City to invest in treasury bonds, notes or bills of the United States of America; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the State Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States of America or any of its agencies; Certificates of Deposit and other evidences of deposit at State and Federal chartered banks and Savings and Loan Associations; obligations of the United States of America or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the State of Tennessee Local Government Investment Pool (LGIP); obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority.

The City utilizes a cash management plan for all cash in checking for all funds, except for the school funds which have their own bank accounts. One bank account is used for disbursements for the City. Other accounts are maintained for utility collections of the regional systems, which are periodically transferred to the General Disbursement Account and for Debt Service. The balance of cash in each fund is maintained on the City's records and reconciled to the total in the General Disbursement Account.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

1. Cash and Cash Equivalents (Continued)

The cash management plan provides that the balance in the bank is invested on a daily basis at the current interest rates. Interest income is allocated to the individual funds based on the average cash balance of the individual funds. The plan is presently with First Horizon. Bids are obtained from all banks to obtain the best possible rates.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the LGIP. Specifically, the LGIP was established under *Tennessee Code Annotated* Title 9, Chapter 4, Part 7.

This investment pool is established for the use of idle funds of local governments located within the State of Tennessee. These funds are placed by the participating entity into accounts that are held and invested by the State Treasurer. The LGIP invests in time deposits, such as Certificates of Deposit, commercial paper, United States of America agency securities, repurchase agreements, and United States of America treasuries. By law, the LGIP is required to maintain a 90-day or less weighted-average-maturity. The fair value of shares held in the LGIP is the same as the value of the LGIP shares. LGIP investments are carried at amortized cost, which approximates fair value. The LGIP has been classified as Cash on Deposit with State of Tennessee since they are comprised of short-term investments. The Tennessee LGIP has not been rated by a nationally recognized statistical rating organization. All other investments are reported at fair value.

3. Inventories and Prepaid Items

All inventories of governmental funds are valued at cost using the first-in/first-out (FIFO) method and are recorded as expenditures at the time purchased. All such inventories on hand at fiscal year-end are reported as assets and nonspendable fund balance in the fund financial statements. An adjustment is posted to fund balance at fiscal year-end to account for the purchase method inventory used in the School Food Service Fund.

All inventories of proprietary funds are valued at cost utilizing the weighted average or FIFO method, and are expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary fund financial statements. The cost of prepaid items is recorded as expenditures / expenses when consumed rather than when purchased.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

4. Restricted Assets

Certain cash and investment balances of the City are classified as restricted assets on the Statement of Net Position because they are maintained in separate accounts and their use is limited by certain agreements and contracts with third parties. Restricted cash includes sinking fund accounts established to meet the requirements of certain bond issues, escrow for construction contractors established to fund retainages of outstanding construction projects upon their completion, and savings accounts for tax equivalent payments, capital improvements, and unexpected expenses. Restricted investments include securities held for larger claims of a self-insurance program.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of one year for property, plant and equipment, and assets with an initial, individual cost of more than \$100,000 for infrastructure. See Note 1.G.6 for an explanation of the City's leasing activities that result in intangible right-to-use leased assets.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

5. Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the blended component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Roads and bridges	40
Buildings and building improvements	30
Golf course improvements	15
Landfill improvements	25
Fire trucks	20
Utility lines	45
School buses, passenger vans	15
Machinery, equipment and heavy vehicles	10
Office equipment/automobiles	7
Right-to-use leased assets	1-5
Computer equipment/software licenses	3

6. Leases

Lessee - The City is a lessee for noncancellable leases of buildings and land which results in the recognition of a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate, when available. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

6. Leases (Continued)

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for several noncancellable leases of buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

7. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has items that qualify for reporting in this category. Deferred bond refunding costs result 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. The deferred outflows related to pensions include contributions subsequent to the measurement date which are equivalent to the City's pension contributions made to the Tennessee Consolidated Retirement System (TCRS) during fiscal year 2022, and will be recognized as a reduction to net pension liability in the following measurement period. In addition, it includes differences between expected and actual experience as a result of the June 30, 2021 measurement date actuarial studies for the City's agent multiple-employer pension plan through TCRS and the Schools' two cost-sharing multiple-employer pension plan through TCRS, and is being amortized over the average remaining service period. Changes in proportion of net pension liability (asset) are also included as a result of the aforementioned school pension plans through TCRS. There are also deferred outflows related to the changes in assumptions as a result of the June 30, 2021 measurement date actuarial study for all three of the aforementioned plans, and is being amortized over a five-year period. Accordingly, these items are reported only in the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. These revenues are from delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At the government-wide level, exchange transactions that are unavailable but earned are recognized in current year revenue. The current year property taxes, which have been levied, but not yet billed as of June 30, are reflected as both unearned and unavailable and are reported in the government-wide Statement of Net Position and the governmental funds Balance Sheet as a deferred inflow of resources. There are deferred inflows related to the differences between expected and actual experience on pension as a result of the June 30, 2021 measurement date actuarial study for the City's agent multiple-employer pension plan through TCRS and the Schools' two cost-sharing multiple-employer pension plan through TCRS, and is being amortized over the average remaining service period. Changes in proportion of net pension liability (asset) are also included as a result of the aforementioned school pension plans through TCRS.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

7. Deferred Outflows / Inflows of Resources (Continued)

There are also deferred inflows related to the net difference between projected and actual earnings on pension plan investments.

The deferred outflows and inflows of resources for Other Post-Employment Benefits (OPEB) is related to the changes in assumptions and actuarial experience for the other post-employment benefits liability which is a result of the actuarial study for the City's and School's single-employer OPEB plans. These changes are being amortized over the average service of plan participants.

There are also deferred inflows related to lease activity as described in Note 1.G.6.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 in the applicable fund financial statements and in the government-wide financial statements.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

9. Pensions

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

10. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

11. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's practice to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints:

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

12. Fund Balance Policies (Continued)

Nonspendable Fund Balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by which the City Commission, the City's highest level of decision-making authority, approves an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned Fund Balance – amounts the City intends to use for a specific purpose. In the fund balance policy adopted by the City Commission, the Board of Commissioners delegates to the City Manager or Finance Director the authority to assign amounts to be used for specified purposes.

Unassigned Fund Balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

13. Reclassifications

Certain reclassifications have been made to the June 30, 2021 financial statements in order for them to conform to the June 30, 2022 financial statement presentation.

14. 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.

15. Concentration

The City depends upon financial resources flowing from, or associated with, both the federal government and the State of Tennessee. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance (Continued)

16. Accounting Changes

GASB Statement No. 87, *Leases* establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City implemented this statement as of July 1, 2021, and therefore did not restate opening balances, as the City believes any such restatement would be immaterial to the financial statements.

H. Revenues and Expenditures / Expenses

1. Program Revenues

Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

2. Property Taxes

Property taxes are levied on September 1st on property values assessed as of January 1st. After December 31st, the tax bill becomes delinquent and penalty and interest are assessed. Property taxes are declared to be a lien on the property after January 10th of the fiscal year of assessment.

3. Compensated Absences

Policy of the City (except for Schools). Vacation benefits apply to all full-time and regular part-time employees who have completed six months of continuous employment.

Vacation accrues as follows:

<u>Years of Service</u>	<u>Vacation Days</u>	<u>Monthly Hour Accrual</u>
Under 5 years of service	10	6.67
6 to 10 years of service	13	8.67
11 to 15 years of service	16	10.67
16 to 20 years of service	19	12.67
20+ years of service	22	14.67

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures / Expenses (Continued)

3. Compensated Absences (Continued)

Vacation accruals for members of the Fire Bureau are based on a 24-hour day.

Vacation accrues as follows for Fire Bureau:

<u>Years of Service</u>	<u>Vacation Days</u>	<u>Monthly Hour Accrual</u>
Under 5 years of service	5 shifts	10
6 to 10 years of service	6.5 shifts	13
11 to 15 years of service	8 shifts	16
16 to 20 years of service	9.5 shifts	19
20+ years of service	11 shifts	22

Sick leave accumulates at the rate of eight hours per month for regular full-time and on a pro-rata basis for regular part-time employees. For Fire Bureau employees, a day equals 24 hours and sick leave will accrue at 24 hours a month unless Fire Bureau employees are assigned to an eight-hour shift, then they will accumulate at the rate of eight hours per month. Sick leave may be accumulated with no maximum on number of days. No accumulated sick leave obligation exists for payment of accumulated sick leave upon termination for reasons other than death or retirement. Upon retirement for an employee who has completed 15 years of service, the sick leave accumulated is credited to the years of service or the employee may elect to receive compensation at the rate of two days of sick leave at the employee's regular rate for every completed year of service, not to exceed sixty days. In the event of death, one-third of the accumulated amount is paid to the beneficiary. It is also the City's policy to permit employees from certain departments of the City to accumulate earned but unused compensation for excess hours worked. All compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures / Expenses (Continued)

3. Compensated Absences (Continued)

Policy of Schools. Teachers' vacation and sick leave are in accordance with state policies. Most other school employees do not accumulate vacation or sick leave in excess of a normal year's accumulation. Vacation is earned and accumulates at one day per month. Administrative personnel are allowed to accumulate vacation days and may earn up to 20 days per year after 10 years of service. Employees have eighteen months to use the vacation time or it is lost. Five days of vacation can be converted to sick time for carryover for retirement. Unused sick time is not compensated. Accrued vacation has been recorded for the twelve-month administrative personnel in the government-wide financial statements. It is estimated that any accrual for ten-month employees would be immaterial.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the systems. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between total *fund balances of governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$270,484,064 difference are as follows:

Governmental Capital Assets	\$ 583,469,700
Less: Accumulated Depreciation	(310,451,851)
Less: Internal Service Funds Net Capital Assets	<u>(2,533,785)</u>
Net adjustment to increase total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ 270,484,064</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position (Continued)

Another element of that reconciliation explains that “long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$(157,910,299) difference are as follows:

Bonds and Notes Payable (net of Unamortized Premiums and Discounts)	\$ (160,694,298)
Leases Payable	(213,637)
Less: Deferred Charge on Refunding	1,015,263
Less: Internal Service Funds Bonds and Notes Payable including Premiums	<u>1,982,373</u>
Net adjustment to reduce total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ (157,910,299)</u></u>

Another element of that reconciliation explains that “long-term pension plan retirement payments are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. This amount is the net pension liability (asset), net of deferred outflows and deferred inflows related to pensions.” The details of this \$29,780,662 difference are as follows:

Net Pension Asset	\$ 66,835,223
Deferred Outflows Related to Pensions	27,787,163
Deferred Inflows Related to Pensions	(64,335,805)
Less: Internal Service Funds Portion	<u>(505,919)</u>
Net adjustment to increase total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ 29,780,662</u></u>

Another element of that reconciliation explains that “other post-employment benefits (OPEB) represent liabilities of the City that are not recorded at the fund level. This amount is the OPEB liability, net of deferred outflows and deferred inflows related to OPEB.” The details of this \$(44,038,215) difference are as follows:

OPEB Liability	\$ (37,318,530)
Deferred Outflows Related to OPEB	5,816,750
Deferred Inflows Related to OPEB	<u>(12,536,435)</u>
Net adjustment to reduce total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u><u>\$ (44,038,215)</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances of governmental funds* and *change in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation of general capital assets and other capital related expenses in the current period.” This difference does not include depreciation and amortization expense of \$329,295 relating to internal service funds. In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. The details of these various capital asset transactions result in a \$9,610,580 difference as follows:

Capital Outlay	\$ 26,610,355
Net Loss on Disposals	(195,866)
Less: Items not Capitalized	(793,100)
Depreciation and Amortization Expense	<u>(16,010,809)</u>
Net adjustment to increase <i>net change in fund balances</i> of governmental funds to arrive at <i>change in net position</i> of governmental activities	<u><u>\$ 9,610,580</u></u>

Another element of that reconciliation states that “revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$15,417 difference are as follows:

Deferred Property Taxes as of June 30, 2022	\$ 571,439
Deferred Property Taxes as of June 30, 2021	<u>(556,022)</u>
Net adjustment to increase <i>net change in fund balances</i> of governmental funds to arrive at <i>change in net position</i> of governmental activities	<u><u>\$ 15,417</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$(34,950,443) difference, which does not include the internal service funds, are as follows:

Principal Repayments on Bonds and Notes	\$ 10,037,782
Principal Repayments on Leases	53,359
Proceeds from Issuance of Bonds and Notes	(41,955,000)
Proceeds from Issuance of Leases	(266,996)
Premium on Issuance of Bonds and Notes	(3,923,067)
Amortization of Premium and Deferred Refunding	<u>1,103,479</u>
Net adjustment to decrease <i>net change in fund balances of governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ (34,950,443)</u></u>

Another element of the reconciliation states that “some pension 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.” The details of the \$16,779,455 difference are as follows:

Change in Net Pension Asset	\$ 58,073,246
Change in Deferred Outflows of Resources Related to Pensions	16,401,717
Change in Net Pension Liability	1,953,545
Change in Deferred Inflows of Resources Related to Pensions	<u>(59,649,053)</u>
Net adjustment to increase <i>net change in fund balances of governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ 16,779,455</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Cash deposits on the Statement of Net Position include demand deposits, certificates of deposit, savings accounts, cash on deposit with paying agents, cash on deposit with the State of Tennessee, and cash deposited in escrow accounts.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy for custodial credit rate risk on deposits is to follow state guidelines.

At fiscal year-end, the City had \$21,879 of cash on hand, which has been included in cash and cash equivalents. The City's carrying amount of deposits, including restricted cash, was \$78,540,767 and the bank balance was \$81,430,335. Of the City's bank balance, \$81,390,847 was covered by the State of Tennessee Collateral Pool, which is a multiple financial institution collateral pool, or by amounts insured by the Federal Deposit Insurance Corporation (FDIC). The remaining \$39,488 of that balance was collateralized with securities held in the City's name by the pledging or financial institution's trust department or agent.

B. Investments

The City's investment policy is to ensure the preservation of capital in the overall investment portfolio. The City will emphasize the safety of capital first, maintain sufficient liquidity to meet obligations second, and gain the highest possible yield third. All investments made by the City will be in accordance with applicable state guidelines, which limit the types of investments to the following:

Bonds, notes, or treasury bills of the United States Government

Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by United States agencies

Certificates of deposit and other evidences of deposit at state and federally chartered banks, and savings and loan associations

The local government investment pool (cash on deposit with the state)

The City does not allow for an investment in securities maturing more than two years from the date of issue.

The City's interest in the investment pool is recorded at amortized cost which approximates fair value. The weighted average maturity is 44 days for LGIP investments. All other investments are reported at fair value. The City categorized the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

At June 30, 2022, the City's investments were as follows:

Investment Type	Fair Value or Amortized Cost	Weighted Average Maturity (Years)
Municipal Bonds	\$ 27,475,630	0.05
Government-Sponsored Enterprise Securities	8,978,280	0.32
Treasury Securities	56,165,302	0.09
Certificates of Deposit - Investments	4,862,007	N/A
State Treasurer's Investment Pool - Amortized Cost	1,019,257	0.12
Cash with Investment Firm	90,207	N/A
Fixed Rate Agency Securities	46,149,238	N/A
Total Fair Value or Amortized Cost	<u>\$ 144,739,921</u>	
Portfolio Weighted Average Maturity		0.07

Classified as:

Investments	\$ 51,854,495
Restricted Investments	93,560,673
Less: TCRS Stabilization	(675,247)
Total Investments Herein	<u>\$ 144,739,921</u>

As of June 30, 2022 the City does have a concentration of credit risk relating to three investments that exceed 5% of the portfolio. The fixed rate agency securities with Federal Farm Credit Bank and Federal Home Loan Bank are approximately 8.10% and 22.63%, respectively, of the City's investment portfolio. An additional 43.62% of the City's investment portfolio is in United States Treasury securities.

As of June 30, 2022, the City's investment ratings were as follows:

Rating	Rating Agency	Fair Value	Percentage of Total Investments
AAA	Standard & Poor's	\$ 3,503,532	2.42%
AA+	Standard & Poor's	1,014,100	0.70%
AA	Standard & Poor's	2,160,739	1.49%
AA1	Moody's	1,375,422	0.95%
Aa3	Moody's	5,562,687	3.84%
Aa2	Moody's	334,565	0.23%
Aaa	Moody's	67,175,547	46.41%
unrated		63,613,329	43.95%
		<u>\$ 144,739,921</u>	<u>100.00%</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

Investments at fair value level at June 30, 2022 are as follows:

Investment Type	Fair Value	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	\$ 27,475,630	-	27,475,630	-
Government-Sponsored Enterprise Securities	8,978,280	-	8,978,280	-
Treasury Securities	56,165,302	56,165,302	-	-
Certificates of Deposit - Investments	4,862,007	-	4,862,007	-
Cash with Investment Firm	90,207	90,207	-	-
Fixed Rate Agency Securities	46,149,238	-	46,149,238	-
	<u>\$ 143,720,664</u>	<u>56,255,509</u>	<u>87,465,155</u>	<u>-</u>

The local government investment pool, which is valued at amortized cost, is excluded from the above presentation. Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Restricted Investments - TCRS Stabilization Trust

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

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

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2022, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes so to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

US Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

At June 30, 2022, the Johnson City Schools had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Fund of the City and the General Purpose School Fund of the school department.

Investments	Weighted Average Maturity (Days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 209,327
Developed Market International Equity	N/A	N/A	94,535
Emerging Market International Equity	N/A	N/A	27,010
U.S. Fixed Income	N/A	N/A	135,049
Real Estate	N/A	N/A	67,525
Short-term Securities	N/A	N/A	6,752
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>135,049</u>
Total			<u><u>\$ 675,247</u></u>

Investment Type	Fair Value	Fair Value Measurement Using:			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	\$ 209,327	209,327	-	-	-
Developed Market International Equity	94,535	94,535	-	-	-
Emerging Market International Equity	27,010	27,010	-	-	-
U.S. Fixed Income	135,049	-	135,049	-	-
Real Estate	67,525	-	-	67,525	-
Short-term Securities	6,752	-	6,752	-	-
Investments at Amortized Cost using the NAV:					
Private Equity and Strategic Lending	<u>135,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,049</u>
Total	<u><u>\$ 675,247</u></u>	<u><u>330,872</u></u>	<u><u>141,801</u></u>	<u><u>67,525</u></u>	<u><u>135,049</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Johnson City Schools do not have the ability to limit trust 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. The Johnson City Schools do not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Johnson City Schools places no limit on the amount the City may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Johnson City Schools to pay retirement benefits of the School Department employees.

For further information concerning the Johnson City School's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at:

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/2021/pa21040.pdf>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the City's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	General Purpose School	Educational Facilities	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
Receivables						
Taxes	\$ 39,121,138	-	-	-	-	39,121,138
Accounts	1,566,150	94,871	-	958,230	77,259	2,696,510
Leases	424,977	-	-	-	-	424,977
Intergovernmental	7,160,250	26,053,779	545,534	458,085	5,029,836	39,247,484
Gross Receivables	48,272,515	26,148,650	545,534	1,416,315	5,107,095	81,490,109
Less: Allowances for Uncollectibles	(662,400)	-	-	-	-	(662,400)
Net Total Receivables	<u>\$ 47,610,115</u>	<u>26,148,650</u>	<u>545,534</u>	<u>1,416,315</u>	<u>5,107,095</u>	<u>80,827,709</u>

	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total Enterprise Funds
Receivables				
Accounts	\$ 3,622,917	1,056,095	427,439	5,106,451
Leases	863,066	-	10,353	873,419
Intergovernmental	-	-	1,779,074	1,779,074
Gross Receivables	4,485,983	1,056,095	2,216,866	7,758,944
Less: Allowance for Uncollectibles	(2,542,286)	(449,359)	(181,342)	(3,172,987)
Net Total Receivables	<u>\$ 1,943,697</u>	<u>606,736</u>	<u>2,035,524</u>	<u>4,585,957</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

C. Receivables (Continued)

	Total Governmental Funds	Total Enterprise Funds	Internal Service Funds	Total Primary Government
Receivables				
Taxes	\$ 39,121,138	-	-	39,121,138
Accounts	2,696,510	5,106,451	384,084	8,187,045
Leases	424,977	873,419	-	1,298,396
Intergovernmental	39,247,484	1,779,074	-	41,026,558
Gross Receivables	81,490,109	7,758,944	384,084	89,633,137
Less: Allowances for				
Uncollectibles	(662,400)	(3,172,987)	-	(3,835,387)
Net Total Receivables	<u>\$ 80,827,709</u>	<u>4,585,957</u>	<u>384,084</u>	<u>85,797,750</u>

Uncollectible amounts for Water and Sewer, Regional Solid Waste, and Stormwater are reported as a reduction to charges for services in operating revenue. Uncollectible amounts of the General Fund are reported as a reduction of miscellaneous revenue. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to:	Water and Sewer Services	\$ 493,678
	City Solid Waste	46,917
	Regional Solid Waste Services	7,063
	Stormwater	8,737
		<u>\$ 556,395</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Property taxes which are delinquent at fiscal year-end are earned but not available. The tax year 2022 property taxes are unearned and unavailable, but are recorded as receivable on the levy date, as described in Note 1.G.7 and Note 1.H.2.

The City leases some of its buildings and land to various third parties. The leases have terms ranging from 1 to 23 years and receives payments as specified in the individual lease agreements. The City recognized \$310,310 in lease revenue and \$64,334 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the City's total receivable for lease payments was \$1,298,396. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,258,238.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Primary Government				
	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 30,486,581	471,900	-	-	30,958,481
Artwork	265,150	-	-	-	265,150
Construction in Progress	11,585,439	24,655,434	(7,653,455)	5,789	28,593,207
Total Capital Assets, Not Being Depreciated	42,337,170	25,127,334	(7,653,455)	5,789	59,816,838
Capital Assets, Being Depreciated:					
Buildings and Improvements	277,111,470	4,231,807	(1,011,226)	-	280,332,051
Right-to-Use Leased Assets	-	266,996	-	-	266,996
Equipment and Vehicles	52,706,304	4,100,860	(1,330,623)	9,832	55,486,373
Intellectual Property	5,500	-	-	-	5,500
Infrastructure	187,561,942	-	-	-	187,561,942
Total Capital Assets, Being Depreciated	517,385,216	8,599,663	(2,341,849)	9,832	523,652,862
Accumulated Depreciation:					
Buildings and Improvements	(150,061,024)	(9,134,320)	612,456	-	(158,582,888)
Right-to-Use Leased Assets	-	(53,399)	-	-	(53,399)
Equipment and Vehicles	(36,399,305)	(3,171,254)	1,308,163	27	(38,262,369)
Intellectual Property	(794)	(123)	-	-	(917)
Infrastructure	(109,571,270)	(3,981,008)	-	-	(113,552,278)
Total Accumulated Depreciation	(296,032,393)	(16,340,104)	1,920,619	27	(310,451,851)
Net Capital Assets, Being Depreciated	221,352,823	(7,740,441)	(421,230)	9,859	213,201,011
Net Governmental Activities Capital Assets	\$ 263,689,993	17,386,893	(8,074,685)	15,648	273,017,849

Depreciation/amortization expense was charged to functions/programs of the Governmental Activities as follows:

General Government	\$ 995,016
Education	6,815,452
Parks, Recreation, Culture and Leisure	1,605,084
Public Works	5,670,054
Public Safety	668,146
City Services	257,057
Internal Service Funds	329,295
	<u>\$ 16,340,104</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Primary Government				
	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 11,330,912	50,087	-	(5)	11,380,994
Construction in Progress	37,297,225	36,612,312	(8,977,272)	-	64,932,265
Total Capital Assets, Not Being Depreciated	48,628,137	36,662,399	(8,977,272)	(5)	76,313,259
Capital Assets, Being Depreciated:					
Buildings and Improvements	19,162,608	178,536	-	-	19,341,144
Right-to-Use Leased Assets	-	20,007	-	-	20,007
Plant in Service	259,959,561	12,923,988	(17,512)	(1,898,126)	270,967,911
Equipment and Vehicles	43,718,802	2,467,381	(110,006)	-	46,076,177
Total Capital Assets, Being Depreciated	322,840,971	15,589,912	(127,518)	(1,898,126)	336,405,239
Accumulated Depreciation:					
Buildings and Improvements	(4,845,189)	(560,294)	-	15,377	(5,390,106)
Right-to-Use Leased Assets	-	(13,338)	-	-	(13,338)
Plant in Service	(117,644,129)	(5,478,877)	17,512	-	(123,105,494)
Equipment and Vehicles	(25,700,855)	(3,021,837)	104,706	(15,377)	(28,633,363)
Total Accumulated Depreciation	(148,190,173)	(9,074,346)	122,218	-	(157,142,301)
Net Capital Assets, Being Depreciated	174,650,798	6,515,566	(5,300)	(1,898,126)	179,262,938
Net Business-Type Activities Capital Assets	\$223,278,935	43,177,965	(8,982,572)	(1,898,131)	255,576,197

Depreciation/amortization expense was charged to functions/programs of the Business-Type Activities as follows:

Water and Sewer	\$ 6,632,820
City Solid Waste	1,119,802
Regional Solid Waste	386,840
Mass Transit	592,890
Stormwater Management	341,994
	<u>\$ 9,074,346</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans

City of Johnson City

General Information about the Pension Plan

Plan Description

Employees of Johnson City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

<https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

Benefits Provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service-related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

General Information about the Pension Plan (Continued)

Employees Covered By Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	946
Inactive Employees Entitled to but not yet Receiving Benefits	722
Active Employees	495
	<u>2,163</u>

The City withdrew from TCRS effective July 1, 2010. Employees hired after the date of withdrawal are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and service credit in TCRS. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City has adopted a noncontributory retirement plan for its employees. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the fiscal year ended June 30, 2022, the employer contributions for the City were \$5,387,021 based on a rate of 20.35 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the fiscal year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

Net Pension Liability (Asset) (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

Net Pension Liability (Asset) (Continued)

The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2020	\$ 242,993,533	240,343,242	2,650,291
Changes for the Fiscal Year:			
Service Cost	2,076,428	-	2,076,428
Interest	17,307,000	-	17,307,000
Differences between Expected and Actual			
Experience	89,687	-	89,687
Changes in Assumptions	14,870,664	-	14,870,664
Contributions - Employer	-	5,360,180	(5,360,180)
Contributions - Employees	-	4,396	(4,396)
Net Investment Income	-	61,048,231	(61,048,231)
Benefit Payments, Including Refunds of			
Employee Contributions	(12,705,431)	(12,705,431)	-
Administrative Expense	-	(46,464)	46,464
Other Changes	-	-	-
Net Changes	<u>21,638,348</u>	<u>53,660,912</u>	<u>(32,022,564)</u>
Balance at June 30, 2021	<u>\$ 264,631,881</u>	<u>294,004,154</u>	<u>(29,372,273)</u>

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

The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Johnson City's Net Pension Liability (Asset)	<u>\$ 3,166,280</u>	<u>(29,372,273)</u>	<u>(56,692,885)</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense

For the fiscal year ended June 30, 2022, the City recognized negative pension expense of \$3,307,537.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 59,791	127,817
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	32,537,774
Changes in Assumptions	9,913,776	-
Contributions Subsequent to the Measurement Date of June 30, 2021	5,387,021	(not applicable)
Total	<u>\$ 15,360,588</u>	<u>32,665,591</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

City of Johnson City (Continued)

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

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

Fiscal Year Ended June 30:	
2023	\$ (3,382,938)
2024	(2,815,432)
2025	(7,715,423)
2026	(8,778,231)

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

Payable to the Pension Plan

At June 30, 2022, the City reported a payable of \$415,588 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2022.

Johnson City Schools

General Information about the Pension Plan – Teacher Legacy Pension Plan

Plan Description

The Tennessee Consolidated Retirement System (TCRS) was created by state statute under *Tennessee Code Annotated* Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

<https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

Teachers employed by Johnson City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

General Information about the Pension Plan – Teacher Legacy Pension Plan (Continued)

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit, or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service-related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Johnson City Schools for the fiscal year ended June 30, 2022 to the Teacher Legacy Pension Plan were \$3,417,473, which is 10.30 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the fiscal year, the cost of administration, as well as an amortized portion of any unfunded liability.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

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

Pension Liabilities (Assets)

At June 30, 2022, the Johnson City Schools reported a liability (asset) of (\$42,465,052) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Johnson City Schools' proportion of the net pension liability was based on Johnson City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Johnson City Schools' proportion was 0.984528 percent. The proportion measured as of June 30, 2020 was 0.957665 percent.

Pension Expense (Negative Pension Expense)

For the fiscal year ended June 30, 2022, Johnson City Schools recognized pension expense (negative pension expense) of (\$6,628,238).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, Johnson City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 142,706	3,541,723
Changes in Assumptions	11,345,952	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	33,864,931
Changes in Proportion of Net Pension Liability (Asset)	-	163,680
Contributions Subsequent to the Measurement Date of June 30, 2021	3,417,473	(not applicable)
Total	<u>\$ 14,906,131</u>	<u>37,570,334</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Legacy Pension Plan (Continued)

Johnson City Schools' employer contributions of \$3,417,473, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Fiscal Year Ended June 30:

2023	\$ (6,218,973)
2024	(5,893,810)
2025	(4,829,723)
2026	(9,139,170)

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

Actuarial Assumptions

The total pension liability as of June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Legacy Pension Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Legacy Pension Plan (Continued)

Discount Rate

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

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

The following presents Johnson City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Johnson City Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Johnson City Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ (7,557,351)</u>	<u>(42,465,052)</u>	<u>(71,515,223)</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2022, Johnson City Schools reported a payable of \$272,663 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2022.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

General Information about the Pension Plan – Teacher Retirement Plan

Plan Description

The TCRS was created by state statute under *Tennessee Code Annotated* Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at:

<https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

Teachers employed by Johnson City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service-related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

General Information about the Pension Plan – Teacher Retirement Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute five percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Johnson City Schools for the fiscal year ended June 30, 2022 to the Teacher Retirement Plan were \$202,592 which is 2.01 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the fiscal year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Retirement Plan

Pension Liabilities (Assets)

At June 30, 2022, Johnson City Schools reported a liability (asset) of (\$641,427) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension asset used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. Johnson City Schools' proportion of the net pension liability (asset) was based on Johnson City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Johnson City Schools' proportion was 0.592153 percent. The proportion measured as of June 30, 2020 was 0.581549 percent.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Retirement Plan (Continued)

Pension Expense (Negative Pension Expense)

For the fiscal year ended June 30, 2022, Johnson City Schools recognized pension expense (negative pension expense) of \$78,439.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, Johnson City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 11,159	117,368
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	369,223
Changes in Assumptions	231,357	-
Changes in Proportion of Net Pension Liability (Asset)	16,712	12,433
Contributions Subsequent to the Measurement Date of June 30, 2021	202,592	(not applicable)
Total	<u>\$ 461,820</u>	<u>499,024</u>

Johnson City Schools' employer contributions of \$202,592, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the fiscal year ended June 30, 2023.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Fiscal Year Ended June 30:

2023	\$ (80,555)
2024	(78,534)
2025	(77,958)
2026	(87,249)
2027	11,232
Thereafter	73,268

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

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Retirement Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Johnson City Schools (Continued)

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Teacher Retirement Plan (Continued)

Discount Rate (Continued)

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents Johnson City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Johnson City Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Johnson City Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 220,506</u>	<u>(641,427)</u>	<u>(1,277,134)</u>

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2022, Johnson City Schools reported a payable of \$16,532 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2022.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Pension Plans (Continued)

Aggregated Pension Reconciliation to Statement of Net Position

The composition of Net Pension Liability (Asset) balances as of June 30, 2022, is as follows:

	Net Pension Liability (Asset)			
	City TCRS Plan	School's TCRS Teacher Legacy Plan	School's TCRS Hybrid Teacher Retirement Plan	Total Net Pension Liability (Asset)
Governmental Activities				
Governmental Activities	\$ (23,728,744)	(42,465,052)	(641,427)	(66,835,223)
Total Governmental Activities	(23,728,744)	(42,465,052)	(641,427)	(66,835,223)
Business-Type Activities				
Water and Sewer Fund	(3,716,688)	-	-	(3,716,688)
City Solid Waste	(513,545)	-	-	(513,545)
Non-Major Proprietary	(1,413,296)	-	-	(1,413,296)
Total Business-Type Activities	(5,643,529)	-	-	(5,643,529)
Total Net Pension Liability (Asset)	\$ (29,372,273)	(42,465,052)	(641,427)	(72,478,752)

The summary of Pension Expense (Negative Pension Expense) as of June 30, 2022, is as follows:

	City TCRS Plan	School's TCRS Teacher Legacy Plan	School's TCRS Hybrid Teacher Retirement Plan	Total
Net Pension Expense (Negative Pension Expense)	\$ (3,307,537)	(6,668,238)	78,439	(9,897,336)

The summary of Pension Deferred Outflows and Deferred Inflows as of June 30, 2022, is as follows:

	City TCRS Plan	School's TCRS Teacher Legacy Plan	School's TCRS Hybrid Teacher Retirement Plan	Total
Deferred Outflows Related to Pensions				
Differences Between Expected and Actual Experience	\$ 59,791	142,706	11,159	213,656
Changes in Assumptions	9,913,776	11,345,952	231,357	21,491,085
Changes in Proportion of Net Pension Liability (Asset)	-	-	16,712	16,712
Contributions Subsequent to Measurement Date	5,387,021	3,417,473	202,592	9,007,086
Total Deferred Outflows Related to Pensions	\$ 15,360,588	14,906,131	461,820	30,728,539
Deferred Inflows Related to Pensions				
Differences Between Expected and Actual Experience	\$ 127,817	3,541,723	117,368	3,786,908
Changes in Proportion of Net Pension Liability (Asset)	-	163,680	12,433	176,113
Differences Between Projected and Actual Earnings on Pension Plan Investments	32,537,774	33,864,931	369,223	66,771,928
Total Deferred Inflows Related to Pensions	\$ 32,665,591	37,570,334	499,024	70,734,949

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Deferred Compensation Plan

The City offers its employees, including employees of Johnson City Schools, a deferred compensation plan. The City of Johnson City 457(b) Deferred Compensation Plan (the Plan) is available to all employees who have reached age 18 and have achieved six months of service. It permits these eligible employees to contribute pre-tax or post-tax dollars into the Plan, via a percentage of eligible compensation, which is defined as W-2 wages plus elective deferrals and Section 125 deductions, less fringe benefits, up to certain limits prescribed by the Internal Revenue Service.

The City will match the employee contribution to this plan 100%, not to exceed 3.00% of the covered compensation if the employee participates in the 401(a) Defined Contribution Retirement Plan. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan assets are in custodial accounts and are not subject to the claims of the City's general creditors and are not reflected in funds of the City. Employee contributions totaled \$555,974 for the fiscal year ended June 30, 2022.

G. Defined Contribution Plans

The City offers its employees, including non-certified employees of Johnson City Schools, a 401(a) Defined Contribution Retirement Plan, administered by the Trust Company of Knoxville. The employee must be 18 years of age and complete six months of service before beginning participation. Employees are required to contribute 5.00% of eligible compensation, with the City providing an equivalent match for employees hired on or after July 1, 2010 plus a match of 3.00% for contributions made into the 457(b) plan. Compensation is defined as W-2 wages plus elective deferrals and Section 125 deductions, less fringe benefits. Employee and employer contributions for the City totaled \$1,198,254 and \$1,582,148, respectively, for the fiscal year ended June 30, 2022. Employees are 100% vested in employer contributions after five years of service. Distributions are permitted upon attaining age 65, severance of employment, or death and can be taken as a lump sum or installments.

Johnson City Schools offer a 403(b) plan to its employees, administered by The OMNI Group, Inc. The Johnson City Schools 403(b) Plan (the Plan) allows employees the opportunity to defer up to 100% of pre-tax or post-tax compensation. Employees become eligible to participate immediately upon their hire. Employee contributions totaled \$335,931 for the fiscal year ended June 30, 2022. Additionally, the Plan allows for the employer to make, but is not required to make non-elective contributions to the superintendent of schools. Non-elective employer contributions totaled \$0 for the fiscal year ended June 30, 2022. Distributions will be allowed upon severance for balances under \$1,000. Accounts in excess of \$1,000 are automatically rolled into an Individual Retirement Account.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Defined Contribution Plans (Continued)

Johnson City Schools offer a 401(k) plan to its employees, administered by Empower Retirement. The Johnson City Schools 401(k) Plan (the Plan) is available to employees who were hired after July 1, 2014. Retirement eligibility begins at age 65 and vested or if the Rule of 90 applies, where the sum of service and age must be equal to ninety. This plan is offered in conjunction with the aforementioned TCRS Teacher Retirement Plan. Employees contribute 2.00% of eligible compensation, with opt-out feature, with the Schools providing a 5.00% match. Employee and employer contributions for the Schools totaled \$489,373 and \$504,379, respectively, for the fiscal year ended June 30, 2022.

H. Post-Employment Healthcare Benefits

City of Johnson City

Plan Description

The City of Johnson City, as a single employer, offers medical post-employment benefits which are summarized below. These benefits are approved by the Board of Commissioners and require their approval for amendment. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

In 2008, the City Commission amended the City's post-employment healthcare benefits policy regarding employees who retire with at least 40 years of continuous City service. Under the amendment, active employees with at least 35 years of continuous full-time service solely to the City as of July 1, 2008, are eligible to receive post age 65 coverage in the City's group health plan when they retire with 40 years or more of service at no charge to the employee. Upon reaching Medicare eligibility, the City's health plan is supplemental to Medicare.

Active employees with 30 to 34 years of full-time continuous service solely to the City as of July 1, 2008, who retire with 40 years of service prior to reaching Medicare eligibility, are allowed to remain in the group health plan at employee rates until reaching Medicare eligibility. Upon reaching Medicare eligibility, these employees are eligible for a reimbursement up to \$3,000 per year for a Medicare supplement plan, if they choose to procure such a plan.

All other active employees with less than 30 years of service as of July 1, 2008 are not eligible for any post-65 coverage or benefits as described above. However, all retirees with a minimum of 20 years of service are allowed to remain in the City's group health plan until reaching Medicare eligibility at the retiree rate.

The monthly contribution for eligible retirees changed on July 1, 2021 to \$164.43 for single coverage and \$422.45 for family coverage. The co-insurance rate of reimbursement depends on the plan the employee is covered by. The Preferred Network has a \$550 deductible with an 80% co-insurance rate. The Select Network has a \$600 deductible and a 90% co-insurance rate. During the fiscal year ended June 30, 2022, contributions received from active employees were \$2,258,257 and contributions received from retirees were \$340,271.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

City of Johnson City (Continued)

Employees Covered by Benefit Terms

At the valuation date of June 30, 2022, the following were covered by the benefit terms:

Inactives Receiving Benefits	117
Inactives Not Receiving Benefits	0
Actives	992
Total	<u>1,109</u>

Funding Policy

The contribution requirements of plan members and the City are based on pay-as-you-go financing requirements.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following methods and assumptions were used:

Actuarial Cost Method	Entry Age Normal
Amortization Period	Average Working Lifetime
Remaining Amortization Period	7.6 Years
Administrative Expenses	N/A - Pay As You Go
Inflation Rate	Not Provided by Actuary
Asset Valuation Method	N/A - Pay As You Go
Investment Return	Not Provided by Actuary
Projected Salary Increases	4.00%
Cost-of-Living Adjustments	Not Provided by Actuary
Healthcare Cost Trend Rate	4.00% - 6.10%

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

City of Johnson City (Continued)

Actuarial Methods and Assumptions (Continued)

Discount Rate: 2.16 percent as of June 30, 2021 and 3.54 percent as of June 30, 2022, based on the 20-year municipal bond index.

Mortality Rate: The mortality rates used are from the June 30, 2016 TCRS Experience Study, Political Subdivision Group.

Retirement Rate: It was assumed that the following percentage of eligible employees would retire each year with more than 30 Years of Service:

Age	Rate		Age	Rate	
	Male	Female		Male	Female
50 - 55	9.00%	8.00%	66	20.50%	21.00%
56	9.00%	9.00%	67	18.00%	21.00%
57	9.50%	9.50%	68	18.00%	21.00%
58	9.50%	10.00%	69	18.50%	21.00%
59	10.00%	11.00%	70	20.00%	21.00%
60	12.50%	13.00%	71	20.00%	21.00%
61	17.00%	15.00%	72	20.00%	21.00%
62	22.00%	20.00%	73	20.00%	21.00%
63-64	19.50%	18.00%	74	20.00%	21.00%
65	26.00%	24.00%	75+	100.00%	100.00%

Health Care Trend Rates: It was assumed that health care costs would increase in accordance with the trend rates in the following table:

Year	Medical Rates
2023	5.80%
2024	5.40%
2025+	4.00%

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

City of Johnson City (Continued)

OPEB Liability

The City's OPEB liability was measured based on an actuarial valuation performed as of June 30, 2022.

Changes in the OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at June 30, 2021	\$ 20,549,467
Changes for the Fiscal Year:	
Service Cost	865,112
Interest	447,659
Differences between Expected and Actual Experience	8,366
Changes in Assumptions	(1,585,023)
Benefit Payments	(1,379,131)
Net Changes	<u>(1,643,017)</u>
Balance at June 30, 2022	<u>\$ 18,906,450</u>

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City calculated using the discount rate of 3.54 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	1% Increase (4.54%)	Current Discount Rate (3.54%)	1% Decrease (2.54%)
OPEB Liability	<u>\$ 17,792,551</u>	<u>18,906,450</u>	<u>20,051,427</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

City of Johnson City (Continued)

Sensitivity of the OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the OPEB liability of the City calculated using the health care trend rate of 5.80 percent decreasing to 4.00 percent, as well as what the OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (4.80 percent decreasing to 3.00 percent) or 1-percentage-point higher (6.80 percent decreasing to 5.00 percent) than the current rate:

	1% Increase (6.80% decreasing to 5.00%)	Current Health Care Trend Rate (5.80% decreasing to 4.00%)	1% Decrease (4.80% decreasing to 3.00%)
OPEB Liability	\$ 21,117,659	18,906,450	16,993,626

OPEB Expense

For the fiscal year ended June 30, 2022, the City recognized a net negative OPEB expense after contributions of \$569,331.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 7,271	(2,534,648)
Changes in Assumptions	1,669,766	(3,297,289)
Total	\$ 1,677,037	(5,831,937)

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

City of Johnson City (Continued)

The net amount reported as a deferred outflow and inflow of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:		
2023	\$	(490,271)
2024		(422,902)
2025		(561,204)
2026		(894,278)
2027		(963,342)
Thereafter		(822,903)

Johnson City Schools

Plan Description

Johnson City Schools, as a single employer, offers medical post-employment benefits which are summarized below. These benefits are approved by the Board of Commissioners and require their approval for amendment. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

The Johnson City Schools have two arrangements for post-employment health care benefits. If the school employee retires with full benefits (30 years or age 60), has 10 years of service with the Johnson City Schools and has carried insurance for the past 5 consecutive years, then the quarterly charge is \$0 for individual. The monthly charge for dependents varies depending on the plan the retiree is covered by. The cost is figured at 30% of the State Premium Rate less the potential cost of the Retiree's coverage. The monthly cost for a teacher with 30 or more years of service would be \$69.63 for retiree plus children, \$112.86 for retiree plus spouse, and \$171.77 for family. If the school employee does not retire with full benefits but has 20 years of service with the Johnson City Schools and has carried insurance for the past 5 consecutive years, the retiree pays 40% of the cost of the State Premium rate.

The co-insurance rate of reimbursement depends on the plan the employee is covered by. The Premier PPO Plan has a \$500 deductible with a 90% co-insurance rate. The Standard PPO Plan has a \$1,000 deductible with an 80% co-insurance rate. The Limited PPO Plan has a \$1,800 deductible with a 30% co-insurance rate. The Local CDHP/HSA plan has a \$2,000 deductible with a 30% co-insurance rate.

During the fiscal year ended June 30, 2022, premiums of \$2,943,602 were collected from active employees. Premiums paid by retirees are deducted from the Retiree's TCRS Benefit. Retirees that do not receive one or the benefit is not enough to cover the premium are directly invoices from the State of Tennessee.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

Employees Covered by Benefit Terms

At the valuation date of June 30, 2022, the following were covered by the benefit terms:

Inactives Receiving Benefits	76
Inactives Not Receiving Benefits	0
Actives	756
Total	<u>832</u>

Funding Policy

The contribution requirements of plan members and the Schools are based on pay-as-you-go financing requirements.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following methods and assumptions were used:

Actuarial Cost Method	Entry Age Normal
Amortization Period	Average Working Lifetime
Remaining Amortization Period	8.6 Years
Administrative Expenses	N/A - Pay As You Go
Inflation Rate	Not Provided by Actuary
Asset Valuation Method	N/A - Pay As You Go
Investment Return	Not Provided by Actuary
Projected Salary Increases	2.75%
Cost-of-Living Adjustments	Not Provided by Actuary
Healthcare Cost Trend Rate	4.00% - 5.80%

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

Actuarial Methods and Assumptions (Continued)

Discount Rate: 2.16 percent as of June 30, 2021 and 3.54 percent as of June 30, 2022, based on the 20-year municipal bond index.

Mortality Rate: The mortality rates used are from the June 30, 2016 TCRS Experience Study, Political Subdivision Group.

Retirement Rate: It was assumed that the following percentage of eligible employees would retire each year with more than 30 Years of Service:

Teachers:

Rate			Rate		
Age	Male	Female	Age	Male	Female
50	6.50%	6.50%	63	24.00%	27.50%
51	7.00%	7.00%	64	26.00%	32.00%
52	7.00%	8.00%	65	43.00%	45.50%
53	8.50%	9.00%	66	24.00%	32.00%
54	9.00%	10.00%	67	24.00%	32.00%
55	10.00%	10.00%	68	24.00%	32.00%
56	12.00%	12.00%	69	24.00%	32.00%
57	12.00%	14.00%	70	24.00%	42.00%
58	13.00%	14.00%	71	25.00%	48.00%
59	14.00%	15.00%	72	25.00%	48.00%
60	23.00%	25.00%	73	25.00%	48.00%
61	24.00%	28.00%	74	25.00%	48.00%
62	30.00%	34.00%	75+	100.00%	100.00%

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

Actuarial Methods and Assumptions (Continued)

Non-Teachers:

Rate			Rate		
Age	Male	Female	Age	Male	Female
50 - 55	9.00%	8.00%	66	20.50%	21.00%
56	9.00%	9.00%	67	18.00%	21.00%
57	9.50%	9.50%	68	18.00%	21.00%
58	9.50%	10.00%	69	18.50%	21.00%
59	10.00%	11.00%	70	20.00%	21.00%
60	12.50%	13.00%	71	20.00%	21.00%
61	17.00%	15.00%	72	20.00%	21.00%
62	22.00%	20.00%	73	20.00%	21.00%
63-64	19.50%	18.00%	74	20.00%	21.00%
65	26.00%	24.00%	75+	100.00%	100.00%

Health Care Trend Rate: It was assumed that health care costs would increase in accordance with the trend rates in the following table:

Year	Medical Rates
2023	5.80%
2024	5.40%
2025+	4.00%

OPEB Liability

The City's OPEB liability was measured based on an actuarial valuation performed as of June 30, 2022.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

Changes in the OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at June 30, 2021	\$ 19,438,908
Changes for the Fiscal Year:	
Service Cost	1,406,411
Interest	438,588
Differences between Expected and Actual Experience	(20,258)
Changes in Assumptions	(1,771,028)
Benefit Payments	(1,080,541)
Net Changes	<u>(1,026,828)</u>
Balance at June 30, 2022	\$ 18,412,080

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of Johnson City Schools calculated using the discount rate of 3.54 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	1% Increase (4.54%)	Current Discount Rate (3.54%)	1% Decrease (2.54%)
OPEB Liability	<u>\$ 17,186,564</u>	<u>18,412,080</u>	<u>19,688,040</u>

Sensitivity of the OPEB Liability to Changes in the Health Care Trend Rate

The following presents the OPEB liability of Johnson City Schools calculated using the health care trend rate of 5.80 percent decreasing to 4.00 percent, as well as what the OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (4.80 percent decreasing to 3.00 percent) or 1-percentage-point higher (6.80 percent decreasing to 5.00 percent) than the current rate:

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

	1% Increase (6.80% decreasing to 5.00%)	Current Health Care Trend Rate (5.80% decreasing to 4.00%)	1% Decrease (4.80% decreasing to 3.00%)
	<u> </u>	<u> </u>	<u> </u>
OPEB Liability	\$ 21,147,656	18,412,080	16,122,157

OPEB Expense

For the fiscal year ended June 30, 2022, the Schools recognized a net OPEB expense after contributions of \$981,108.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, Johnson City Schools reported the following deferred outflows and deferred inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between Expected and Actual Experience	\$ 1,927,593	(1,998,856)
Changes in Assumptions	2,212,120	(4,705,642)
Total	<u>\$ 4,139,713</u>	<u>(6,704,498)</u>

The amount reported as a deferred outflow of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:

2023	\$ 216,650
2024	219,099
2025	269,389
2026	(548,834)
2027	(970,092)
Thereafter	(1,750,997)

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Post-Employment Healthcare Benefits (Continued)

Aggregated OPEB Reconciliation to Statement of Net Position

The composition of Net OPEB Liability balances as of June 30, 2022, is as follows:

	Net OPEB Liability		Total Net
	City OPEB	School's OPEB	OPEB Liability
Governmental Activities	<u>\$ 18,906,450</u>	<u>18,412,080</u>	<u>37,318,530</u>

The City has evaluated recording OPEB in other funds, but has utilized an internal service fund for recording OPEB and has included all governmental and business-type activities in the internal service fund. All of the funds, including the business-type activities, pay into the internal service fund and the City believes it provides better transparency to include all of them in the internal service fund. As a result, at the Government Wide level all of these are reported as governmental activities.

The summary of OPEB Deferred Outflows and Deferred Inflows as of June 30, 2022, is as follows:

	City OPEB	School's OPEB	Total
Deferred Outflows Related to OPEB			
Differences Between Expected and Actual Experience	\$ 7,271	1,927,593	1,934,864
Changes in Assumptions	1,669,766	2,212,120	3,881,886
Total Deferred Outflows Related to OPEB	<u>\$ 1,677,037</u>	<u>4,139,713</u>	<u>5,816,750</u>
Deferred Inflows Related to OPEB			
Differences Between Expected and Actual Experience	\$ 2,534,648	1,998,856	4,533,504
Changes in Assumptions	3,297,289	4,705,642	8,002,931
Total Deferred Inflows Related to OPEB	<u>\$ 5,831,937</u>	<u>6,704,498</u>	<u>12,536,435</u>

I. Termination Plan Benefits

The City has an involuntary termination plan in accordance with the City Manager's contract. The estimated liability under the contract is \$129,008 at June 30, 2022, and is recorded in the government-wide financial statements. The estimated liability is made up of salary, payroll taxes, and insurance benefits.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

J. Risk Management

The City carries insurance coverage through Public Entity Partners (formerly the TML Risk Management Pool) for general liability, automobile coverage, and errors and omission coverage. The City also carries auto physical damage coverage with Public Entity Partners. There was no reduction in insurance coverage from the prior year and the City has not had any settlements in the last three years which were not covered by insurance. The City participates in a self-insured retention plan through Public Entity Partners for the liability program. With this coverage, the City has an aggregate limit of \$650,000 for liability retention. As of June 30, 2022, the general liability program had \$1,484,895 in claims incurred during the fiscal year for the City, but not yet settled. The amounts are not recorded in the financial statements until settlement is made. For the July 1, 2021 to July 1, 2022 policy period, the City received a dividend of \$43,457 from Public Entity Partners.

The City provides for workers' compensation coverage through a self-insured plan. The City carries stop-loss insurance with an individual specific amount of \$750,000 and an aggregate excess limit of \$1,000,000. The total paid out for workers' compensation during fiscal year 2022 was \$400,077 for the City and \$430,494 for the Schools. A reconciliation of claims for the fiscal year ended June 30, 2022 and 2021 are as follows:

	June 30, 2022			June 30, 2021	Variance
	City	Schools	Total		
Claims Incurred	\$ 183,960	117,223	301,183	469,282	(168,099)
Claims Paid	(120,495)	(67,538)	(188,033)	(254,598)	66,565
Claims Ending	<u>\$ 63,465</u>	<u>49,685</u>	<u>113,150</u>	<u>214,684</u>	<u>(101,534)</u>

The above represent current year liabilities reflected in the Internal Service Funds as accrued expenses.

In addition to the above insurance, the City provides medical insurance to employees as well as post-employment health care benefits through a partially self-funded health insurance plan. Participants in the plan pay premiums as determined by the City to offset a portion of the cost of the plan. The City carries stop-loss insurance with an individual specific limit of \$150,000 and an aggregate limit of 120% of expected claims. A reconciliation of claims for the fiscal years ended June 30, 2022 and 2021 are as follows:

	June 30, 2022			June 30, 2021	Variance
	City	Schools	Total		
Claims Accrued, Beginning	\$ 666,412	464,279	1,130,691	1,146,402	(15,711)
Claims Incurred	14,315,484	(140,556)	14,174,928	24,451,601	(10,276,673)
Claims Paid	<u>(14,311,612)</u>	<u>(323,723)</u>	<u>(14,635,335)</u>	<u>(24,467,312)</u>	<u>9,831,977</u>
Claims Accrued, Ending	<u>\$ 670,284</u>	<u>-</u>	<u>670,284</u>	<u>1,130,691</u>	<u>(460,407)</u>

The above liabilities are reflected in the Internal Service Funds.

There are additional estimated losses at June 30, 2022 for both automobile and general incidents that have been reflected as liabilities in the Internal Service Funds in the amount of \$986,428.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt

Governmental Activities

Bonds Payable

General obligation bonds currently outstanding and the funds from which they will be paid are as follows:

<u>Educational Facilities Debt Service Fund:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
Local Government Public Improvement Bonds, Series VII-I-1, 2010	12/29/2010	\$ 27,945,000	5.00%	\$ 24,390,000
General Obligation Bonds Series 2019	2/27/2019	275,000	5.00%	75,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	2,161,743	4.00% - 5.00%	275,000
General Obligation Bonds, Series 2020	12/15/2020	14,768,672	4.00% - 5.00%	12,995,823
General Obligation Bonds Series 2022	5/4/2022	1,935,000	4.00% - 5.00%	1,935,000
				<u>39,670,823</u>
<u>Debt Service Fund:</u>				
The Tennessee Municipal Bond Fund, Series TCSLP 2008	1/9/2009	14,898,315	5.00%	6,147,370
The Tennessee Municipal Bond Fund, 2009 Energy	1/9/2009	5,200,000	5.00%	931,000
Qualified School Construction Bonds, Series 2009	12/1/2009	8,160,000	1.52%	2,134,809
The Tennessee Municipal Bond Fund, Series 2014	12/23/2014	2,000,000	2.56%	1,137,994
The Tennessee Municipal Bond Fund, Series 2014	12/17/2014	1,300,000	2.58%	919,000
General Obligation Bonds, Series 2016	4/12/2016	11,205,000	2.00% - 5.00%	8,820,000

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

<u>Debt Service Fund (Continued):</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
General Obligation Improvement and Refunding Bonds, Series 2016A	11/17/2016	20,905,517	3.00% - 5.00%	14,355,717
General Obligation Bonds, Series 2019	2/27/2019	4,805,000	5.00%	4,210,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	18,052,222	4.00% - 5.00%	16,135,586
General Obligation Bonds, Series 2020	12/15/2020	12,186,553	4.00% - 5.00%	7,515,307
General Obligation Bonds, Series 2022	5/4/2022	40,020,000	4.00% - 5.00%	40,020,000
				<u>102,326,783</u>
<u>Fleet Management:</u>				
General Obligation Bonds, Series 2020	12/15/2020	1,865,980	4.00% - 5.00%	<u>1,638,185</u>
				<u>1,638,185</u>
Total Governmental Activities General Obligation Bonds Outstanding				<u>\$ 143,635,791</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

Local Government Public Improvement Bonds, Series VII-I-1, 2010, as issued December 29, 2010, debt service requirements to maturity in 2034 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 885,000	731,700	1,616,700
2024	1,790,000	705,150	2,495,150
2025	1,855,000	651,450	2,506,450
2026	1,920,000	595,800	2,515,800
2027	1,985,000	538,200	2,523,200
2028-2032	11,015,000	1,755,000	12,770,000
2033-2034	4,940,000	223,200	5,163,200
	\$ 24,390,000	5,200,500	29,590,500

General Obligation Bonds, Series 2019, as issued February 27, 2019, debt service requirements to maturity in 2023 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	3,750	78,750
	\$ 75,000	3,750	78,750

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2019B, as issued July 31, 2019, debt service requirements to maturity in 2023 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 275,000	13,750	288,750
	<u>\$ 275,000</u>	<u>13,750</u>	<u>288,750</u>

General Obligation Bonds, Series 2020, as issued December 15, 2020, debt service requirements to maturity in 2033 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,855,822	628,675	2,484,497
2024	1,540,000	523,550	2,063,550
2025	1,615,000	446,550	2,061,550
2026	840,000	365,800	1,205,800
2027	880,000	323,800	1,203,800
2028-2032	5,105,000	922,950	6,027,950
2033	1,160,001	46,399	1,206,400
	<u>\$ 12,995,823</u>	<u>3,257,724</u>	<u>16,253,547</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2022, as issued May 4, 2022, debt service requirements to maturity in 2042 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	72,600	147,600
2024	60,000	84,250	144,250
2025	65,000	81,250	146,250
2026	70,000	78,000	148,000
2027	70,000	74,500	144,500
2028-2032	420,000	315,000	735,000
2033-2037	525,000	201,100	726,100
2038-2042	650,000	80,000	730,000
	\$ 1,935,000	986,700	2,921,700

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

The Tennessee Municipal Bond Fund, Series TCSLP 2008, as issued January 9, 2009, debt service requirements to maturity in 2029 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 931,583	184,421	1,116,004
2024	978,037	156,474	1,134,511
2025	767,283	127,133	894,416
2026	805,461	104,114	909,575
2027	845,502	79,951	925,453
2028-2029	1,819,504	82,547	1,902,051
	\$ 6,147,370	734,640	6,882,010

The Tennessee Municipal Bond Fund, 2009 Energy, as issued January 9, 2009, debt service requirements to maturity in 2024 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 454,000	27,930	481,930
2024	477,000	14,310	491,310
	\$ 931,000	42,240	973,240

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

Qualified School Construction Bonds, Series 2009, as issued December 1, 2009, debt service requirements to maturity in 2027 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 509,171	123,624	632,795
2024	509,171	123,624	632,795
2025	509,172	123,624	632,796
2026	559,293	123,624	682,917
2027	48,002	10,302	58,304
	\$ 2,134,809	504,798	2,639,607

The Tennessee Municipal Bond Fund, Series 2014, as issued December 17, 2014, debt service requirements to maturity in 2035 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 60,000	25,781	85,781
2024	62,000	24,012	86,012
2025	64,000	22,185	86,185
2026	65,000	20,315	85,315
2027	67,000	18,400	85,400
2028-2032	361,000	61,494	422,494
2033-2035	240,000	10,556	250,556
	\$ 919,000	182,743	1,101,743

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

The Tennessee Municipal Bond Fund, Series 2014, as issued December 23, 2014 debt service requirements to maturity in 2030 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 133,000	30,109	163,109
2024	136,000	26,330	162,330
2025	140,000	22,452	162,452
2026	143,000	18,475	161,475
2027	147,000	14,401	161,401
2028-2030	438,994	17,997	456,991
	\$ 1,137,994	129,764	1,267,758

General Obligation Bonds, Series 2016, as issued April 12, 2016 debt service requirements to maturity in 2036 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 465,000	372,900	837,900
2024	490,000	349,650	839,650
2025	515,000	325,150	840,150
2026	540,000	299,400	839,400
2027	565,000	272,400	837,400
2028-2032	3,200,000	1,003,000	4,203,000
2033-2036	3,045,000	310,200	3,355,200
	\$ 8,820,000	2,932,700	11,752,700

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Improvement and Refunding Bonds, Series 2016A, as issued November 17, 2016 debt service requirements to maturity in 2036 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,029,841	618,830	1,648,671
2024	1,081,627	567,338	1,648,965
2025	1,134,485	513,257	1,647,742
2026	1,214,191	456,532	1,670,723
2027	1,189,780	395,823	1,585,603
2028-2032	5,890,793	1,225,897	7,116,690
2033-2036	2,815,000	287,200	3,102,200
	\$ 14,355,717	4,064,877	18,420,594

General Obligation Bonds, Series 2019, as issued February 27, 2019, debt service requirements to maturity in 2039 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 220,000	186,050	406,050
2024	230,000	175,050	405,050
2025	245,000	163,550	408,550
2026	250,000	151,300	401,300
2027	190,000	138,800	328,800
2028-2032	1,100,000	543,800	1,643,800
2033-2037	1,355,000	291,000	1,646,000
2038-2039	620,000	37,400	657,400
	\$ 4,210,000	1,686,950	5,896,950

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2019B, as issued July 31, 2019, debt service requirements to maturity in 2040 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 441,438	772,570	1,214,008
2024	610,827	750,496	1,361,323
2025	641,625	719,951	1,361,576
2026	674,990	687,866	1,362,856
2027	708,354	654,114	1,362,468
2028-2032	4,106,400	2,702,671	6,809,071
2033-2037	5,233,093	1,578,764	6,811,857
2038-2040	3,718,859	365,430	4,084,289
	\$ 16,135,586	8,231,862	24,367,448

General Obligation Bonds, Series 2020, as issued December 15, 2020, debt service requirements to maturity in 2041 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,724,157	349,738	2,073,895
2024	1,248,971	275,917	1,524,888
2025	1,313,432	213,469	1,526,901
2026	370,891	147,797	518,688
2027	383,198	129,253	512,451
2028-2032	1,572,658	366,333	1,938,991
2033-2037	462,000	144,880	606,880
2038-2041	440,000	44,800	484,800
	\$ 7,515,307	1,672,187	9,187,494

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2022, as issued May 4, 2022, debt service requirements to maturity in 2042 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,520,000	1,501,170	3,021,170
2024	1,280,000	1,743,600	3,023,600
2025	1,345,000	1,679,600	3,024,600
2026	1,410,000	1,612,350	3,022,350
2027	1,480,000	1,541,850	3,021,850
2028-2032	8,590,000	6,522,250	15,112,250
2033-2037	10,940,000	4,171,700	15,111,700
2038-2042	13,455,000	1,656,600	15,111,600
	\$ 40,020,000	20,429,120	60,449,120

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2020, as issued December 15, 2020, debt service requirements to maturity in 2028 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 242,335	81,909	324,244
2024	252,028	69,793	321,821
2025	266,569	57,191	323,760
2026	281,109	43,863	324,972
2027	290,802	29,807	320,609
2028	305,342	15,267	320,609
	\$ 1,638,185	297,830	1,936,015

Total annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 10,896,347	5,725,507	16,621,854
2024	10,745,661	5,589,544	16,335,205
2025	10,476,566	5,146,812	15,623,378
2026	9,143,935	4,705,236	13,849,171
2027	8,849,638	4,221,601	13,071,239
2028-2032	43,924,691	15,534,206	59,458,897
2033-2037	30,715,094	7,264,999	37,980,093
2038-2042	18,883,859	2,184,230	21,068,089
	\$ 143,635,791	50,372,135	194,007,926

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Other Notes Payable

Other notes currently outstanding and the funds from which they will be paid are as follows:

Debt Service Fund:	Date Issued	Amount Issued	Interest Rate	Outstanding June 30, 2022
Promissory Note, Hands On	9/21/2017	\$ 500,000	0.00%	\$ 250,000
 General Fund:				
Aerospace Park Bonds, Series 2018 Portion Guaranteed by the City	3/29/2018	1,912,500	3.00% - 4.50%	1,640,000
Total Governmental Activities Other Notes Payable Outstanding				<u>\$ 1,890,000</u>

Promissory Note, Hands On, issued September 21, 2017 debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 50,000	-	50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
	<u>\$ 250,000</u>	<u>-</u>	<u>250,000</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Other Notes Payable (Continued)

Aerospace Park Bonds, Series 2018, issued March 29, 2018 debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	58,075	133,075
2024	80,000	54,700	134,700
2025	85,000	51,100	136,100
2026	90,000	47,275	137,275
2027	90,000	44,575	134,575
2028-2032	500,000	177,287	677,287
2032-2037	590,000	87,382	677,382
2038	130,000	4,712	134,712
	\$ 1,640,000	525,106	2,165,106

Total annual debt service requirements to maturity for governmental activities other notes payable are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 125,000	58,075	183,075
2024	130,000	54,700	184,700
2025	135,000	51,100	186,100
2026	140,000	47,275	187,275
2027	140,000	44,575	184,575
2028-2032	500,000	177,287	677,287
2032-2037	590,000	87,382	677,382
2038	130,000	4,712	134,712
	\$ 1,890,000	525,106	2,415,106

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Leases Payable

Leases currently outstanding and the funds from which they will be paid are as follows:

General Fund	Date Issued	Amount Issued	Interest Rate	Outstanding June 30, 2022
Building - Family Justice Center	6/8/2021	\$ 266,996	4.85%	\$ 213,637
Total Governmental Activities Leases Payable Outstanding				\$ 213,637

Family Justice Center future lease principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 50,757	9,243	60,000
2024	53,274	6,726	60,000
2025	55,916	4,084	60,000
2026	53,690	1,311	55,001
	\$ 213,637	21,364	235,001

Business-Type Activities

Bonds Payable

Bonds and notes issued for the acquisition of facilities for the enterprise funds and to be paid from enterprise funds are recorded in the applicable enterprise fund. Maturities on July 1 are considered as maturing on the preceding June 30th.

State Revolving Loan Fund

In January 2020, the City signed an agreement for a state revolving loan fund (SRLF) for \$15,000,000 for the purpose of completing a sewer interceptor project. This loan is made at the interest rate of 1.25% and is secured by user fees and charges and/or ad valorem taxes, and covenants. There is no stipulation for forgiveness of any portion of the original principal amount of the loan. Payments are to be made monthly and the loan will mature in July 2037. During the year ended June 30, 2022, \$10,274,980 of the \$15,000,000 available was drawn on the loan.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation bonds to be repaid from enterprise funds currently outstanding and the funds from which they will be paid are as follows:

Water and Sewer:	Date Issued	Amount Issued	Interest Rate	Outstanding June 30, 2022
The Tennessee Municipal Bond Fund, Series TCSLP 2008	1/9/2009	\$ 901,685	5.00%	\$ 418,629
General Obligation Bonds, Series 2013	5/30/2013	23,970,000	2.00% - 4.00%	19,380,000
General Obligation Improvement and Refunding Bonds, Series 2016A	11/17/2016	17,289,483	3.00-5.00%	14,404,235
General Obligation Bonds, Series 2019	2/27/2019	12,380,000	5.00%	11,165,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	17,001,035	4.00% - 5.00%	15,297,869
State Revolving Loan [1]	12/13/2019	15,000,000	1.25%	10,274,980
General Obligation Refunding Bonds, Series 2022	5/4/2022	23,000,000	4.00% - 5.00%	23,000,000
				<u>93,940,713</u>
City Solid Waste:				
General Obligation Bonds, Series 2019	2/27/2019	1,785,000	5.00%	1,610,000
General Obligation Bonds, Series 2020	12/15/2020	813,283	4.00% - 5.00%	791,686
				<u>2,401,686</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

<u>Stormwater Management Fund:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
General Obligation Bonds, Series 2013	5/30/2013	5,785,000	2.00% - 4.00%	3,755,000
General Obligation Bonds, Series 2020	12/15/2020	2,442,000	4.00% - 5.00%	2,364,000
General Obligation Bonds, Series 2022	5/4/2022	2,760,000	4.00% - 5.00%	2,760,000
				<u>8,879,000</u>
Total Business-Type Activities General Obligation Bonds Outstanding				<u>\$ 105,221,399</u>

[1] The City is still drawing on the State Revolving Loan as of June 30, 2022 and therefore, an amortization schedule is not available at year end.

The Tennessee Municipal Bond Fund, Series TCSLP 2008, as issued January 9, 2009, debt service requirements to maturity in 2029 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 51,417	20,931	72,348
2024	53,963	18,361	72,324
2025	56,717	15,662	72,379
2026	59,539	12,827	72,366
2027	62,498	9,849	72,347
2028-2029	134,495	10,171	144,666
	<u>\$ 418,629</u>	<u>87,801</u>	<u>506,430</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2013, as issued May 30, 2013, debt service requirements to maturity in 2043 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 670,000	616,863	1,286,863
2024	690,000	596,762	1,286,762
2025	705,000	582,963	1,287,963
2026	720,000	567,100	1,287,100
2027	740,000	549,100	1,289,100
2028-2032	4,040,000	2,404,456	6,444,456
2033-2037	4,835,000	1,685,700	6,520,700
2038-2042	5,705,000	830,275	6,535,275
2043	1,275,000	44,625	1,319,625
	\$ 19,380,000	7,877,844	27,257,844

General Obligation Improvement and Refunding Bonds, Series 2016A, as issued November 17, 2016, debt service maturity in 2031 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,525,114	642,870	2,167,984
2024	1,603,372	566,612	2,169,984
2025	1,655,515	486,443	2,141,958
2026	1,885,809	403,667	2,289,476
2027	1,425,220	309,377	1,734,597
2028-2031	6,309,205	644,302	6,953,507
	\$ 14,404,235	3,053,271	17,457,506

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2019, as issued February 27, 2019, debt service requirements to maturity in 2039 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 445,000	489,000	934,000
2024	465,000	466,750	931,750
2025	490,000	443,500	933,500
2026	515,000	419,000	934,000
2027	540,000	393,250	933,250
2028-2032	3,120,000	1,540,300	4,660,300
2033-2037	3,835,000	823,200	4,658,200
2038-2039	1,755,000	106,000	1,861,000
	\$ 11,165,000	4,681,000	15,846,000

General Obligation Refunding Bonds, Series 2019B, as issued July 31, 2019, debt service requirements to maturity in 2040 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 418,562	732,380	1,150,942
2024	579,173	711,454	1,290,627
2025	608,375	682,499	1,290,874
2026	640,010	652,083	1,292,093
2027	671,646	620,086	1,291,732
2028-2032	3,893,600	2,562,079	6,455,679
2033-2037	4,961,907	1,496,637	6,458,544
2038-2040	3,524,596	347,965	3,872,561
	\$ 15,297,869	7,805,183	23,103,052

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2022, as issued May 4, 2022, debt service requirements to maturity in 2042 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 875,000	862,703	1,737,703
2024	735,000	1,001,950	1,736,950
2025	770,000	965,200	1,735,200
2026	810,000	926,700	1,736,700
2027	850,000	886,200	1,736,200
2028-2032	4,940,000	3,748,250	8,688,250
2033-2037	6,285,000	2,397,950	8,682,950
2038-2042	7,735,000	952,200	8,687,200
	\$ 23,000,000	11,741,153	34,741,153

General Obligation Bonds, Series 2019, as issued February 27, 2019, debt service requirements to maturity in 2039 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 65,000	70,500	135,500
2024	65,000	67,250	132,250
2025	70,000	64,000	134,000
2026	75,000	60,500	135,500
2027	80,000	56,750	136,750
2028-2032	450,000	222,200	672,200
2033-2037	550,000	119,000	669,000
2038-2039	255,000	15,400	270,400
	\$ 1,610,000	675,600	2,285,600

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2020, as issued December 15, 2020, debt service requirements to maturity in 2041 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 26,686	34,288	60,974
2024	30,000	32,900	62,900
2025	30,000	31,400	61,400
2026	30,000	29,900	59,900
2027	35,000	28,400	63,400
2028-2032	185,000	115,900	300,900
2033-2037	235,000	72,800	307,800
2038-2041	220,000	22,600	242,600
	\$ 791,686	368,188	1,159,874

General Obligation Bonds, Series 2013, as issued May 30, 2013, debt service requirements to maturity in 2034 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 270,000	111,713	381,713
2024	275,000	103,612	378,612
2025	280,000	98,113	378,113
2026	290,000	91,812	381,812
2027	295,000	84,563	379,563
2028-2032	1,620,000	286,238	1,906,238
2033-2034	725,000	36,955	761,955
	\$ 3,755,000	813,006	4,568,006

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

General Obligation Bonds, Series 2020, as issued December 15, 2020, debt service requirements to maturity in 2041 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 81,000	102,240	183,240
2024	84,000	98,190	182,190
2025	90,000	93,990	183,990
2026	93,000	89,490	182,490
2027	96,000	84,840	180,840
2028-2032	567,000	347,400	914,400
2033-2037	693,000	217,320	910,320
2038-2041	660,000	67,200	727,200
	\$ 2,364,000	1,100,670	3,464,670

General Obligation Bonds, Series 2022, as issued May 4, 2022, debt service requirements to maturity in 2042 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 105,000	103,496	208,496
2024	90,000	120,200	210,200
2025	95,000	115,700	210,700
2026	95,000	110,950	205,950
2027	100,000	106,200	206,200
2028-2032	590,000	450,250	1,040,250
2033-2037	755,000	288,350	1,043,350
2038-2042	930,000	114,600	1,044,600
	\$ 2,760,000	1,409,746	4,169,746

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

Total annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 4,532,779	3,786,984	8,319,763
2024	4,670,508	3,784,041	8,454,549
2025	4,850,607	3,579,470	8,430,077
2026	5,213,358	3,364,029	8,577,387
2027	4,895,364	3,128,615	8,023,979
2028-2032	25,849,300	12,331,546	38,180,846
2033-2037	22,874,907	7,137,912	30,012,819
2038-2042	20,784,596	2,456,240	23,240,836
2043	1,275,000	44,625	1,319,625
	\$ 94,946,419	39,613,462	134,559,881

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Notes Payable

General obligation notes to be repaid from enterprise funds currently outstanding and the funds from which they will be paid are as follows:

Water and Sewer:	Date Issued	Amount Issued	Interest Rate	Outstanding June 30, 2022
Note Payable - Limestone Cove	3/13/2003	\$ 450,000	4.65%	\$ 315,092
Note Payable - Watauga Flats	4/20/2004	380,000	4.38%	271,148
Note Payable - Limestone Cove	4/20/2005	125,000	4.25%	91,416
Note Payable - ARRA Greggtown	1/24/2010	435,000	3.25%	345,488
				<u>\$ 1,023,144</u>

Note payable for Limestone Cove, as issued March 13, 2003, debt service requirements to maturity in 2041 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 10,837	14,387	25,224
2024	11,353	13,871	25,224
2025	11,890	13,334	25,224
2026	12,453	12,771	25,224
2027	13,042	12,182	25,224
2028-2032	75,095	51,024	126,119
2033-2037	94,652	31,467	126,119
2038-2041	85,770	7,753	93,523
	<u>\$ 315,092</u>	<u>156,789</u>	<u>471,881</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Notes Payable (Continued)

Note payable for Watauga Flats, as issued April 20, 2004, debt service requirements to maturity in 2042 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 8,881	11,687	20,568
2024	9,247	11,321	20,568
2025	9,690	10,878	20,568
2026	10,123	10,445	20,568
2027	10,575	9,993	20,568
2028-2032	60,340	42,500	102,840
2033-2037	75,101	27,739	102,840
2038-2042	87,191	9,434	96,625
	\$ 271,148	133,997	405,145

Note payable for Limestone Cove, as issued April 20, 2005, debt service requirements to maturity in 2043 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 2,817	3,831	6,648
2024	2,929	3,719	6,648
2025	3,066	3,582	6,648
2026	3,199	3,449	6,648
2027	3,338	3,310	6,648
2028-2032	18,971	14,269	33,240
2033-2037	23,465	9,775	33,240
2038-2042	29,014	4,227	33,241
2043	4,617	78	4,695
	\$ 91,416	46,240	137,656

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Notes Payable (Continued)

Note payable for ARRA Greggton, as issued January 24, 2010, debt service requirements to maturity in 2048 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 8,907	11,097	20,004
2024	9,171	10,833	20,004
2025	9,503	10,501	20,004
2026	9,817	10,187	20,004
2027	10,141	9,863	20,004
2028-2032	55,896	44,124	100,020
2033-2037	65,777	34,243	100,020
2038-2042	77,372	22,648	100,020
2043-2047	91,010	9,010	100,020
2048	7,894	62	7,956
	\$ 345,488	162,568	508,056

Total annual debt service requirements to maturity for business-type activities notes payable are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 31,442	41,002	72,444
2024	32,700	39,744	72,444
2025	34,149	38,295	72,444
2026	35,592	36,852	72,444
2027	37,096	35,348	72,444
2028-2032	210,302	151,917	362,219
2033-2037	258,995	103,224	362,219
2038-2042	279,347	44,062	323,409
2043-2047	95,627	9,088	104,715
2048	7,894	62	7,956
	\$ 1,023,144	499,594	1,522,738

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Leases Payable

Lease obligations to be repaid from enterprise funds currently outstanding and the funds from which they will be paid are as follows:

Water and Sewer:	Date Issued	Amount Issued	Interest Rate	Outstanding June 30, 2022
Land - Parking	11/1/2021	\$ 7,829	4.85%	\$ 4,402
Building - Office Space	11/1/2021	12,178	4.85%	6,847
Total Business-Type Activities Leases Payable Outstanding				<u>\$ 11,249</u>

Parking lease future principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 4,402	98	4,500
	<u>\$ 4,402</u>	<u>98</u>	<u>4,500</u>

Building lease future principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 6,847	153	7,000
	<u>\$ 6,847</u>	<u>153</u>	<u>7,000</u>

Total annual payment requirements to maturity for business-type activities leases payable are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 11,249	251	11,500
	<u>\$ 11,249</u>	<u>251</u>	<u>11,500</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Long-term liability activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 111,612,370	41,954,999	(9,931,578)	143,635,791	10,896,347
Plus: Premiums	12,494,106	3,923,067	(1,248,666)	15,168,507	-
Net Bonds Payable	124,106,476	45,878,066	(11,180,244)	158,804,298	10,896,347
Capital Outlay Notes Payable	209,000	-	(209,000)	-	-
Other Notes Payable	2,015,000	-	(125,000)	1,890,000	125,000
Leases Payable	-	266,996	(53,359)	213,637	50,757
OPEB Obligation	39,988,375	-	(2,669,845)	37,318,530	-
Termination Benefits	-	129,008	-	129,008	-
Compensated Absences	4,661,845	2,409,661	(2,158,661)	4,912,845	420,394
Governmental Activities Long-Term Liabilities	<u>\$ 170,980,696</u>	<u>48,683,731</u>	<u>(16,396,109)</u>	<u>203,268,318</u>	<u>11,492,498</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 73,501,059	36,034,980	(4,314,640)	105,221,399	4,532,779
Plus: Premiums	6,239,653	2,407,700	(415,374)	8,231,979	-
Net Bonds Payable	79,740,712	38,442,680	(4,730,014)	113,453,378	4,532,779
Notes Payable	1,053,318	-	(30,174)	1,023,144	31,442
Leases Payable	-	20,007	(8,758)	11,249	11,249
Compensated Absences	1,135,140	543,228	(512,342)	1,166,026	80,049
Landfill Postclosure Cost	112,140	-	(37,380)	74,760	37,380
Business-Type Activities Long-Term Liabilities	<u>\$ 82,041,310</u>	<u>39,005,915</u>	<u>(5,318,668)</u>	<u>115,728,557</u>	<u>4,692,899</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund, General Purpose School Fund and certain Special Revenue Funds (Freedom Hall Civic Center Fund, School Food Service Fund, Transportation Planning Fund, and Police Grant and Technology Fund). The General Fund has typically been used to liquidate pension / OPEB liabilities for the City.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Long-Term Debt (Continued)

Changes in the deferred bond refunding costs for the fiscal year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Deferred Bond Refunding Costs	\$ (1,141,847)	-	126,584	(1,015,263)
Business-Type Activities:				
Deferred Bond Refunding Costs	\$ (676,843)	-	25,197	(651,646)
Deferred Gain on Bond Refunding	674,566	-	(67,460)	607,106
	\$ (2,277)	-	(42,263)	(44,540)

Advanced Refunding - Prior Fiscal Years

The City has defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2022, the remaining defeased bonds consisted of \$2,110,000 of General Obligation Refunding Bonds, Series 2004A and B, \$17,815,000 of General Obligation Refunding Bonds, Series 2009, \$1,150,000 of Public Facility Refunding Bonds, Series 2006A and 2006B, \$1,070,000 of Public Facility Refunding Bonds, Series 2016, \$36,240,000 of 2010 Build America Bonds, \$2,330,000 of General Obligation Refunding Bonds, Series 2012, and \$1,665,000 of Local Government Public Improvement Bonds, Series V-K-1.

Debt Issues and Advanced Refunding - Current Fiscal Year

The City issued \$74,045,767 in General Obligation Bonds, Series 2022 dated May 4, 2022, which consists entirely of new debt. This includes a premium of \$6,330,767. The bonds bear interest at rates ranging from 4.0% to 5.0%, which is payable semi-annually on March 1 and September 1 of each year. Bond principal payments are due each March 1 with the final maturity at March 1, 2042.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	General Purpose School Fund	\$ 13,422
General Purpose School Fund	Food Service Fund	134
General Purpose School Fund	Freedom Hall	11,571
Debt Service Fund	General Purpose School Fund	452,575
Food Service Fund	General Purpose School Fund	443,915
Fleet Management Fund	General Purpose School Fund	16,860
Educational Facilities Debt Service Fund	General Purpose School Fund	563,012
Total		<u>\$ 1,501,489</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Fund Balance / Net Position

Fund balance classifications are presented in the Governmental Funds Balance Sheet and described in Note 1. The details of those fund balance classifications are as follows:

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Capital Project Fund	Other Governmental Funds	Total
Fund Balances							
Nonspendable:							
Inventories	\$ 96,946	51,848	-	-	-	230,233	379,027
Permanent Fund	-	-	-	-	-	174,679	174,679
Total Nonspendable	96,946	51,848	-	-	-	404,912	553,706
Restricted for:							
Debt Service	-	-	454,292	7,242,249	-	-	7,696,541
Capital Projects	-	-	-	-	53,873,169	-	53,873,169
Education	-	-	-	-	-	2,412,161	2,412,161
Food Service	-	-	-	-	-	3,489,861	3,489,861
Law Enforcement	154,010	-	-	-	-	1,304,042	1,458,052
Senior Citizens	466,903	-	-	-	-	318,001	784,904
Special Purposes	18,430,471	-	-	-	-	393,718	18,824,189
Permanent Fund	-	-	-	-	-	7,200	7,200
Total Restricted	19,051,384	-	454,292	7,242,249	53,873,169	7,924,983	88,546,077
Committed to:							
Economic Development	5,659,625	-	-	-	-	-	5,659,625
Education	-	545,246	-	-	-	-	545,246
Total Committed	5,659,625	545,246	-	-	-	-	6,204,871
Assigned to:							
Compensated Absences	4,524,298	67,033	-	-	-	60,641	4,651,972
Education	-	16,650,843	-	-	-	-	16,650,843
Transportation Planning	-	-	-	-	-	102,383	102,383
Special Purposes	-	-	-	-	-	867,333	867,333
Total Assigned	4,524,298	16,717,876	-	-	-	1,030,357	22,272,531
Unassigned	23,621,692	-	-	-	-	-	23,621,692
Total	\$ 52,953,945	17,314,970	454,292	7,242,249	53,873,169	9,360,252	141,198,877

In addition, the Fleet Management Fund, which is an Internal Service Fund, had a deficit unrestricted net position at June 30, 2022, although total net position was positive. The deficit will be financed through future revenues.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

N. Interfund Transfers

Transferring Fund	Receiving Fund	Amount	Purpose
General Fund	General Purpose School Fund	\$ 11,626,736	Operations
General Fund	Debt Service Fund	9,092,452	Debt Service Requirements
General Fund	Capital Project Fund	8,213,675	Capital Projects
General Fund	Transportation Planning Fund	115,794	Operations
General Fund	Freedom Hall Fund	320,810	Operations
General Fund	Mass Transit Fund	748,528	Grant Matching Funds
General Purpose School Fund	General Fund	2,566	SRO Overtime Reimbursement
General Purpose School Fund	Debt Service Fund	995,768	Debt Service Requirements
General Purpose School Fund	Educational Facilities Debt Service Fund	1,973,735	Debt Service Requirements
General Purpose School Fund	School Federal and Special Projects	87,358	Operations
Community Development Fund	General Fund	141,335	Grant Matching Funds
School Federal and Special Projects	General Purpose School Fund	408,378	Operations
School Federal Projects Fund	Capital Project Fund	3,853,787	CIP Reimbursement
Water and Sewer Fund	General Fund	750,000	In-Lieu of Taxes
		<u>\$ 38,330,922</u>	

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

O. Closure and Post-Closure Costs

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty years after closure. The Bowser Ridge Landfill closed during the fiscal year ended June 30, 1994 and the Iris Glen Landfill began receiving solid waste during the fiscal year ended June 30, 1995. The deferred post-closure costs recorded are for the Bowser Ridge Landfill. Since the Landfill closed during the fiscal year that *Governmental Accounting Standards Board* Statement No. 18 went into effect, which requires the recording of these costs, no investments have been set aside to cover these costs. All costs will be funded by the City government. The City has filed financial assurance with the State of Tennessee Department of Environment and Conservation for the Bowser Ridge Landfill in the form of a contract in lieu of performance bond in the amount of \$1,829,978 for closure and post-closure costs. An estimate of the required amounts was made by an environmental auditor for the future years, with consideration given to inflation and other potential changes. A separate operation and maintenance contract with Waste Management Systems, Inc. is in effect for the Iris Glen Landfill. The contract states that Waste Management is responsible for the closure and post-closure costs for the Iris Glen Landfill. During the fiscal year ended June 30, 2022, the City paid Waste Management \$3,970,299 for Landfill Services.

P. Contingencies

The City is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable and the probability of an unfavorable outcome to the City cannot yet be determined.

The City has entered into several construction contracts in the various funds, which were not completed at fiscal year-end. The larger of these are for road construction, water and sewer lines, and schools. These amounts will be paid with bonded debt and a state revolving loan fund.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Q. Segment Information

A segment is an identifiable activity (or grouping of activities) reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. Summary financial information as of June 30, 2022, for Stormwater Management Fund segment (see Note 1.D. for description of services provided) is presented below.

CONDENSED STATEMENT OF NET POSITION

	Stormwater Management Fund
ASSETS	
Current Assets	\$ 2,029,423
Capital Assets (Net)	17,453,452
Restricted Assets	5,442,708
Other Assets	192,001
Total Assets	<u>25,117,584</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	98,181
LIABILITIES	
Current Liabilities	810,924
Noncurrent Liabilities	9,411,022
Total Liabilities	<u>10,221,946</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>209,047</u>
NET POSITION	
Net Investment in Capital Assets	13,053,209
Unrestricted	1,731,563
Total Net Position	<u>\$ 14,784,772</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Q. Segment Information (Continued)

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

	Stormwater Management Fund
Operating Revenues (Expenses)	
Charges for Services (Net)	\$ 3,228,452
Other Revenue	1,882
Depreciation and Amortization	(341,994)
Other Operating Expenses	(1,046,404)
Operating Income (Loss)	1,841,936
Nonoperating Revenues (Expenses)	
Interest Expense and Commissions	(212,803)
Investment Income	(22,772)
Change in Net Position	1,606,361
Beginning Net Position	13,178,411
Ending Net Position	\$ 14,784,772

CONDENSED STATEMENT OF CASH FLOWS

	Stormwater Management Fund
Net Cash Provided by (Used for):	
Operating Activities	\$ 2,353,369
Capital and Related Financing Activities	(1,256,629)
Investing Activities	(2,889,610)
Net Increase (Decrease)	(1,792,870)
Beginning Cash and Cash Equivalents	3,646,967
Ending Cash and Cash Equivalents	\$ 1,854,097

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

R. Joint Ventures

The Washington County – Johnson City Animal Control Center (ACC) is an animal shelter jointly owned by Johnson City and Washington County, Tennessee. The City has control over budget and financing of the joint venture only to the extent of representation by the board members appointed and is responsible for funding 50% of any deficits from operations. Johnson City contributed \$367,697 to the operations during the fiscal year ended June 30, 2022. The ACC also has a separate foundation that is included as a discretely presented component unit.

The Washington County – Johnson City Emergency Medical Services, Inc. (EMS) receives revenue from Washington County and Johnson City, as well as patient billings. Johnson City contributed \$1,000,000 to the operations during the fiscal year ended June 30, 2022.

The City is responsible for funding the operations of the Washington County Economic Development Council (WCEDC) which serves to enhance the tax base of Washington County, recruit new industries and commerce to the area, and to manage economic development in the City. During fiscal year 2022, the City funded \$20,000 to the WCEDC.

The Tri-County Industrial Park is a joint venture between the City of Johnson City, Tennessee, the City of Bristol, Tennessee and Sullivan County, Tennessee. The purpose is to promote regional economic development in the quad-city area. The joint venture owns vacant parcels of land used for industrial and economic development. The City of Johnson City holds a 25% interest in the proceeds from all sales of vacant lots.

Financial statements are not prepared for the Tri-County Industrial Park.

Completed financial statements for each of the individual joint ventures (excluding the Tri-County Industrial Park) may be obtained at the administrative offices of:

Animal Control Center
3411 N Roan Street
Johnson City, Tennessee 37601

Emergency Medical Services
296 Wesley Street
Johnson City, Tennessee 37601

Washington County Economic Development Council
300 East Main Street, Suite 406
Johnson City, Tennessee 37601

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

R. Joint Ventures (Continued)

Audited information as of June 30, 2022 is presented for ACC, EMS and WCEDC. The information does not include the Tri-County Industrial Park. All are presented on the accrual basis.

	ACC	EMS	WCEDC
Operating Revenues	\$ 153,679	10,159,167	1,275,965
Operating Expenses	(1,629,384)	(12,721,550)	(1,271,147)
Other Income (Expense)	3,848,701	3,786,737	-
Net Income (Loss) Transferred to Net Position	2,372,996	1,224,354	4,818
Net Position, Beginning	7,573,549	4,772,933	117,048
Net Position, Ending	<u>\$ 9,946,545</u>	<u>5,997,287</u>	<u>121,866</u>
Total Assets	\$ 11,366,140	9,103,882	121,866
Deferred Outflows of Resources	6,252	3,955,112	-
Total Liabilities	(1,323,505)	(3,969,309)	-
Deferred Inflows of Resources	(102,342)	(3,092,398)	-
Total Net Position	<u>\$ 9,946,545</u>	<u>5,997,287</u>	<u>121,866</u>

S. Jointly-Governed Organization

The Tri-Cities Airport Authority is jointly governed by Johnson City, Kingsport and Bristol, Tennessee; Bristol, Virginia; and Washington and Sullivan County, Tennessee. The City is represented by three of twelve commissioners.

T. Prior Period Adjustments

A financial statement only adjustment was needed to correct beginning fund balances in the general fund and capital project fund due to errors in the balances reporting in the prior year audit. A \$23,336 revenue account was incorrectly excluded from total revenues in the general fund in the prior year. A \$157,253 expense account was incorrectly excluded from total expenditures in the capital project fund in the prior year.

U. Other Matters

As discussed in Note 1, the City has a concentration of revenue received from the state and federal government. Some of the revenue from these grants is limited to one year or a specific project. In addition, some programs that the City has historically participated in may face reductions in funding or possibly elimination due to federal and state budget issues.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

U. Other Matters (Continued)

The City received funds from the American Rescue Plan Act (ARPA) in the amount of \$6,707,720 during the fiscal year ended June 30, 2022. These ARPA funds, along with \$6,707,720 received in fiscal year ended June 30, 2021, were not yet obligated or expended by the City as of June 30, 2022 and therefore have been recorded as Deferred Revenue - Other on the balance sheet of the fund level financial statements for General Fund and in the statement of net position for the governmental activities.

V. Tax Abatements

The City has authorized the Industrial Development Board (IDB) of Johnson City, Tennessee to enter into property tax abatement agreements with local businesses on its behalf under Chapter 53, Title 7, Tennessee Code Annotated. Under this act, localities may enter into lease agreements with manufacturing, industrial, commercial, and financial enterprises with respect to one or more projects for such payments in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee.

Property tax abatement agreements are negotiated on an individual basis. The approximate amount of tax revenues forgone annually for all of the properties is \$95,000. The City had the following tax abatement agreements under the Economic Capital Investment Program as of June 30, 2022:

The IDB entered into an agreement with NN, Inc. on December 31, 2014. When NN, Inc. ceased operations in Johnson City, arrangements were made to move and amend the related agreements to Crown Labs during the prior fiscal year ended June 30, 2020. The property was transferred to the IDB and there is currently a lease agreement with Crown Labs which runs through December 31, 2029.

The IDB of Washington County, Tennessee entered into a lease agreement with JCM International, Inc. on June 29, 2015 for \$1,350,000 that also impacted the City's tax revenues. The purpose of the agreement is to acquire and improve a warehousing facility with capital investment of at least \$16,598,514 and to maintain a specific workforce by the end of the 5th year of the lease. Under this agreement, the company has no obligation to make any in lieu of tax payments until the PILOT expiration date of June 29, 2030, with an option to renew until June 29, 2035. At the end of the 5th year of the lease, if the company has failed to maintain 80% of the minimum thresholds for the number of qualifying employees and the amount of capital investment, the company's in lieu of tax payments shall be increased to 100% of the applicable ad valorem taxes for the remainder of the term of the facility lease.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

V. Tax Abatements (Continued)

The IDB entered into a lease agreement with Silverdale Partners GP and J.M. Cox, Jr. on October 18, 2016 for \$6,000,000. The purpose of the agreement is to acquire and improve a corporate office facility with capital investment of at least \$6,600,000 and to create 102 new jobs. Under this agreement, the company must make in lieu of ad valorem tax payments at a specified percentage of the qualifying use applicable ad valorem tax, as calculated based on the percentage of the facility space in use. The percentage abated in calendar year 2017 was 100% and is reduced by 20% annually through December 31, 2021. A jobs report must be filed annually, and if the company has failed to maintain the jobs expectation by year, the company's in lieu of tax payments shall be increased by a proportionate share of the shortfall in the number of jobs created. This agreement concluded on December 31, 2021 and will not apply to future years.

The IDB entered into a lease agreement with Mullican Flooring, L.P. on December 31, 2016 for \$1,200,000. The City contributed \$600,000 of this amount. The purpose of the agreement is to acquire and improve a warehousing facility and to induce the company to remain in business at its existing manufacturing location. Under this agreement, the company has no obligation to make any in lieu of tax payments until the PILOT expiration date of December 31, 2026, with an option to renew until December 31, 2031. At the end of the 5th year of the lease, if the company has failed to maintain 80% of the minimum threshold for the number of qualifying employees (345), the company's in lieu of tax payments shall be increased to 100% of the applicable ad valorem taxes for the remainder of the term of the facility lease. This agreement was terminated in April 2022 and a repayment using a formula based on the amount of the original grant, the value of taxes abated, and the amount of rent paid was made to both the City of Johnson City and Washington County.

The IDB entered into a lease agreement with Hatley Properties, LLC on December 29, 2017 for \$2,200,000. The purpose of the agreement is to acquire and construct a manufacturing facility and equipment for LPI, Inc. Under this agreement, the company must meet certain jobs requirements. The company must make in lieu of ad valorem tax payments at a specified percentage each year. These percentages increase each year, under the facility lease, until the end of 2024 at which time they will pay 100%. For the equipment lease, the percentages increase by 20% each year until the end of 2022. A jobs report must be filed annually, and if the company has failed to maintain the jobs expectation by year, the company's in lieu of tax payments shall be increased by a proportionate share of the shortfall in the number of jobs created.

The IDB entered into an agreement with LabConnect on December 1, 2021. The agreement is on the personal property and is scaled in 20% increments – with each tranch of investment getting 5 years scale – and no additional personal property conveyed to the IDB after December 31, 2025. The agreement outlined that LabConnect would increase employment of 211 new jobs and add \$8,650,000 investment in new equipment over the five-year period.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN JOHNSON CITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 2,860,777	2,658,119	2,488,177	2,409,617	2,437,926	2,274,074	2,181,602	2,076,428
Interest	14,050,435	14,449,410	14,937,911	15,549,942	16,077,432	16,328,682	16,862,303	17,307,000
Differences between Actual and Expected Experience	(2,942,020)	(1,275,026)	726,843	2,000,093	(3,647,512)	571,451	(383,449)	89,687
Change of Assumptions	-	-	-	5,139,700	-	-	-	14,870,664
Benefit Payments, including Refunds of Employee Contributions	(8,189,883)	(8,703,878)	(9,594,551)	(10,233,342)	(11,171,733)	(11,305,246)	(12,137,627)	(12,705,431)
Net Change in Total Pension Liability	5,779,309	7,128,625	8,558,380	14,866,010	3,696,113	7,868,961	6,522,829	21,638,348
Total Pension Liability - Beginning	188,573,306	194,352,615	201,481,240	210,039,620	224,905,630	228,601,743	236,470,704	242,993,533
Total Pension Liability - Ending (a)	\$ 194,352,615	201,481,240	210,039,620	224,905,630	228,601,743	236,470,704	242,993,533	264,631,881
Plan Fiduciary Net Position								
Contributions - Employer	\$ 6,600,728	6,445,525	6,184,569	6,240,342	6,173,311	6,063,105	5,728,167	5,360,180
Contributions - Employee	905	98	73	-	-	-	-	4,396
Net Investment Income	26,993,796	5,785,524	5,059,315	21,761,952	17,369,712	16,489,136	11,510,495	61,048,231
Benefit Payments, including Refunds of Employee Contributions	(8,189,883)	(8,703,878)	(9,594,551)	(10,233,342)	(11,171,733)	(11,305,246)	(12,137,627)	(12,705,431)
Administrative Expense	(40,161)	(40,426)	(55,037)	(57,940)	(61,390)	(53,832)	(49,557)	(46,464)
Other	-	-	-	(273)	-	-	-	-
Net Change in Plan Fiduciary Net Position	25,365,385	3,486,843	1,594,369	17,710,739	12,309,900	11,193,163	5,051,478	53,660,912
Plan Fiduciary Net Position - Beginning	163,631,365	188,996,750	192,483,593	194,077,962	211,788,701	224,098,601	235,291,764	240,343,242
Plan Fiduciary Net Position - Ending (b)	\$ 188,996,750	192,483,593	194,077,962	211,788,701	224,098,601	235,291,764	240,343,242	294,004,154
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 5,355,865	8,997,647	15,961,658	13,116,929	4,503,142	1,178,940	2,650,291	(29,372,273)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.24%	95.53%	92.40%	94.17%	98.03%	99.50%	98.91%	111.10%
Covered Payroll	\$ 34,540,670	32,949,533	31,617,050	31,903,589	29,866,192	29,332,872	28,162,076	27,001,063
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.51%	27.31%	50.48%	41.11%	15.08%	4.02%	9.41%	-108.78%

Notes to Schedule

Changes of assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY'S CONTRIBUTIONS BASED ON
PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 6,600,728	6,445,525	6,184,569	6,240,342	6,173,311	6,063,105	5,728,167	5,360,180	5,387,021
Contributions in relation to the									
Actuarially Determined Contribution	<u>6,600,728</u>	<u>6,445,525</u>	<u>6,184,569</u>	<u>6,240,342</u>	<u>6,173,311</u>	<u>6,063,105</u>	<u>5,728,167</u>	<u>5,360,180</u>	<u>5,387,021</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 34,540,670	32,949,533	31,617,050	31,903,589	29,866,192	29,332,872	28,162,076	27,001,063	26,510,481
Contributions as a Percentage of									
Covered Payroll	19.11%	19.56%	19.56%	19.56%	20.67%	20.67%	20.34%	19.85%	20.32%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

(Continued)

**CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY'S CONTRIBUTIONS BASED ON
PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30**

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to fair value
Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost-of-Living Adjustments	2.25 percent

Changes of assumptions:

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

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the Net Pension Liability (Asset)	0.837679%	0.854321%	0.885149%	0.910234%	0.903097%	0.951120%	0.957665%	0.984528%
Proportionate Share of the Net Pension Liability (Asset)	\$ (136,119)	349,959	5,531,694	(297,812)	(3,177,921)	(9,779,223)	(7,302,904)	(42,465,052)
Covered Payroll	\$ 32,878,832	31,981,537	31,952,106	32,175,829	31,623,553	31,892,411	31,873,560	32,316,312
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.40)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY SCHOOLS' CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	\$ 2,919,640	2,891,131	2,888,471	2,908,739	2,871,415	3,335,946	3,387,769	3,318,636	3,417,473
Contributions in relation to the									
Contractually Required Contribution	2,919,640	2,891,131	2,888,471	2,908,739	2,871,415	3,335,946	3,387,769	3,318,636	3,417,473
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 32,878,832	31,981,537	31,952,106	32,175,829	31,623,553	31,892,411	31,873,560	32,316,312	33,179,974
Contributions as a Percentage of									
Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes of assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY SCHOOLS' PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
Last Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the Net Pension Liability (Asset)	0.452832%	0.577005%	0.607724%	0.623820%	0.616697%	0.581549%	0.592153%
Proportionate Share of the Net Pension Liability (Asset)	\$ (18,217)	\$ (60,068)	\$ (160,341)	\$ (282,920)	\$ (348,117)	\$ (330,693)	\$ (641,427)
Covered Payroll	\$ 940,871	\$ 2,538,856	\$ 3,989,233	\$ 5,451,440	\$ 6,525,893	\$ 7,338,673	\$ 8,546,043
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-1.94%	-2.37%	-4.02%	-5.19%	-5.33%	-4.51%	-7.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY SCHOOLS' CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
Last Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	\$ 37,635	101,556	159,549	88,899	126,603	146,998	172,631	202,592
Contributions in relation to the								
Contractually Required Contribution	<u>37,635</u>	<u>101,556</u>	<u>159,549</u>	<u>218,057</u>	<u>126,603</u>	<u>146,998</u>	<u>172,631</u>	<u>202,592</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(129,158)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 940,871	2,538,856	3,989,233	5,451,440	6,525,893	7,338,673	8,546,043	10,093,347
Contributions as a Percentage of								
Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.00%	2.02%	2.01%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes of assumptions: In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF JOHNSON CITY SCHOOLS' CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS - STABILIZATION TRUST
Last Fiscal Year Ended June 30

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	\$ 126,567	137,686	162,724	178,568
Contributions in relation to the				
Contractually Required Contribution	126,567	137,686	162,724	178,568
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 6,525,893	7,338,773	8,546,043	10,093,347
Contributions as a Percentage of				
Covered Payroll	1.94%	1.88%	1.90%	1.77%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN JOHNSON CITY'S OPEB LIABILITY
AND RELATED RATIOS
Last Fiscal Year Ended June 30

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 783,156	786,206	918,964	1,239,276	865,112
Interest	791,621	849,199	821,804	584,728	447,659
Difference between Expected and Actual Experience	-	(332,984)	-	(3,274,044)	8,366
Changes in Assumptions	(467,714)	1,384,675	2,291,710	(2,509,227)	(1,585,023)
Benefit Payments	(1,321,573)	(1,237,070)	(1,328,655)	(1,420,563)	(1,379,131)
Net Change in Total OPEB Liability	(214,510)	1,450,026	2,703,823	(5,379,830)	(1,643,017)
Total OPEB Liability - Beginning	21,989,958	21,775,448	23,225,474	25,929,297	20,549,467
Total OPEB Liability - Ending	\$ 21,775,448	23,225,474	25,929,297	20,549,467	18,906,450
Covered-Employee Payroll	\$ 33,000,000	37,400,000	38,900,000	39,600,000	41,000,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	65.99%	62.10%	66.66%	51.89%	46.11%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Changes in Assumptions

In fiscal year 2021, discount rates changes from 2.16 percent at June 30, 2021 to 3.54 percent at June 30, 2022.

GASB 75 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date. Fiscal years will be added to this schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN JOHNSON CITY SCHOOLS' OPEB LIABILITY
AND RELATED RATIOS
Last Fiscal Year Ended June 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service Cost	\$ 816,013	964,295	1,109,117	1,432,106	1,406,411
Interest	572,717	617,749	774,216	575,013	438,588
Difference between Expected and Actual Experience	-	4,497,717	-	(2,582,156)	(20,258)
Changes in Assumptions	(366,710)	1,229,811	2,948,852	(3,959,692)	(1,771,028)
Benefit Payments	<u>(1,106,104)</u>	<u>(1,304,881)</u>	<u>(1,287,995)</u>	<u>(1,225,883)</u>	<u>(1,080,541)</u>
Net Change in Total OPEB Liability	<u>(84,084)</u>	<u>6,004,691</u>	<u>3,544,190</u>	<u>(5,760,612)</u>	<u>(1,026,828)</u>
Total OPEB Liability - Beginning	<u>15,734,723</u>	<u>15,650,639</u>	<u>21,655,330</u>	<u>25,199,520</u>	<u>19,438,908</u>
Total OPEB Liability - Ending	<u><u>\$ 15,650,639</u></u>	<u><u>21,655,330</u></u>	<u><u>25,199,520</u></u>	<u><u>19,438,908</u></u>	<u><u>18,412,080</u></u>
Covered-Employee Payroll	\$ 31,900,000	35,716,850	36,699,063	43,000,000	43,000,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	49.06%	60.63%	68.67%	45.21%	42.82%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Changes in Assumptions

In fiscal year 2021, discount rates changes from 2.16 percent at June 30, 2021 to 3.54 percent at June 30, 2022.

GASB 75 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date. Fiscal years will be added to this schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

OTHER MAJOR GOVERNMENTAL FUNDS

Debt Service Fund accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation debt other than that payable from enterprise funds and the general obligation debt used to construct educational facilities.

Educational Facilities Debt Service Fund accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation debt for the construction of educational facilities.

The **Capital Project Fund** is used to account for the acquisition and construction of major capital facilities, equipment, and infrastructure other than those financed by proprietary funds.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental Revenue	\$ -	-	134,669	134,669
Investment Earnings	-	-	62,617	62,617
Miscellaneous	-	-	1,050	1,050
Total Revenues	-	-	198,336	198,336
Expenditures				
Debt Service				
Principal Retirement	7,032,728	7,032,728	7,039,993	(7,265)
Interest and Fiscal Charges	3,413,433	3,413,433	2,738,028	675,405
Other Fees	-	-	54,243	(54,243)
Total Debt Service	10,446,161	10,446,161	9,832,264	613,897
Total Expenditures	10,446,161	10,446,161	9,832,264	613,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,446,161)	(10,446,161)	(9,633,928)	812,233
Other Financing Sources (Uses)				
Transfer In	10,446,161	10,446,161	10,088,220	(357,941)
Total Other Financing Sources (Uses)	10,446,161	10,446,161	10,088,220	(357,941)
Net Change in Fund Balance	-	-	454,292	454,292
Fund Balance, July 1, 2021	-	-	-	-
Fund Balance, June 30, 2022	\$ -	-	454,292	454,292

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
EDUCATIONAL FACILITIES DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes	\$ 2,450,000	2,450,000	3,065,712	615,712
Investment Earnings	4,000	4,000	12,591	8,591
Total Revenues	2,454,000	2,454,000	3,078,303	624,303
Expenditures				
Debt Service				
Principal Retirement	2,922,849	2,922,849	2,922,849	-
Interest and Fiscal Charges	1,516,133	1,516,133	964,194	551,939
Other Fees	3,000	3,000	58,939	(55,939)
Total Debt Service	4,441,982	4,441,982	3,945,982	496,000
Total Expenditures	4,441,982	4,441,982	3,945,982	496,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,987,982)	(1,987,982)	(867,679)	1,120,303
Other Financing Sources (Uses)				
Transfer In	1,500,000	1,500,000	1,973,735	473,735
Total Other Financing Sources (Uses)	1,500,000	1,500,000	1,973,735	473,735
Net Change in Fund Balance	(487,982)	(487,982)	1,106,056	1,594,038
Fund Balance, July 1, 2021	6,136,193	6,136,193	6,136,193	-
Fund Balance, June 30, 2022	\$ 5,648,211	5,648,211	7,242,249	1,594,038

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECT FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues				
Federal Government	\$ 4,800,000	4,800,000	-	(4,800,000)
State of Tennessee	1,224,099	1,224,099	1,539,509	315,410
Local Government	600,000	600,000	9,458	(590,542)
Investment Earnings	-	-	48,683	48,683
Miscellaneous	-	-	109,989	109,989
Total Revenues	6,624,099	6,624,099	1,707,639	(4,916,460)
Expenditures				
Capital Outlay	40,495,685	40,495,685	24,120,038	16,375,647
Total Expenditures	40,495,685	40,495,685	24,120,038	16,375,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,871,586)	(33,871,586)	(22,412,399)	11,459,187
Other Financing Sources (Uses)				
Transfer In	6,229,751	6,229,751	12,067,462	5,837,711
Bond Issuance	35,500,000	35,500,000	45,878,070	10,378,070
Total Other Financing Sources (Uses)	41,729,751	41,729,751	57,945,532	16,215,781
Net Change in Fund Balance	7,858,165	7,858,165	35,533,133	27,674,968
Fund Balance, July 1, 2021	18,497,289	18,497,289	18,497,289	-
Prior Period Adjustment	(157,253)	(157,253)	(157,253)	-
Fund Balance, July 1, 2021 Adjusted	18,340,036	18,340,036	18,340,036	-
Fund Balance, June 30, 2022	\$ 26,198,201	26,198,201	53,873,169	27,674,968

See Independent Auditors' Report.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Freedom Hall Civic Center Fund is used to account for the revenues generated from the Civic Center's operations. Fee revenues are supplemented by the General Fund to the extent of the Center's cost.

School Federal Projects Fund accounts for all revenues received under this law.

Special School Projects Fund accounts for all revenues received for various special projects for the schools.

School Food Service Fund accounts for the revenues and expenditures of school cafeterias.

Internal School Fund accounts for the revenues and expenditures of the schools.

Transportation Planning Fund is used to account for special state and federal transportation planning projects through state and federal revenues.

Drug Fund accounts for drug fines awarded by court action.

Police Grant and Technology Fund accounts for all the police grants from the federal, state and local governments and for fees provided by moving violations to fund safety equipment and technology for the police department.

Community Development Fund accounts for Housing and Urban Development Funds.

Senior Citizens Fund accounts for contributions and fundraising for the Senior Citizens Center.

Employee Scholarship Fund accounts for donations from City employees to fund scholarships for the children of City employees who are entering college.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

School Trust Fund accounts for nonexpendable assets left to the City by the late Paul Gollong. The fund's earnings are used for awarding scholarships to graduating high school students.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue Funds	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 7,457,385	5,872	7,463,257
Accounts Receivable (Net)	77,259	-	77,259
Notes Receivable	4,393	-	4,393
Due from Other Funds	443,915	-	443,915
Due from Federal Government	831,777	-	831,777
Due from State of Tennessee	4,194,058	-	4,194,058
Due from Local Governments	4,001	-	4,001
Inventories	230,233	-	230,233
Restricted Investments	-	176,007	176,007
Total Assets	<u>\$ 13,243,021</u>	<u>181,879</u>	<u>13,424,900</u>
LIABILITIES			
Accounts Payable	\$ 1,706,413	-	1,706,413
Accrued Payroll Expenditures	1,764,355	-	1,764,355
Accrued Expenditures	1,917	-	1,917
Due to Other Funds	11,705	-	11,705
Due to State of Tennessee	221,956	-	221,956
Unearned Revenue	358,302	-	358,302
Total Liabilities	<u>4,064,648</u>	<u>-</u>	<u>4,064,648</u>
FUND BALANCES			
Nonspendable	230,233	174,679	404,912
Restricted	7,917,783	7,200	7,924,983
Assigned	1,030,357	-	1,030,357
Total Fund Balances	<u>9,178,373</u>	<u>181,879</u>	<u>9,360,252</u>
Total Liabilities and Fund Balances	<u>\$ 13,243,021</u>	<u>181,879</u>	<u>13,424,900</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
Revenues			
Federal Government	\$ 20,656,060	-	20,656,060
State of Tennessee	1,966,328	-	1,966,328
Charges for Services	185,659	-	185,659
Fines and Forfeitures	279,040	-	279,040
Revenue from Use of Property	1,791,521	-	1,791,521
Investment Earnings	508	566	1,074
Miscellaneous	3,045,942	-	3,045,942
Total Revenues	<u>27,925,058</u>	<u>566</u>	<u>27,925,624</u>
Expenditures			
Current			
Public Safety	369,641	-	369,641
Public Welfare	1,101,998	-	1,101,998
Senior Citizens	30,563	-	30,563
Parks, Recreation, Culture and Leisure	2,413,355	-	2,413,355
Highway and Transportation Planning	483,124	-	483,124
Education	12,067,902	-	12,067,902
School Food Service	3,567,955	-	3,567,955
Miscellaneous	2,475	-	2,475
Capital Outlay	1,550,886	-	1,550,886
Total Expenditures	<u>21,587,899</u>	<u>-</u>	<u>21,587,899</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,337,159	566	6,337,725
Other Financing Sources (Uses)			
Transfers In	523,962	-	523,962
Transfers Out	(4,403,500)	-	(4,403,500)
Total Other Financing Sources (Uses)	(3,879,538)	-	(3,879,538)
Net Change in Fund Balances	2,457,621	566	2,458,187
Fund Balances, July 1, 2021	6,866,529	181,313	7,047,842
Purchase Method Inventory Adjustment	(145,777)	-	(145,777)
Fund Balance Adjusted	6,720,752	181,313	6,902,065
Fund Balances, June 30, 2022	\$ 9,178,373	181,879	9,360,252

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2022

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	Freedom Hall Civic Center Fund	School Funds	Transportation Planning Fund	Drug Fund	Police Grant and Technology Fund	Community Development Fund	Senior Citizens Fund	Employee Scholarship Fund	Total Special Revenue Funds
ASSETS									
Cash and Cash Equivalents	\$ 1,022,865	4,476,327	-	1,428,836	162,114	26,261	318,546	22,436	7,457,385
Accounts Receivable (Net)	21	75,630	-	-	1,608	-	-	-	77,259
Notes Receivable	-	-	-	-	-	4,393	-	-	4,393
Due from Other Funds	-	443,915	-	-	-	-	-	-	443,915
Due from Federal Government	-	-	-	-	61,152	770,625	-	-	831,777
Due from State of Tennessee	-	4,000,537	153,857	-	-	39,664	-	-	4,194,058
Due from Local Governments	-	-	-	4,001	-	-	-	-	4,001
Inventories	-	230,233	-	-	-	-	-	-	230,233
Total Assets	<u>\$ 1,022,886</u>	<u>9,226,642</u>	<u>153,857</u>	<u>1,432,837</u>	<u>224,874</u>	<u>840,943</u>	<u>318,546</u>	<u>22,436</u>	<u>13,243,021</u>
LIABILITIES									
Accounts Payable	\$ 19,280	1,145,194	30,937	45,966	18,726	443,665	545	2,100	1,706,413
Accrued Payroll Expenditures	15,231	1,741,241	6,577	-	1,306	-	-	-	1,764,355
Accrued Expenditures	1,917	-	-	-	-	-	-	-	1,917
Due to Other Funds	11,571	134	-	-	-	-	-	-	11,705
Due to State of Tennessee	-	221,956	-	-	-	-	-	-	221,956
Unearned Revenue	68,970	-	-	285,772	-	3,560	-	-	358,302
Total Liabilities	<u>116,969</u>	<u>3,108,525</u>	<u>37,514</u>	<u>331,738</u>	<u>20,032</u>	<u>447,225</u>	<u>545</u>	<u>2,100</u>	<u>4,064,648</u>
FUND BALANCES									
Nonspendable	-	230,233	-	-	-	-	-	-	230,233
Restricted	-	5,881,686	-	1,101,099	202,943	393,718	318,001	20,336	7,917,783
Assigned	905,917	6,198	116,343	-	1,899	-	-	-	1,030,357
Total Fund Balances	<u>905,917</u>	<u>6,118,117</u>	<u>116,343</u>	<u>1,101,099</u>	<u>204,842</u>	<u>393,718</u>	<u>318,001</u>	<u>20,336</u>	<u>9,178,373</u>
Total Liabilities and Fund Balances	<u>\$ 1,022,886</u>	<u>9,226,642</u>	<u>153,857</u>	<u>1,432,837</u>	<u>224,874</u>	<u>840,943</u>	<u>318,546</u>	<u>22,436</u>	<u>13,243,021</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	Freedom Hall Civic Center Fund	School Funds	Transportation Planning Fund	Drug Fund	Police Grant and Technology Fund	Community Development Fund	Senior Citizens Fund	Employee Scholarship Fund	Total Special Revenue Funds
Revenues									
Federal Government	\$ 867,573	18,499,527	385,123	-	133,212	770,625	-	-	20,656,060
State of Tennessee	-	1,685,010	-	-	-	281,318	-	-	1,966,328
Charges for Services	-	185,659	-	-	-	-	-	-	185,659
Fines and Forfeitures	-	-	-	25,805	253,235	-	-	-	279,040
Revenue from Use of Property	1,791,521	-	-	-	-	-	-	-	1,791,521
Investment Earnings	-	508	-	-	-	-	-	-	508
Miscellaneous	328,216	2,184,152	-	392,002	-	9,328	127,518	4,726	3,045,942
Total Revenues	<u>2,987,310</u>	<u>22,554,856</u>	<u>385,123</u>	<u>417,807</u>	<u>386,447</u>	<u>1,061,271</u>	<u>127,518</u>	<u>4,726</u>	<u>27,925,058</u>
Expenditures									
Current									
Public Safety	-	-	-	89,152	280,489	-	-	-	369,641
Public Welfare	-	-	-	-	-	1,101,998	-	-	1,101,998
Senior Citizens	-	-	-	-	-	-	30,563	-	30,563
Parks, Recreation, Culture and Leisure	2,413,355	-	-	-	-	-	-	-	2,413,355
Highway and Transportation Planning	-	-	483,124	-	-	-	-	-	483,124
Education	-	12,067,902	-	-	-	-	-	-	12,067,902
School Food Service	-	3,567,955	-	-	-	-	-	-	3,567,955
Miscellaneous	-	-	-	-	-	-	-	2,475	2,475
Capital Outlay	9,000	1,294,620	-	247,266	-	-	-	-	1,550,886
Total Expenditures	<u>2,422,355</u>	<u>16,930,477</u>	<u>483,124</u>	<u>336,418</u>	<u>280,489</u>	<u>1,101,998</u>	<u>30,563</u>	<u>2,475</u>	<u>21,587,899</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	Freedom Hall Civic Center Fund	School Funds	Transportation Planning Fund	Drug Fund	Police Grant and Technology Fund	Community Development Fund	Senior Citizens Fund	Employee Scholarship Fund	Total Special Revenue Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	564,955	5,624,379	(98,001)	81,389	105,958	(40,727)	96,955	2,251	6,337,159
Other Financing Sources (Uses)									
Transfers In	320,810	87,358	115,794	-	-	-	-	-	523,962
Transfers Out	-	(4,250,538)	-	(11,627)	-	(141,335)	-	-	(4,403,500)
Total Other Financing Sources (Uses)	320,810	(4,163,180)	115,794	(11,627)	-	(141,335)	-	-	(3,879,538)
Net Change in Fund Balances	885,765	1,461,199	17,793	69,762	105,958	(182,062)	96,955	2,251	2,457,621
Fund Balances, July 1, 2021	20,152	4,802,695	98,550	1,031,337	98,884	575,780	221,046	18,085	6,866,529
Purchase Method Inventory Adjustment	-	(145,777)	-	-	-	-	-	-	(145,777)
Fund Balances, July 1, 2021 Adjusted	20,152	4,656,918	98,550	1,031,337	98,884	575,780	221,046	18,085	6,720,752
Fund Balances, June 30, 2022	<u>\$ 905,917</u>	<u>6,118,117</u>	<u>116,343</u>	<u>1,101,099</u>	<u>204,842</u>	<u>393,718</u>	<u>318,001</u>	<u>20,336</u>	<u>9,178,373</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING BALANCE SHEET
SCHOOL FUNDS
June 30, 2022

	School Federal Projects Fund	Special School Projects Fund	School Food Service Fund	Internal School Fund	Total School Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,564	1	2,903,213	1,571,549	4,476,327
Accounts Receivable	-	9,885	13,653	52,092	75,630
Due from Other Funds	-	-	443,915	-	443,915
Due from State of Tennessee	2,818,672	1,044,329	137,536	-	4,000,537
Inventories	-	-	230,233	-	230,233
Total Assets	\$ 2,820,236	1,054,215	3,728,550	1,623,641	9,226,642
LIABILITIES					
Accounts Payable	\$ 982,574	125,485	2,111	35,024	1,145,194
Accrued Payroll Expenditures	821,178	920,050	13	-	1,741,241
Due to State of Tennessee	221,956	-	-	-	221,956
Due to Other Funds	-	-	134	-	134
Total Liabilities	2,025,708	1,045,535	2,258	35,024	3,108,525
FUND BALANCES					
Nonspendable	-	-	230,233	-	230,233
Restricted	794,528	8,680	3,489,861	1,588,617	5,881,686
Assigned	-	-	6,198	-	6,198
Total Fund Balances	794,528	8,680	3,726,292	1,588,617	6,118,117
Total Liabilities and Fund Balances	\$ 2,820,236	1,054,215	3,728,550	1,623,641	9,226,642

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SCHOOL FUNDS
For the Fiscal Year Ended June 30, 2022

	School Federal Projects Fund	Special School Projects Fund	School Food Service Fund	Internal School Fund	Total School Funds
Revenues					
Federal Government	\$ 13,507,627	-	4,991,900	-	18,499,527
State of Tennessee	-	1,647,557	37,453	-	1,685,010
Charges for Services	-	-	185,659	-	185,659
Investment Earnings	-	-	508	-	508
Miscellaneous	-	-	28,298	2,155,854	2,184,152
Total Revenues	13,507,627	1,647,557	5,243,818	2,155,854	22,554,856
Expenditures					
Current					
Education	8,448,601	1,650,361	-	1,968,940	12,067,902
School Food Service	-	-	3,567,955	-	3,567,955
Capital Outlay	1,263,100	29,636	1,884	-	1,294,620
Total Expenditures	9,711,701	1,679,997	3,569,839	1,968,940	16,930,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,795,926	(32,440)	1,673,979	186,914	5,624,379
Other Financing Sources (Uses)					
Transfers In	46,238	41,120	-	-	87,358
Transfers Out	(4,250,538)	-	-	-	(4,250,538)
Total Other Financing Sources (Uses)	(4,204,300)	41,120	-	-	(4,163,180)
Net Change in Fund Balances	(408,374)	8,680	1,673,979	186,914	1,461,199
Fund Balances, July 1, 2021	1,202,902	-	2,198,090	1,401,703	4,802,695
Purchase Method Inventory Adjustment	-	-	(145,777)	-	(145,777)
Fund Balances, July 1, 2021 Adjusted	1,202,902	-	2,052,313	1,401,703	4,656,918
Fund Balances, June 30, 2022	\$ 794,528	8,680	3,726,292	1,588,617	6,118,117

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FREEDOM HALL CIVIC CENTER FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues				
Federal Government	\$ -	-	867,573	867,573
Revenue from Use of Property	1,242,000	1,242,000	1,791,521	549,521
Miscellaneous	188,000	188,000	328,216	140,216
Total Revenues	1,430,000	1,430,000	2,987,310	1,557,310
Expenditures				
Parks, Recreation, Culture and Leisure				
Building Materials	4,000	4,000	1,315	2,685
Fixed Charges	64,977	64,977	68,628	(3,651)
Personnel Services	542,716	542,716	481,970	60,746
Purchased Services	1,031,442	1,031,442	1,805,248	(773,806)
Supplies	138,575	138,575	56,194	82,381
Total Parks, Recreation, Culture and Leisure	1,781,710	1,781,710	2,413,355	(631,645)
Capital Outlay	-	-	9,000	(9,000)
Total Expenditures	1,781,710	1,781,710	2,422,355	(640,645)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(351,710)	(351,710)	564,955	916,665
Other Financing Sources (Uses)				
Transfer In	355,000	355,000	320,810	(34,190)
Total Other Financing Sources (Uses)	355,000	355,000	320,810	(34,190)
Net Change in Fund Balance	3,290	3,290	885,765	882,475
Fund Balance, July 1, 2021	20,152	20,152	20,152	-
Fund Balance, June 30, 2022	\$ 23,442	23,442	905,917	882,475

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CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal Government	\$ 27,656,928	26,137,629	13,507,627	(12,630,002)
Total Revenues	27,656,928	26,137,629	13,507,627	(12,630,002)
Expenditures				
Education				
Other	1,286,861	750,235	119,524	630,711
Personnel Services	10,886,532	10,240,476	6,880,831	3,359,645
Purchased Services	1,285,847	1,272,828	697,423	575,405
Supplies	1,823,056	1,853,607	750,823	1,102,784
Total Education	15,282,296	14,117,146	8,448,601	5,668,545
Capital Outlay	12,400,632	12,046,483	1,263,100	10,783,383
Total Expenditures	27,682,928	26,163,629	9,711,701	16,451,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,000)	(26,000)	3,795,926	3,821,926
Other Financing Sources (Uses)				
Transfer In	26,000	26,000	46,238	20,238
Transfer Out	-	-	(4,250,538)	(4,250,538)
Total Other Financing Sources (Uses)	26,000	26,000	(4,204,300)	(4,230,300)
Net Change in Fund Balance	-	-	(408,374)	(408,374)
Fund Balance, July 1, 2021	1,202,902	1,202,902	1,202,902	-
Fund Balance, June 30, 2022	\$ 1,202,902	1,202,902	794,528	(408,374)

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL SCHOOL PROJECTS FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
State of Tennessee	\$ 684,686	1,868,227	1,647,557	(220,670)
Total Revenues	684,686	1,868,227	1,647,557	(220,670)
Expenditures				
Education				
Other	20,800	23,689	23,689	-
Personnel Services	547,353	1,605,526	1,453,732	151,794
Purchased Services	600	156,584	90,955	65,629
Supplies	86,359	161,705	81,985	79,720
Total Education	655,112	1,947,504	1,650,361	297,143
Capital Outlay	81,553	90,378	29,636	60,742
Total Expenditures	736,665	2,037,882	1,679,997	357,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,979)	(169,655)	(32,440)	137,215
Other Financing Sources (Uses)				
Transfer In	51,979	169,655	41,120	(128,535)
Total Other Financing Sources (Uses)	51,979	169,655	41,120	(128,535)
Net Change in Fund Balance	-	-	8,680	8,680
Fund Balance, July 1, 2021	-	-	-	-
Fund Balance, June 30, 2022	\$ -	-	8,680	8,680

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal Government	\$ 3,474,350	3,474,350	4,991,900	1,517,550
State of Tennessee	25,000	35,000	37,453	2,453
Charges for Services	133,200	173,200	185,659	12,459
Investment Earnings	250	250	508	258
Miscellaneous	15,000	15,000	28,298	13,298
Total Revenues	3,647,800	3,697,800	5,243,818	1,546,018
Expenditures				
School Food Service				
Other	148,500	72,250	43,348	28,902
Personnel Services	1,588,300	1,621,800	1,603,190	18,610
Purchased Services	385,000	420,000	381,574	38,426
Supplies	1,436,000	1,493,750	1,539,843	(46,093)
Total School Food Service	3,557,800	3,607,800	3,567,955	39,845
Capital Outlay	90,000	90,000	1,884	88,116
Total Expenditures	3,647,800	3,697,800	3,569,839	127,961
Net Change in Fund Balance	-	-	1,673,979	1,673,979
Fund Balance, July 1, 2021	2,198,090	2,198,090	2,198,090	-
Purchase Method Inventory Adjustment	-	-	(145,777)	(145,777)
Fund Balance, July 1, 2021 Adjusted	2,198,090	2,198,090	2,052,313	(145,777)
Fund Balance, June 30, 2022	\$ 2,198,090	2,198,090	3,726,292	1,528,202

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CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
TRANSPORTATION PLANNING FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal Government	\$ 472,521	472,521	385,123	(87,398)
Total Revenues	472,521	472,521	385,123	(87,398)
Expenditures				
Highway and Transportation Planning				
Fixed Charges	12,820	12,820	11,963	857
Personnel Services	201,885	201,885	199,963	1,922
Purchased Services	325,345	325,345	257,844	67,501
Supplies	16,400	16,400	13,354	3,046
Total Highway and Transportation Planning	556,450	556,450	483,124	73,326
Total Expenditures	556,450	556,450	483,124	73,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,929)	(83,929)	(98,001)	(14,072)
Other Financing Sources (Uses)				
Transfer In	85,000	85,000	115,794	30,794
Total Other Financing Sources (Uses)	85,000	85,000	115,794	30,794
Net Change in Fund Balance	1,071	1,071	17,793	16,722
Fund Balance, July 1, 2021	98,550	98,550	98,550	-
Fund Balance, June 30, 2022	\$ 99,621	99,621	116,343	16,722

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CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DRUG FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Fines and Forfeitures	\$ 30,000	30,000	25,805	(4,195)
Miscellaneous	85,000	85,000	392,002	307,002
Total Revenues	115,000	115,000	417,807	302,807
Expenditures				
Public Safety				
Other	35,000	35,000	42,818	(7,818)
Purchased Services	15,000	15,000	22,098	(7,098)
Supplies	50,000	50,000	24,236	25,764
Total Public Safety	100,000	100,000	89,152	10,848
Capital Outlay	107,100	107,100	247,266	(140,166)
Total Expenditures	207,100	207,100	336,418	(129,318)
Net Change in Fund Balance	(92,100)	(92,100)	81,389	173,489
Other Financing Sources (Uses):				
Transfer Out	-	-	(11,627)	(11,627)
Total Other Financing Sources (Uses)	-	-	(11,627)	(11,627)
Net Change in Fund Balance	(92,100)	(92,100)	69,762	161,862
Fund Balance, July 1, 2021	1,031,337	1,031,337	1,031,337	-
Fund Balance, June 30, 2022	\$ 939,237	939,237	1,101,099	161,862

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
POLICE GRANT AND TECHNOLOGY FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal Government	\$ 154,980	154,980	133,212	(21,768)
Fines and Forfeitures	260,000	260,000	253,235	(6,765)
Total Revenues	414,980	414,980	386,447	(28,533)
Expenditures				
Public Safety				
Fixed Charges	206,847	206,847	125,718	81,129
Personnel Services	88,826	88,826	89,080	(254)
Purchased Services	25,538	25,538	31,455	(5,917)
Supplies	40,566	40,566	34,236	6,330
Total Public Safety	361,777	361,777	280,489	81,288
Total Expenditures	361,777	361,777	280,489	81,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,203	53,203	105,958	52,755
Net Change in Fund Balance	53,203	53,203	105,958	52,755
Fund Balance, July 1, 2021	98,884	98,884	98,884	-
Fund Balance, June 30, 2022	\$ 152,087	152,087	204,842	52,755

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal Government	\$ 541,723	541,723	770,625	228,902
State of Tennessee	161,250	161,250	281,318	120,068
Miscellaneous	737,539	737,539	9,328	(728,211)
Total Revenues	1,440,512	1,440,512	1,061,271	(379,241)
Expenditures				
Public Welfare				
Other	676,723	676,723	375,198	301,525
Purchased Services	613,789	613,789	475,807	137,982
Special Appropriations	150,000	150,000	250,993	(100,993)
Total Public Welfare	1,440,512	1,440,512	1,101,998	338,514
Total Expenditures	1,440,512	1,440,512	1,101,998	338,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(40,727)	(40,727)
Other Financing Sources (Uses)				
Transfer Out	-	-	(141,335)	(141,335)
Total Other Financing Sources (Uses)	-	-	(141,335)	(141,335)
Net Change in Fund Balance	-	-	(182,062)	(182,062)
Fund Balance, July 1, 2021	575,780	575,780	575,780	-
Fund Balance, June 30, 2022	\$ 575,780	575,780	393,718	(182,062)

See Independent Auditors' Report.

NONMAJOR PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business, where the intent of the City is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the determination of net income is an important measurement of performance.

Regional Solid Waste Fund accounts for the activities of the City's regional residential garbage, refuse collection and recycling activities.

Mass Transit Fund accounts for the activities funded by federal grants from the Federal Transportation Administration and state grants provided from federal funds for support of local government transportation programs.

Stormwater Management Fund accounts for the activities of the City's stormwater and drainage management system.

Johnson City Public Building Authority accounts for the activities of the PBA, a blended component unit of the City. The PBA's main activity is to design, plan, acquire property and construct projects delegated to the PBA by the Board of Commissioners. The primary source of revenue is rental income.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2022

	Regional Solid Waste Fund	Mass Transit Fund	Stormwater Management Fund	Johnson City Public Building Authority	Total Nonmajor Proprietary Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 3,436,535	2,434	1,854,097	448,939	5,742,005
Investments	-	-	-	306,321	306,321
Accounts Receivable (Net)	63,450	7,321	175,326	-	246,097
Due from Federal Government	-	1,276,072	-	-	1,276,072
Due from State of Tennessee	-	503,002	-	-	503,002
Total Current Assets	3,499,985	1,788,829	2,029,423	755,260	8,073,497
Capital Assets					
Land	-	205,990	4,802,594	-	5,008,584
Buildings and Improvements	179,207	2,930,484	9,820,019	-	12,929,710
Equipment and Vehicles	4,439,355	7,692,127	1,659,942	-	13,791,424
Less: Accumulated Depreciation	(2,601,754)	(5,339,347)	(3,054,195)	-	(10,995,296)
Construction in Progress	-	-	4,225,092	-	4,225,092
Net Capital Assets	2,016,808	5,489,254	17,453,452	-	24,959,514
Restricted Assets					
Investments	-	-	5,442,708	-	5,442,708
Total Restricted Assets	-	-	5,442,708	-	5,442,708
Other Assets					
Lease Receivable	-	10,353	-	-	10,353
Net Pension Asset	386,715	834,580	192,001	-	1,413,296
Total Other Assets	386,715	844,933	192,001	-	1,423,649
Total Assets	5,903,508	8,123,016	25,117,584	755,260	39,899,368
DEFERRED OUTFLOWS OF RESOURCES					
Pension Contributions After Measurement Date	77,973	173,071	33,452	-	284,496
Pension Changes in Experience	784	1,830	388	-	3,002
Pension Changes in Assumptions	129,871	303,461	64,341	-	497,673
Total Deferred Outflows of Resources	208,628	478,362	98,181	-	785,171
LIABILITIES					
Current Liabilities					
Accounts Payable	81,743	17,213	228,892	71	327,919
Accrued Payroll Expenses	34,095	79,613	15,739	-	129,447
Accrued Expenses	665	-	-	-	665
Accrued Interest Payable	-	-	62,918	-	62,918
Customer Deposits	28,667	-	10,444	-	39,111
Retainages Payable	-	-	35,915	-	35,915
Compensated Absences - Current Portion	2,996	6,869	1,016	-	10,881
Notes and Bonds Payable - Current Portion	-	-	456,000	-	456,000
Total Current Liabilities	148,166	103,695	810,924	71	1,062,856

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2022

	Regional Solid Waste Fund	Mass Transit Fund	Stormwater Management Fund	Johnson City Public Building Authority	Total Nonmajor Proprietary Funds
LIABILITIES (CONTINUED)					
Noncurrent Liabilities					
Compensated Absences Payable	70,046	104,448	24,071	-	198,565
Notes and Bonds Payable (Net)	-	-	9,386,951	-	9,386,951
Total Noncurrent Liabilities	<u>70,046</u>	<u>104,448</u>	<u>9,411,022</u>	<u>-</u>	<u>9,585,516</u>
Total Liabilities	<u>218,212</u>	<u>208,143</u>	<u>10,221,946</u>	<u>71</u>	<u>10,648,372</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	-	11,171	-	-	11,171
Pension Changes in Experience	1,944	4,038	1,005	-	6,987
Pension Changes in Investment Earnings (Net)	<u>419,485</u>	<u>993,361</u>	<u>208,042</u>	<u>-</u>	<u>1,620,888</u>
Total Deferred Inflows of Resources	<u>421,429</u>	<u>1,008,570</u>	<u>209,047</u>	<u>-</u>	<u>1,639,046</u>
NET POSITION					
Net Investment in Capital Assets	2,016,808	5,489,254	13,053,209	-	20,559,271
Restricted for:					
Net Pension Asset	386,715	834,580	192,001	-	1,413,296
Unrestricted	<u>3,068,972</u>	<u>1,060,831</u>	<u>1,539,562</u>	<u>755,189</u>	<u>6,424,554</u>
Total Net Position	<u>\$ 5,472,495</u>	<u>7,384,665</u>	<u>14,784,772</u>	<u>755,189</u>	<u>28,397,121</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Regional Solid Waste Fund	Mass Transit Fund	Stormwater Management Fund	Johnson City Public Building Authority	Total Nonmajor Proprietary Funds
Operating Revenues					
Charges for Services (Net)	\$ 3,738,615	391,180	3,228,452	-	7,358,247
Other Revenue	-	30,768	1,882	-	32,650
Total Operating Revenues	<u>3,738,615</u>	<u>421,948</u>	<u>3,230,334</u>	<u>-</u>	<u>7,390,897</u>
Operating Expenses					
Administration	353,797	-	227,805	309,710	891,312
Personnel Services	974,378	2,662,346	476,326	-	4,113,050
Contractual Services	803,381	48,880	30,419	22,379	905,059
Materials and Supplies	117,747	143,401	65,907	539	327,594
Repairs and Maintenance	679,595	538,528	209,683	-	1,427,806
Other Operating Expenses	10,102	94,868	36,264	23,475	164,709
Depreciation and Amortization	386,840	592,890	341,994	-	1,321,724
Total Operating Expenses	<u>3,325,840</u>	<u>4,080,913</u>	<u>1,388,398</u>	<u>356,103</u>	<u>9,151,254</u>
Operating Income (Loss)	<u>412,775</u>	<u>(3,658,965)</u>	<u>1,841,936</u>	<u>(356,103)</u>	<u>(1,760,357)</u>
Nonoperating Revenues (Expenses)					
Investment Income (Loss)	-	1,031	(22,772)	2,209	(19,532)
Operating Grants	-	3,007,815	-	-	3,007,815
Interest Expenses and Commissions	-	-	(212,803)	-	(212,803)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>3,008,846</u>	<u>(235,575)</u>	<u>2,209</u>	<u>2,775,480</u>
Income (Loss) Before Transfers and Capital Contributions	<u>412,775</u>	<u>(650,119)</u>	<u>1,606,361</u>	<u>(353,894)</u>	<u>1,015,123</u>
Transfers and Capital Contributions					
Transfers In	-	748,528	-	-	748,528
Federal Capital Grant Revenue	-	276,544	-	-	276,544
State Capital Grant Revenue	-	9,287	-	-	9,287
Total Transfers and Capital Contributions	<u>-</u>	<u>1,034,359</u>	<u>-</u>	<u>-</u>	<u>1,034,359</u>
Change in Net Position	<u>412,775</u>	<u>384,240</u>	<u>1,606,361</u>	<u>(353,894)</u>	<u>2,049,482</u>
Net Position, July 1, 2021	<u>5,059,720</u>	<u>7,000,425</u>	<u>13,178,411</u>	<u>1,109,083</u>	<u>26,347,639</u>
Net Position, June 30, 2022	<u>\$ 5,472,495</u>	<u>7,384,665</u>	<u>14,784,772</u>	<u>755,189</u>	<u>28,397,121</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Regional Solid Waste Fund	Mass Transit Fund	Stormwater Management Fund	Johnson City Public Building Authority	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,739,772	473,665	3,231,826	-	7,445,263
Payments to Employees	(1,105,890)	(2,954,302)	(523,187)	-	(4,583,379)
Payments to Suppliers	(969,816)	(310,880)	33,762	(358,312)	(1,605,246)
Payments for Interfund Services Used	(983,231)	(513,820)	(389,032)	-	(1,886,083)
Net Cash Provided by (Used for) Operating Activities	680,835	(3,305,337)	2,353,369	(358,312)	(629,445)
Cash Flows from Noncapital Financing Activities					
Transfers from Other Funds	-	748,528	-	-	748,528
Operating Grants Received	-	2,206,611	-	-	2,206,611
Net Cash Provided by (Used for) Noncapital Financing Activities	-	2,955,139	-	-	2,955,139
Cash Flows from Capital and Related Financing Activities					
Proceeds from Bonds Issued	-	-	2,760,000	-	2,760,000
Purchase of Capital Assets	-	(9,663)	(3,726,252)	-	(3,735,915)
Capital Grants Received	-	354,066	35,915	-	389,981
Principal Paid on Capital Debt	-	-	(338,000)	-	(338,000)
Bond Premium	-	-	257,574	-	257,574
Interest Paid on Capital Debt	-	-	(245,866)	-	(245,866)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	344,403	(1,256,629)	-	(912,226)
Cash Flows from Investing Activities					
Interest and Related Income/Expenses on Investments	-	1,031	-	2,209	3,240
Purchase of Investments	-	-	(3,000,000)	(634)	(3,000,634)
Sale of Investments	-	-	110,390	-	110,390
Net Cash Provided by (Used for) Investing Activities	-	1,031	(2,889,610)	1,575	(2,887,004)
Net Increase (Decrease) in Cash and Cash Equivalents	680,835	(4,764)	(1,792,870)	(356,737)	(1,473,536)
Cash and Cash Equivalents, July 1, 2021	2,755,700	7,198	3,646,967	805,676	7,215,541
Cash and Cash Equivalents, June 30, 2022	\$ 3,436,535	2,434	1,854,097	448,939	5,742,005

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Regional Solid Waste Fund	Mass Transit Fund	Stormwater Management Fund	Johnson City Public Building Authority	Total Nonmajor Proprietary Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ 412,775	(3,658,965)	1,841,936	(356,103)	(1,760,357)
Adjustments:					
Depreciation and Amortization	386,840	592,890	341,994	-	1,321,724
Change in Net Pension Liability (Asset)	(433,141)	(993,648)	(204,514)	-	(1,631,303)
Change in Lease Receivable	-	(10,353)	-	-	(10,353)
Change in the Allowance for Uncollectible Receivables	7,063	-	8,737	-	15,800
(Increase) Decrease in Deferred Outflows Related to Pensions	423,174	(266,293)	(51,290)	-	105,591
Increase (Decrease) in Deferred Inflows Related to Pensions	(115,880)	980,608	201,814	-	1,066,542
Increase (Decrease) in Deferred Inflows Related to Leases	-	11,171	-	-	11,171
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(8,117)	63,130	(6,798)	-	48,215
Increase (Decrease) in Accounts Payable and Accrued Expenses	11,572	997	214,808	(2,209)	225,168
Increase (Decrease) in Accrued Payroll Expenses	7,487	21	1,465	-	8,973
Increase (Decrease) in Other Payables	3	-	-	-	3
Increase (Decrease) in Compensated Absences	(13,152)	(23,815)	5,664	-	(31,303)
Increase (Decrease) in Customer Deposits	2,211	-	(447)	-	1,764
Increase (Decrease) in Unearned Revenue	-	(1,080)	-	-	(1,080)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 680,835</u>	<u>(3,305,337)</u>	<u>2,353,369</u>	<u>(358,312)</u>	<u>(629,445)</u>

Non-Cash Capital and Related Financing Activities

Stormwater Management Fund

Amortization of Bond Premium totaling \$50,424 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.

See Independent Auditors' Report.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency on a cost-reimbursement basis.

Insurance Fund accounts for self-insured health and workers' compensation insurance.

Fleet Management Fund accounts for the maintenance and repair of the City's fleet of various motor vehicles.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 9,469,510	(43,759)	9,425,751
Accounts Receivable (Net)	381,770	2,314	384,084
Due from Other Funds	-	16,860	16,860
Inventories	-	694,845	694,845
Total Current Assets	<u>9,851,280</u>	<u>670,260</u>	<u>10,521,540</u>
Capital Assets			
Buildings and Improvements	-	311,001	311,001
Equipment and Vehicles	-	3,557,729	3,557,729
Less: Accumulated Depreciation	-	(1,334,945)	(1,334,945)
Net Capital Assets	<u>-</u>	<u>2,533,785</u>	<u>2,533,785</u>
Noncurrent Assets			
Net Pension Asset	<u>173,200</u>	<u>955,180</u>	<u>1,128,380</u>
Total Noncurrent Assets	<u>173,200</u>	<u>955,180</u>	<u>1,128,380</u>
Total Assets	<u>10,024,480</u>	<u>4,159,225</u>	<u>14,183,705</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Contributions After Measurement Date	34,711	205,214	239,925
Pension Changes in Experience	331	1,942	2,273
Pension Changes in Assumptions	<u>54,823</u>	<u>322,099</u>	<u>376,922</u>
Total Deferred Outflows of Resources	<u>89,865</u>	<u>529,255</u>	<u>619,120</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	277,457	401,421	678,878
Accrued Payroll Expenses	9,855	73,051	82,906
Accrued Expenses	5,784,693	-	5,784,693
Accrued Interest Payable	-	27,303	27,303
Compensated Absences - Current Portion	3,740	17,322	21,062
Notes and Bonds Payable - Current Portion	-	242,335	242,335
Total Current Liabilities	<u>6,075,745</u>	<u>761,432</u>	<u>6,837,177</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
LIABILITIES (CONTINUED)			
Noncurrent Liabilities			
Notes and Bonds Payable (Net)	-	1,740,038	1,740,038
Compensated Absences Payable	23,207	216,606	239,813
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	<u>23,207</u>	<u>1,956,644</u>	<u>1,979,851</u>
Total Liabilities	<u>6,098,952</u>	<u>2,718,076</u>	<u>8,817,028</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Changes in Experience	739	4,179	4,918
Pension Changes in Investment Earnings (Net)	<u>178,974</u>	<u>1,057,689</u>	<u>1,236,663</u>
Total Deferred Inflows of Resources	<u>179,713</u>	<u>1,061,868</u>	<u>1,241,581</u>
NET POSITION			
Net Investment in Capital Assets	-	551,412	551,412
Unrestricted	<u>3,835,680</u>	<u>357,124</u>	<u>4,192,804</u>
Total Net Position	<u>\$ 3,835,680</u>	<u>908,536</u>	<u>4,744,216</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
Operating Revenues			
Charges for Services (Net)	\$ 12,942,449	8,319,251	21,261,700
Other Revenue	1,553,453	9,145	1,562,598
Total Operating Revenues	<u>14,495,902</u>	<u>8,328,396</u>	<u>22,824,298</u>
Operating Expenses			
Personnel Services	228,177	2,065,218	2,293,395
Contractual Services	16,122,898	106,899	16,229,797
Materials and Supplies	-	27,524	27,524
Repairs and Maintenance	-	5,255,553	5,255,553
Other Operating Expenses	-	150,469	150,469
Depreciation and Amortization	-	329,295	329,295
Total Operating Expenses	<u>16,351,075</u>	<u>7,934,958</u>	<u>24,286,033</u>
Operating Income (Loss)	<u>(1,855,173)</u>	<u>393,438</u>	<u>(1,461,735)</u>
Nonoperating Revenues (Expenses)			
Investment Income	23,098	-	23,098
Interest Expenses and Commissions	-	(70,925)	(70,925)
Total Nonoperating Revenues (Expenses)	<u>23,098</u>	<u>(70,925)</u>	<u>(47,827)</u>
Change in Net Position	(1,832,075)	322,513	(1,509,562)
Net Position, July 1, 2021	<u>5,667,755</u>	<u>586,023</u>	<u>6,253,778</u>
Net Position, June 30, 2022	<u>\$ 3,835,680</u>	<u>908,536</u>	<u>4,744,216</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ -	30,805	30,805
Receipts from Interfund Services Provided	14,495,902	8,308,145	22,804,047
Payments to Employees	(272,362)	(2,343,273)	(2,615,635)
Payments to Suppliers	(17,340,886)	(5,660,132)	(23,001,018)
Payments for Interfund Services Used	-	(11,611)	(11,611)
Net Cash Provided by (Used for) Operating Activities	(3,117,346)	323,934	(2,793,412)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(46,571)	(46,571)
Payments on Long-Term Debt	-	(227,795)	(227,795)
Interest Paid on Long-Term Debt	-	(93,327)	(93,327)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(367,693)	(367,693)
Cash Flows from Investing Activities			
Interest Received	23,098	-	23,098
Net Cash Provided by (Used for) Investing Activities	23,098	-	23,098
Net Increase (Decrease) in Cash and Cash Equivalents	(3,094,248)	(43,759)	(3,138,007)
Cash and Cash Equivalents, July 1, 2021	12,563,758	-	12,563,758
Cash and Cash Equivalents, June 30, 2022	\$ 9,469,510	(43,759)	9,425,751

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (1,855,173)	393,438	(1,461,735)
Adjustments:			
Depreciation and Amortization	-	329,295	329,295
(Increase) Decrease in Deferred Pension Outflows	(51,615)	(305,060)	(356,675)
Increase (Decrease) in Deferred Pension Inflows	179,514	1,037,617	1,217,131
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	105,444	(896)	104,548
(Increase) Decrease in Due from Other Funds	-	11,450	11,450
(Increase) Decrease in Inventories	-	(239,036)	(239,036)
(Increase) Decrease in Net Pension Asset	(173,200)	(955,180)	(1,128,380)
Increase (Decrease) in Accounts Payable	(267,669)	107,738	(159,931)
Increase (Decrease) in Accrued Payroll Expenses	1,598	16,135	17,733
Increase (Decrease) in Compensated Absences	10,240	37,021	47,261
Increase (Decrease) in Net Pension Liability	(10,722)	(108,588)	(119,310)
Increase (Decrease) in Other Liabilities	(1,055,763)	-	(1,055,763)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,117,346)</u>	<u>323,934</u>	<u>(2,793,412)</u>

Non-Cash Capital and Related Financing Activities

Fleet Management Fund

- Amortization of Bond Premium totaling \$18,605 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.

See Independent Auditors' Report.

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the following amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

CITY OF JOHNSON CITY, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2022

Governmental Funds Capital Assets	<u>2022</u>	<u>2021</u>
Land	\$ 30,958,481	\$ 30,486,581
Buildings and Improvements	280,021,050	276,800,469
Right-to-Use Leased Assets	266,996	-
Equipment and Vehicles	51,928,644	49,173,335
Infrastructure	187,561,942	187,561,942
Intellectual Property	5,500	5,500
Artwork	265,150	265,150
Construction in Progress	<u>28,593,207</u>	<u>11,585,439</u>
Total Governmental Funds Capital Assets	<u>\$ 579,600,970</u>	<u>\$ 555,878,416</u>
Investments in Governmental Funds Capital Assets by Source		
General Fund	\$ 303,101,224	\$ 300,404,202
General Purpose School Fund	225,575,860	222,266,386
Special Revenue Funds	20,557,712	19,849,422
Capital Project Fund	1,772,967	1,772,967
Construction in Progress	<u>28,593,207</u>	<u>11,585,439</u>
Total Investments in Governmental Funds Capital Assets by Source	<u>\$ 579,600,970</u>	<u>\$ 555,878,416</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2022

	Land	Buildings and Improvements	Right-to-Use Leased Assets	Equipment and Vehicles	Infrastructure	Intellectual Property	Artwork	Construction in Progress	Total
Function and Activity									
General Government:									
General Administration	\$ 6,988,956	20,089,332	266,996	2,031,120	786,701	-	-	-	30,163,105
Information Technology	-	-	-	2,450,224	-	-	-	3,406,869	5,857,093
Total General Government	<u>6,988,956</u>	<u>20,089,332</u>	<u>266,996</u>	<u>4,481,344</u>	<u>786,701</u>	<u>-</u>	<u>-</u>	<u>3,406,869</u>	<u>36,020,198</u>
Education:									
General Operations	9,129,710	208,327,073	-	6,047,833	2,301,109	5,500	-	12,804,696	238,615,921
Food Service	-	-	-	2,729,955	-	-	-	-	2,729,955
Student Transit	-	-	-	5,377,617	-	-	-	-	5,377,617
Total Education	<u>9,129,710</u>	<u>208,327,073</u>	<u>-</u>	<u>14,155,405</u>	<u>2,301,109</u>	<u>5,500</u>	<u>-</u>	<u>12,804,696</u>	<u>246,723,493</u>
Parks, Recreation, Culture and Leisure	<u>5,843,892</u>	<u>36,197,999</u>	<u>-</u>	<u>5,531,901</u>	<u>6,955,882</u>	<u>-</u>	<u>-</u>	<u>3,575,346</u>	<u>58,105,020</u>
Public Works:									
Public Services	6,835,070	831,816	-	10,539,811	177,518,250	-	265,150	8,806,296	204,796,393
Recycling	-	462,980	-	-	-	-	-	-	462,980
Total Public Works	<u>6,835,070</u>	<u>1,294,796</u>	<u>-</u>	<u>10,539,811</u>	<u>177,518,250</u>	<u>-</u>	<u>265,150</u>	<u>8,806,296</u>	<u>205,259,373</u>
Public Safety:									
Police	-	1,521,026	-	7,888,329	-	-	-	-	9,409,355
Fire	-	5,581,969	-	9,135,465	-	-	-	-	14,717,434
Civil Defense	-	-	-	60,491	-	-	-	-	60,491
Total Public Safety	<u>-</u>	<u>7,102,995</u>	<u>-</u>	<u>17,084,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,187,280</u>
City Service:									
Library	2,160,853	7,008,855	-	-	-	-	-	-	9,169,708
Community Development	-	-	-	47,487	-	-	-	-	47,487
Metropolitan Transportation Planning	-	-	-	88,411	-	-	-	-	88,411
Total City Service	<u>2,160,853</u>	<u>7,008,855</u>	<u>-</u>	<u>135,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,305,606</u>
Total Governmental Funds									
Capital Assets	<u>\$ 30,958,481</u>	<u>280,021,050</u>	<u>266,996</u>	<u>51,928,644</u>	<u>187,561,942</u>	<u>5,500</u>	<u>265,150</u>	<u>28,593,207</u>	<u>579,600,970</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2022

Function and Activity	Governmental Funds Capital Assets June 30, 2021	Additions	Deletions	Transfers and Adjustments	Governmental Funds Capital Assets June 30, 2022
General Government:					
General Administration	\$ 30,035,353	1,289,266	(598,555)	(562,959)	30,163,105
Information Technology	3,991,889	1,979,882	-	(114,678)	5,857,093
Total General Government	<u>34,027,242</u>	<u>3,269,148</u>	<u>(598,555)</u>	<u>(677,637)</u>	<u>36,020,198</u>
Education:					
General Operations	226,893,845	11,700,233	-	21,843	238,615,921
Food Service	2,729,955	-	-	-	2,729,955
Student Transit	5,365,283	458,994	(390,855)	(55,805)	5,377,617
Total Education	<u>234,989,083</u>	<u>12,159,227</u>	<u>(390,855)</u>	<u>(33,962)</u>	<u>246,723,493</u>
Parks, Recreation, Culture and Leisure	<u>55,603,741</u>	<u>2,444,723</u>	<u>(574,317)</u>	<u>630,873</u>	<u>58,105,020</u>
Public Works:					
Public Services	199,238,724	5,753,060	(285,949)	90,558	204,796,393
Recycling	462,980	-	-	-	462,980
Total Public Works	<u>199,701,704</u>	<u>5,753,060</u>	<u>(285,949)</u>	<u>90,558</u>	<u>205,259,373</u>
Public Safety:					
Police	8,714,509	694,846	-	-	9,409,355
Fire	13,561,018	1,687,271	(470,364)	(60,491)	14,717,434
Civil Defense	-	-	-	60,491	60,491
Total Public Safety	<u>22,275,527</u>	<u>2,382,117</u>	<u>(470,364)</u>	<u>-</u>	<u>24,187,280</u>
City Service:					
Library	9,169,708	-	-	-	9,169,708
Community Development	-	24,487	-	23,000	47,487
Metropolitan Transportation Planning	111,411	-	-	(23,000)	88,411
Total City Service	<u>9,281,119</u>	<u>24,487</u>	<u>-</u>	<u>-</u>	<u>9,305,606</u>
Total Governmental Funds Capital Assets	<u>\$ 555,878,416</u>	<u>26,032,762</u>	<u>(2,320,040)</u>	<u>9,832</u>	<u>579,600,970</u>

See Independent Auditors' Report.

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

	Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Number	Contract Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
	U.S. Department of Agriculture:				
	Pass-through State Department of Education:				
	Child Nutrition Cluster:				
	National School Breakfast Program	10.553	N/A	N/A	\$ 978,083
	National School Lunch Program	10.555	N/A	N/A	3,598,701
	Child Nutrition Cluster Total				<u>4,576,784</u>
	National School Snack Program	10.500	N/A	N/A	97,752
	Pass-through State Department of Agriculture through the Northeast Tennessee Cooperative:				
	National School Lunch Program (Commodities - Noncash Assistance)	10.565	N/A	N/A	354,817
	Total U.S. Department of Agriculture				<u>5,029,353</u>
	U.S. Department of Health and Human Service:				
	Pass-Through First Tennessee Development District				
	Title III-B, III-D, and III-E	93.044	JOCITY-2020-HOOT-21	N/A	74,845
	Pass-through State of Tennessee Department of Education				
	Epidemiology and Laboratory Capacity	93.323	N/A	N/A	1,319,046
	Temporary Assistance for Needy Families - Learning Camps	93.558	N/A	N/A	247,067
	Total U.S. Department of Health and Human Service				<u>1,640,958</u>
	U.S. Department of Housing and Urban Development:				
	Direct Programs:				
	Community Development Block Grant	14.218	B-MC-47-0008	N/A	770,625
	Total U.S. Department of Housing and Urban Development				<u>770,625</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Number	Contract Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Justice:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-H9280-TN-DJ	N/A	5,034
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>5,034</u>
Bullet Proof Vest Program				
Bullet Proof Vest	16.607	2000-BU-BX-01007843	N/A	8,600
Total Bullet Proof Vest Program				<u>8,600</u>
Personal Protective Supplies & Response Program				
Personal Protective Supplies	16.034	2020-VD-BX-1591	N/A	7,561
Total Personal Protective Supplies & Response Program				<u>7,561</u>
Pass-through State Department of Justice:				
Criminal Justice Program				
JAG-VOCA	16.575	N/A	N/A	72,953
Criminal Justice Program				<u>72,953</u>
Total U.S. Department of Justice				<u>94,148</u>
U.S. Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants #TN-2019-036-01 (Operating)	20.507	N/A	N/A	798,896
Federal Transit Formula Grants #TN-2020-016-01 (5307 CARES Operating)	20.507	N/A	N/A	746,973
Federal Transit Formula Grants #TN-2022-006-00 (5307 ARP)	20.507	N/A	N/A	1,108,611
Federal Transit Formula Grants #TN-2020-016-00 (5307 CARES Capital)	20.507	N/A	N/A	9,942
Federal Transit Formula Grants #TN-90-2018-046-00 (Section 5307 Capital)	20.507	N/A	N/A	32,411
Federal Transit Formula Grants #TN-90-2019-036-00 (Section 5307 Capital)	20.507	N/A	N/A	5,516
Federal Transit Formula Grants #TN-90-2016-028-01 (Section 5339 Capital)	20.507	N/A	N/A	12,520
Total Federal Transit Cluster				<u>2,714,869</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

	Federal Assistance Number	Contract Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Pass-through State Department of Transportation:				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	Z-19MPO006	N/A	82,521
Highway Planning and Construction	20.205	59110 SPR-PL-6M	N/A	281,337
Highway Planning and Construction	20.205	DEMO-9107	90953-3551-54	424,421
Total Highway Planning and Construction Cluster				<u>788,279</u>
 New Freedom				
New Freedom #TN-57-X008-01 (Operating)	20.521	N/A	N/A	22,028
Total New Freedom				<u>22,028</u>
 Alcohol Open Container Requirements Program				
Alcohol Open Container Requirements - Safer Streets XIV 2022	20.607	N/A	Z22THS144	25,020
Alcohol Open Container Requirements - Safer Streets	20.607	N/A	Z21THS143	6,994
Total Alcohol Open Container Requirements Program				<u>32,014</u>
Total U.S. Department of Transportation				<u>3,557,190</u>
 U.S. Department of Commerce				
Pass-through State of Tennessee Economic Development Administration				
Wastewater Upgrade	11.307	04-79-07274		1,324,203
U.S. Department of Commerce				<u>1,324,203</u>
 U.S. Environmental Protection Agency:				
Pass-through State of Tennessee Environmental Protection Agency				
CWSRF Cluster				
State Revolving Loan Funds	66.458	State Revolving Loan	N/A	2,095,381 {1}
Total U.S. Environmental Protection Agency				<u>2,095,381</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Number	Contract Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education:				
Pass-through State Department of Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA)	84.027	N/A	H027A210052	1,846,809
Special Education - ARP IDEA	84.027X	ARP IDEA	H027X210052	68,381
Preschool Incentive Project	84.173	N/A	H173A210095	50,198
Total Special Education Cluster (IDEA)				<u>1,965,388</u>
Title I Grants to Local Educational Agencies	84.010	N/A	S010A210042	1,829,967
Title I-D	84.010	N/A	S010A210042	38,000
Career and Technical Education - Carl Perkins	84.048	N/A	V048A210042	140,327
Title IV Student Support and Academic Enrichment	84.424	N/A	S424A210044	160,414
Education for Homeless Children and Youth	84.196	N/A	S196A210044	82,200
21st Century Community Learning Center	84.287C	N/A	S287C210043	210,566
Title II, Part A, Improving Teacher Quality State Grants	84.367A	N/A	S367A210040	311,815
Title III, Immigrant and English Language Acquisition State Grants	84.365A	N/A	S365A210042	22,857
Literacy Training Stipend	84.371C	N/A	N/A	131,000
Civics Seat Grant	84.425C	N/A	S425C200027	7,000
Elementary and Secondary School Emergency Relief	84.425D	ESSER 1	S45D2000047	2,712
Elementary and Secondary School Emergency Relief	84.425D	ESSER 2	S45D2100047	1,486,960
Elementary and Secondary School Emergency Relief	84.425D	ESSER 3	S45U2100047	5,692,634
ARP Homeless 1.0	84.425W	N/A	S425W210044	18,196
ARP Homeless 2.0	84.425W	N/A	S425W210044-21A	88,545
Total U.S. Department of Education				<u>12,188,581</u>
U.S. Small Business Administration				
Direct Programs:				
Shuttered Venue Operators Grant	59.075	N/A	SBAHQ215SVO13002	867,573
Total U.S. Small Business Administration				<u>867,573</u>
Total Expenditures of Federal Awards				<u><u>\$ 27,568,012</u></u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City under programs of the federal government for the fiscal year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C: INDIRECT COST RATES

Effective November 2, 2017, the City Commission approved to adopt the 10 percent *de minimis* indirect cost rate.

NOTE D: FOOD DISTRIBUTION AND SURPLUS MILITARY PROPERTY

Non-monetary assistance is reported in the schedule at the fair market value of commodities received and used. The balance amounts represent inventory on hand. Non-monetary assistance is reported in the schedule at the estimated fair market value of property received and used.

NOTE E: PASSED THROUGH TO SUBRECIPIENTS

The City did not pass through any federal grant money to subrecipients in the fiscal year ended June 30, 2022. As such, the separate column for identification of subrecipient payments has not been presented herein.

NOTE F: AMERICAN RESCUE PLAN ACT

American Rescue Plan Act funds in the amount of \$6,707,720 were received in the fiscal year ended June 30, 2022. The City had not yet obligated or expended any of these funds and they are reported as deferred revenue in the General Fund financial statements.

{1} The loan has not been fully drawn as of June 30, 2022. As of June 30, 2022, the total balance on this loan is \$10,274,980.

See Independent Auditors' Report.

SCHEDULE OF EXPENDITURES
OF STATE AWARDS

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2022

Grantor Agency / Pass-Through Agency Program Title	Contract Number	Pass-Through Entity Identifying Number	Total State Expenditures
Tennessee Department of Corrections:			
State Boarding of Prisoners	N/A	N/A	\$ 738,045
Total Tennessee Department of Corrections			<u>738,045</u>
Tennessee Commission on Aging:			
Pass-through First Tennessee Development District:			
Senior Center Operations	N/A	JOCITY-2021-HOOT-22	<u>20,000</u>
Total Tennessee Commission on Aging			<u>20,000</u>
Tennessee Department of Economic and Community Development:			
Downtown Improvement Grant	N/A	N/A	<u>368,081</u>
Total Tennessee Department of Emergency Management Assistance			<u>368,081</u>
Tennessee Department of Finance and Administration:			
Governor's State Appropriation	N/A	N/A	<u>747,007</u>
Total Tennessee Department of Finance and Administration			<u>747,007</u>
Tennessee Department of Transportation:			
Highway Planning and Construction	90953-1042-54	N/A	3,681
Highway Planning and Construction	90NPLN-F-003	N/A	17,583
New Freedom Operating	905317-S3-011	N/A	11,014
Transit State Operating Grant	905307-S3-016	Z-21-UROP-10	536,449
Transit State Capital Grant	905307-S3-020	Z-120-5307-08	4,623
Transit State Capital Grant	905307-S3-023	GG2273101-03	3,099
Transit State Capital Grant	905339-S3-007	GG-20-67176-00	<u>1,565</u>
Total Tennessee Department of Transportation			<u>578,014</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2022

Grantor Agency / Pass-Through Agency Program Title	Contract Number	Pass-Through Entity Identifying Number	Total State Expenditures
Tennessee Commission on Children and Youth: Pass-Through Washington County, Tennessee: Juvenile Court State Supplement	Juvenile Court	Z-06-020439-00	4,500
Total Tennessee Commission on Children and Youth			<u>4,500</u>
Tennessee Housing Development Agency: Emergency Shelter Grant	Z-05-020660-01	N/A	281,318
Total Tennessee Housing Development Agency			<u>281,318</u>
Tennessee Department of Education:			
Lottery Pre-K	N/A	N/A	398,637
Family Resources	N/A	N/A	29,612
Safe Schools	GG-03009623	N/A	109,228
Coordinated School Health	N/A	N/A	100,000
CTE Middle School STEM	N/A	N/A	9,418
21st Century Community Learning Center	N/A	N/A	59,732
Learning Camps	N/A	N/A	663,124
Learning Camp Transportation	N/A	N/A	90,471
Total Tennessee Department of Education			<u>1,460,222</u>
Total Expenditures of State Awards			<u>\$ 4,197,187</u>

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

NOTE B: DOWNTOWN IMPROVEMENT GRANT

Downtown Improvement Grant funds in the amount of \$5,000,000 were received in the fiscal year ended June 30, 2022. The City had not yet obligated or expended the full amount of these funds and the unspent portion is reported as deferred revenue in the General Fund financial statements.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS
For the Fiscal Year Ended June 30, 2022

General Fund	Transfers In:								
	Debt Service		Special Revenue			Capital Project		Enterprise	
	Debt Service	Educ Facilities Debt Service	General Purpose School	Trans- portation Planning	Freedom Hall	School Federal and Special Projects	Capital Project Fund	Mass Transit	
General Fund	\$ -	\$ 9,092,452	\$ -	\$ 11,626,736	\$ 115,794	\$ 320,810	\$ -	\$ 8,213,675	\$ 748,528
Special Revenue Funds:									
General Purpose School	2,566	995,768	1,973,735	-	-	-	87,358	-	-
School Federal & Special Projects	-	-	-	408,378	-	-	-	3,853,787	-
Community Development	141,335	-	-	-	-	-	-	-	-
Enterprise Funds:									
Water and Sewer	750,000	-	-	-	-	-	-	-	-
Totals	<u>\$ 893,901</u>	<u>\$ 10,088,220</u>	<u>\$ 1,973,735</u>	<u>\$ 12,035,114</u>	<u>\$ 115,794</u>	<u>\$ 320,810</u>	<u>\$ 87,358</u>	<u>\$ 12,067,462</u>	<u>\$ 748,528</u>

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS -
ALL FUNDS - PRIMARY GOVERNMENT
June 30, 2022

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023	\$ 15,429,171	\$ 9,512,492	\$ 24,941,663
2024	15,416,170	9,373,585	24,789,755
2025	15,327,172	8,726,282	24,053,454
2026	14,357,293	8,069,266	22,426,559
2027	13,745,002	7,350,216	21,095,218
2028	14,313,000	6,718,012	21,031,012
2029	14,510,999	6,229,564	20,740,563
2030	14,059,995	5,571,966	19,631,961
2031	14,594,001	4,973,161	19,567,162
2032	12,296,000	4,373,049	16,669,049
2033	12,828,000	3,863,548	16,691,548
2034	12,135,000	3,331,388	15,466,388
2035	9,732,000	2,825,252	12,557,252
2036	10,055,000	2,388,712	12,443,712
2037	8,840,000	1,994,012	10,834,012
2038	9,170,000	1,648,100	10,818,100
2039	9,525,000	1,287,863	10,812,863
2040	8,553,455	891,107	9,444,562
2041	6,280,000	529,300	6,809,300
2042	6,140,000	284,100	6,424,100
2043	<u>1,275,000</u>	<u>44,625</u>	<u>1,319,625</u>
Totals	<u>\$ 238,582,258</u>	<u>\$ 89,985,600</u>	<u>\$ 328,567,858</u>

Note: The total reflected on the statement of net position has been increased by debt premium costs of \$18,733,759.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS -
ALL FUNDS - PRIMARY GOVERNMENT
June 30, 2022

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023	156,442	99,077	255,519
2024	162,700	94,444	257,144
2025	169,149	89,395	258,544
2026	175,592	84,127	259,719
2027	177,096	79,923	257,019
2028	133,605	75,602	209,207
2029	135,301	70,818	206,119
2030	142,008	66,024	208,032
2031	148,790	60,990	209,780
2032	150,598	55,770	206,368
2033	157,583	50,242	207,825
2034	164,606	44,505	209,111
2035	171,715	38,373	210,088
2036	173,881	32,008	205,889
2037	181,210	25,478	206,688
2038	188,607	18,550	207,157
2039	61,107	11,336	72,443
2040	63,697	8,749	72,446
2041	59,024	6,046	65,070
2042	36,912	4,093	41,005
2043	21,656	3,041	24,697
2044	17,597	2,407	20,004
2045	18,184	1,820	20,004
2046	18,784	1,220	20,004
2047	19,404	600	20,004
2048	7,896	62	7,958
Totals	<u>\$ 2,913,144</u>	<u>\$ 1,024,700</u>	<u>\$ 3,937,844</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2022
GOVERNMENTAL ACTIVITIES:								
<u>BONDS PAYABLE:</u>								
Payable Through Educational Facilities Debt Service Fund:								
Local Government Public Improvement Bonds, Series VII-I-1, 2010	\$ 27,945,000	5.00%	12/29/2010	6/1/2034	\$ 24,805,000	\$ -	\$ 415,000	\$ 24,390,000
General Obligation Bonds, Series 2019	275,000	5.00%	2/27/2019	6/1/2023	145,000	-	70,000	75,000
General Obligation Refunding Bonds, Series 2019B	2,161,743	4.00% - 5.00%	7/31/2019	6/1/2023	940,000	-	665,000	275,000
General Obligation Bonds, Series 2020	14,768,672	4.00% - 5.00%	12/15/2020	3/1/2033	14,768,672	-	1,772,849	12,995,823
General Obligation Bonds, Series 2022	1,935,000	4.00% - 5.00%	5/4/2022	3/1/2042	-	1,935,000	-	1,935,000
Total Bonds Payable Through Educational Facilities Debt Service Fund					<u>40,658,672</u>	<u>1,935,000</u>	<u>2,922,849</u>	<u>39,670,823</u>
Payable Through Debt Service Fund:								
The Tennessee Municipal Bond Fund, Series TCSLP 2008	14,898,315	5.00%	1/9/2009	5/25/2029	7,034,431	-	887,061	6,147,370
Qualified School Construction Bonds, Series 2009	8,160,000	1.52%	12/1/2009	9/1/2026	2,643,980	-	509,171	2,134,809

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2022
GOVERNMENTAL ACTIVITIES (CONTINUED):								
<u>BONDS PAYABLE (CONTINUED):</u>								
Payable Through Debt Service Fund (Continued):								
The Tennessee Municipal Bond Fund, 2009 Energy	5,200,000	5.00%	1/9/2009	5/25/2024	1,364,000	-	433,000	931,000
The Tennessee Municipal Bond Fund, Series 2014	2,000,000	2.56%	12/23/2014	11/1/2029	1,266,994	-	129,000	1,137,994
The Tennessee Municipal Bond Fund, Series 2014	1,300,000	2.58%	12/17/2014	11/1/2034	978,000	-	59,000	919,000
General Obligation Bonds, Series 2016	11,205,000	2.00% - 5.00%	4/12/2016	6/1/2036	9,275,000	-	455,000	8,820,000
General Obligation Improvement and Refunding Bonds, Series 2016A	20,905,517	3.00% - 5.00%	11/17/2016	6/1/2036	15,324,365	-	968,648	14,355,717
General Obligation Bonds, Series 2019	4,805,000	5.00%	2/27/2019	6/1/2039	4,420,000	-	210,000	4,210,000
General Obligation Refunding Bonds, Series 2019B	18,052,222	4.00% - 5.00%	7/31/2019	6/30/2040	16,725,881	-	590,295	16,135,586
General Obligation Bonds, Series 2020	12,186,553	4.00% - 5.00%	12/15/2020	3/1/2041	10,055,065	-	2,539,758	7,515,307
General Obligation Bonds, Series 2022	40,020,000	4.00% - 5.00%	5/4/2022	3/1/2042	-	40,020,000	-	40,020,000
Total Bonds Payable Through Debt Service Fund					69,087,716	40,020,000	6,780,933	102,326,783
Payable Through Fleet Management Fund:								
General Obligation Bonds, Series 2020	1,865,980	4.00% - 5.00%	12/15/2020	3/1/2028	1,865,980	-	227,795	1,638,185
Total Bonds Payable Through Fleet Management Fund					1,865,980	-	227,795	1,638,185
Total Governmental Activities General Obligation Bonds Outstanding								\$ 143,635,791

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2022
GOVERNMENTAL ACTIVITIES (CONTINUED):								
<u>OTHER NOTES PAYABLE:</u>								
Payable Through Debt Service Fund:								
Promissory Note Hands On	\$ 500,000	0.00%	9/21/2017	9/21/2026	\$ 300,000	\$ -	\$ 50,000	\$ 250,000
Total Other Notes Payable Through Debt Service Fund					300,000	-	50,000	250,000
Payable Through General Fund:								
Aerospace Park Bonds, Series 2018 Portion Guaranteed by the City	1,912,500	3.00% - 4.50%	3/29/2018	6/30/2038	1,715,000	-	75,000	1,640,000
Total Other Notes Payable Through General Fund					1,715,000	-	75,000	1,640,000
Total Governmental Activities Other Notes Outstanding								\$ 1,890,000

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

		Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2022
BUSINESS-TYPE ACTIVITIES:									
<u>BONDS PAYABLE:</u>									
Payable Through Water and Sewer Fund:									
	The Tennessee Municipal Bond Fund, Series TCSLP 2008	\$ 901,685	5.00%	1/9/2009	5/25/2029	\$ 467,568	\$ -	\$ 48,939	\$ 418,629
	General Obligation Bonds, Series 2013	23,970,000	2.00% - 4.00%	5/30/2013	6/1/2043	20,025,000	-	645,000	19,380,000
	General Obligation Refunding Bonds, Series 2015	5,745,000	1.50% - 2.00%	2/26/2015	6/1/2022	865,000	-	865,000	-
	General Obligation Improvement and Refunding Bonds, Series 2016A	17,289,483	3.00-5.00%	11/17/2016	6/1/2036	15,755,587	-	1,351,352	14,404,235
	General Obligation Bonds, Series 2019	12,380,000	5.00%	2/27/2019	6/1/2039	11,590,000	-	425,000	11,165,000
	General Obligation Refunding Bonds, Series 2019B	17,001,035	4.00%-5.00%	7/31/2019	6/1/2040	15,857,574	-	559,705	15,297,869
	State Revolving Loan [1]	10,274,980	1.25%	12/13/2019	7/1/2038	-	10,274,980	-	10,274,980
	General Obligation Refunding Bonds, Series 2022	23,000,000	4.00%-5.00%	5/4/2022	3/1/2042	-	23,000,000	-	23,000,000
	Total Bonds Payable Through Water and Sewer Fund					64,560,729	33,274,980	3,894,996	93,940,713
Payable Through City Solid Waste Fund:									
	General Obligation Bonds, Series 2019	1,785,000	5.00%	2/27/2019	6/1/2039	1,670,000	-	60,000	1,610,000
	General Obligation Bonds, Series 2020	813,283	4.00% - 5.00%	12/15/2020	3/1/2041	813,283	-	21,597	791,686
	Total Bonds Payable Through City Solid Waste Fund					2,483,283	-	81,597	2,401,686

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2022
BUSINESS-TYPE ACTIVITIES (CONTINUED):								
<u>BONDS PAYABLE (CONTINUED):</u>								
Payable Through Stormwater Management Fund:								
General Obligation Bonds, Series 2013	5,785,000	2.00% - 4.00%	5/30/2013	6/1/2034	4,015,000	-	260,000	3,755,000
General Obligation Bonds, Series 2020	2,442,000	4.00% - 5.00%	12/15/2020	3/1/2041	2,442,000	-	78,000	2,364,000
General Obligation Bonds, Series 2022	2,760,000	4.00% - 5.00%	5/4/2022	3/1/2042	-	2,760,000	-	2,760,000
Total Bonds Payable Through Stormwater Management Fund					6,457,000	2,760,000	338,000	8,879,000
Total Business-Type Activities Bonds Outstanding								\$ 105,221,399
<u>NOTES PAYABLE:</u>								
Payable Through Water and Sewer Fund:								
Limestone Cove	\$ 450,000	4.65%	3/13/2003	3/13/2041	\$ 325,441	\$ -	\$ 10,349	\$ 315,092
Watauga Flats	380,000	4.38%	4/20/2004	4/20/2042	279,650	-	8,502	271,148
Limestone Cove	125,000	4.25%	4/20/2005	4/20/2043	94,116	-	2,700	91,416
ARRA Greggton	435,000	3.25%	1/24/2010	1/14/2048	354,111	-	8,623	345,488
Total Notes Payable Through Water and Sewer Fund					1,053,318	-	30,174	1,023,144
Total Business-Type Activities Notes Outstanding								\$ 1,023,144

[1] The City is still drawing on the State Revolving Loan as of June 30, 2022 and therefore, an amortization schedule is not available at year end. The total amount available in the original agreement is \$15,000,000.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VII-I-1, 2010
ISSUED DECEMBER 29, 2010
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 885,000	731,700	1,616,700
2024	1,790,000	705,150	2,495,150
2025	1,855,000	651,450	2,506,450
2026	1,920,000	595,800	2,515,800
2027	1,985,000	538,200	2,523,200
2028	2,055,000	478,650	2,533,650
2029	2,125,000	417,000	2,542,000
2030	2,200,000	353,250	2,553,250
2031	2,280,000	287,250	2,567,250
2032	2,355,000	218,850	2,573,850
2033	2,440,000	148,200	2,588,200
2034	2,500,000	75,000	2,575,000
	<u>\$ 24,390,000</u>	<u>5,200,500</u>	<u>29,590,500</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	3,750	78,750
	\$ 75,000	3,750	78,750

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2019B
ISSUED JULY 31, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 275,000	13,750	288,750
	<u>\$ 275,000</u>	<u>13,750</u>	<u>288,750</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2020
ISSUED DECEMBER 15, 2020
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,855,822	628,675	2,484,497
2024	1,540,000	523,550	2,063,550
2025	1,615,000	446,550	2,061,550
2026	840,000	365,800	1,205,800
2027	880,000	323,800	1,203,800
2028	925,000	279,800	1,204,800
2029	975,000	233,550	1,208,550
2030	1,020,000	184,800	1,204,800
2031	1,070,000	133,800	1,203,800
2032	1,115,000	91,000	1,206,000
2033	1,160,001	46,399	1,206,400
	<u>\$ 12,995,823</u>	<u>3,257,724</u>	<u>16,253,547</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2022
ISSUED MAY 4, 2022
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	72,600	147,600
2024	60,000	84,250	144,250
2025	65,000	81,250	146,250
2026	70,000	78,000	148,000
2027	70,000	74,500	144,500
2028	75,000	71,000	146,000
2029	80,000	67,250	147,250
2030	85,000	63,250	148,250
2031	90,000	59,000	149,000
2032	90,000	54,500	144,500
2033	95,000	50,000	145,000
2034	100,000	45,250	145,250
2035	105,000	40,250	145,250
2036	110,000	35,000	145,000
2037	115,000	30,600	145,600
2038	120,000	26,000	146,000
2039	125,000	21,200	146,200
2040	130,000	16,200	146,200
2041	135,000	11,000	146,000
2042	140,000	5,600	145,600
	<u>\$ 1,935,000</u>	<u>986,700</u>	<u>2,921,700</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, SERIES TCSLP 2008
ISSUED JANUARY 9, 2009
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 931,583	184,421	1,116,004
2024	978,037	156,474	1,134,511
2025	767,283	127,133	894,416
2026	805,461	104,114	909,575
2027	845,502	79,951	925,453
2028	887,404	54,585	941,989
2029	932,100	27,962	960,062
	\$ 6,147,370	734,640	6,882,010

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, 2009 ENERGY
ISSUED JANUARY 9, 2009
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 454,000	27,930	481,930
2024	477,000	14,310	491,310
	\$ 931,000	42,240	973,240

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
QUALIFIED SCHOOL CONSTRUCTION BONDS, SERIES 2009
ISSUED DECEMBER 1, 2009
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 509,171	123,624	632,795
2024	509,171	123,624	632,795
2025	509,172	123,624	632,796
2026	559,293	123,624	682,917
2027	48,002	10,302	58,304
	\$ 2,134,809	504,798	2,639,607

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, SERIES 2014
ISSUED DECEMBER 17, 2014
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 60,000	25,781	85,781
2024	62,000	24,012	86,012
2025	64,000	22,185	86,185
2026	65,000	20,315	85,315
2027	67,000	18,400	85,400
2028	69,000	16,429	85,429
2029	70,000	14,412	84,412
2030	72,000	12,354	84,354
2031	74,000	10,237	84,237
2032	76,000	8,062	84,062
2033	78,000	5,829	83,829
2034	80,000	3,538	83,538
2035	82,000	1,189	83,189
	\$ 919,000	182,743	1,101,743

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, SERIES 2014
ISSUED DECEMBER 23, 2014
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 133,000	30,109	163,109
2024	136,000	26,330	162,330
2025	140,000	22,452	162,452
2026	143,000	18,475	161,475
2027	147,000	14,401	161,401
2028	151,000	10,214	161,214
2029	155,000	5,915	160,915
2030	132,994	1,868	134,862
	\$ 1,137,994	129,764	1,267,758

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2016
ISSUED APRIL 12, 2016
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 465,000	372,900	837,900
2024	490,000	349,650	839,650
2025	515,000	325,150	840,150
2026	540,000	299,400	839,400
2027	565,000	272,400	837,400
2028	590,000	249,800	839,800
2029	615,000	226,200	841,200
2030	640,000	201,600	841,600
2031	665,000	176,000	841,000
2032	690,000	149,400	839,400
2033	720,000	121,800	841,800
2034	745,000	93,000	838,000
2035	775,000	63,200	838,200
2036	805,000	32,200	837,200
	<u>\$ 8,820,000</u>	<u>2,932,700</u>	<u>11,752,700</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2016A
ISSUED NOVEMBER 17, 2016
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,029,841	618,830	1,648,671
2024	1,081,627	567,338	1,648,965
2025	1,134,485	513,257	1,647,742
2026	1,214,191	456,532	1,670,723
2027	1,189,780	395,823	1,585,603
2028	1,239,602	348,232	1,587,834
2029	1,286,150	298,648	1,584,798
2030	1,334,663	247,202	1,581,865
2031	1,395,378	193,815	1,589,193
2032	635,000	138,000	773,000
2033	660,000	112,600	772,600
2034	690,000	86,200	776,200
2035	720,000	58,600	778,600
2036	745,000	29,800	774,800
	\$ 14,355,717	4,064,877	18,420,594

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 220,000	186,050	406,050
2024	230,000	175,050	405,050
2025	245,000	163,550	408,550
2026	250,000	151,300	401,300
2027	190,000	138,800	328,800
2028	200,000	129,300	329,300
2029	210,000	119,300	329,300
2030	220,000	108,800	328,800
2031	230,000	97,800	327,800
2032	240,000	88,600	328,600
2033	250,000	79,000	329,000
2034	260,000	69,000	329,000
2035	270,000	58,600	328,600
2036	280,000	47,800	327,800
2037	295,000	36,600	331,600
2038	305,000	24,800	329,800
2039	315,000	12,600	327,600
	<u>\$ 4,210,000</u>	<u>1,686,950</u>	<u>5,896,950</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2019B
ISSUED JULY 31, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 441,438	772,570	1,214,008
2024	610,827	750,496	1,361,323
2025	641,625	719,951	1,361,576
2026	674,990	687,866	1,362,856
2027	708,354	654,114	1,362,468
2028	744,285	618,692	1,362,977
2029	780,216	581,474	1,361,690
2030	818,713	542,459	1,361,172
2031	859,778	501,520	1,361,298
2032	903,408	458,526	1,361,934
2033	949,605	413,351	1,362,956
2034	995,802	365,867	1,361,669
2035	1,047,132	316,071	1,363,203
2036	1,098,462	263,709	1,362,171
2037	1,142,092	219,766	1,361,858
2038	1,188,290	174,078	1,362,368
2039	1,234,486	126,541	1,361,027
2040	1,296,083	64,811	1,360,894
	<u>\$ 16,135,586</u>	<u>8,231,862</u>	<u>24,367,448</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2020
ISSUED DECEMBER 15, 2020
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,724,157	349,738	2,073,895
2024	1,248,971	275,917	1,524,888
2025	1,313,432	213,469	1,526,901
2026	370,891	147,797	518,688
2027	383,198	129,253	512,451
2028	407,658	110,093	517,751
2029	342,000	89,710	431,710
2030	361,000	72,610	433,610
2031	380,000	54,560	434,560
2032	82,000	39,360	121,360
2033	86,000	36,080	122,080
2034	88,000	32,640	120,640
2035	92,000	29,120	121,120
2036	96,000	25,440	121,440
2037	100,000	21,600	121,600
2038	104,000	17,600	121,600
2039	108,000	13,440	121,440
2040	112,000	9,120	121,120
2041	116,000	4,640	120,640
	<u>\$ 7,515,307</u>	<u>1,672,187</u>	<u>9,187,494</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2022
ISSUED MAY 4, 2022
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,520,000	1,501,170	3,021,170
2024	1,280,000	1,743,600	3,023,600
2025	1,345,000	1,679,600	3,024,600
2026	1,410,000	1,612,350	3,022,350
2027	1,480,000	1,541,850	3,021,850
2028	1,555,000	1,467,850	3,022,850
2029	1,630,000	1,390,100	3,020,100
2030	1,715,000	1,308,600	3,023,600
2031	1,800,000	1,222,850	3,022,850
2032	1,890,000	1,132,850	3,022,850
2033	1,985,000	1,038,350	3,023,350
2034	2,085,000	939,100	3,024,100
2035	2,185,000	834,850	3,019,850
2036	2,295,000	725,600	3,020,600
2037	2,390,000	633,800	3,023,800
2038	2,485,000	538,200	3,023,200
2039	2,585,000	438,800	3,023,800
2040	2,685,000	335,400	3,020,400
2041	2,795,000	228,000	3,023,000
2042	2,905,000	116,200	3,021,200
	<u>\$ 40,020,000</u>	<u>20,429,120</u>	<u>60,449,120</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
GENERAL OBLIGATION BONDS, SERIES 2020
ISSUED DECEMBER 15, 2020
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 242,335	81,909	324,244
2024	252,028	69,793	321,821
2025	266,569	57,191	323,760
2026	281,109	43,863	324,972
2027	290,802	29,807	320,609
2028	305,342	15,267	320,609
	\$ 1,638,185	297,830	1,936,015

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
ANNUAL DEBT SERVICE REQUIREMENTS – ALL GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 10,896,347	5,725,507	16,621,854
2024	10,745,661	5,589,544	16,335,205
2025	10,476,566	5,146,812	15,623,378
2026	9,143,935	4,705,236	13,849,171
2027	8,849,638	4,221,601	13,071,239
2028	9,204,291	3,849,912	13,054,203
2029	9,200,466	3,471,521	12,671,987
2030	8,599,370	3,096,793	11,696,163
2031	8,844,156	2,736,832	11,580,988
2032	8,076,408	2,379,148	10,455,556
2033	8,423,606	2,051,609	10,475,215
2034	7,543,802	1,709,595	9,253,397
2035	5,276,132	1,401,880	6,678,012
2036	5,429,462	1,159,549	6,589,011
2037	4,042,092	942,366	4,984,458
2038	4,202,290	780,678	4,982,968
2039	4,367,486	612,581	4,980,067
2040	4,223,083	425,531	4,648,614
2041	3,046,000	243,640	3,289,640
2042	3,045,000	121,800	3,166,800
	<u>\$ 143,635,791</u>	<u>50,372,135</u>	<u>194,007,926</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
OTHER NOTES PAYABLE TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
HANDS ON PROMISSORY NOTE
ISSUED SEPTEMBER 21, 2017
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 50,000	-	50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
	\$ 250,000	-	250,000

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
OTHER NOTES PAYABLE TO BE REPAID FROM GOVERNMENTAL ACTIVITIES
AEROSPACE PARK BONDS, SERIES 2018
ISSUED MARCH 29, 2018
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 75,000	58,075	133,075
2024	80,000	54,700	134,700
2025	85,000	51,100	136,100
2026	90,000	47,275	137,275
2027	90,000	44,575	134,575
2028	95,000	41,763	136,763
2029	95,000	38,675	133,675
2030	100,000	35,587	135,587
2031	105,000	32,337	137,337
2032	105,000	28,925	133,925
2033	110,000	25,381	135,381
2034	115,000	21,669	136,669
2035	120,000	17,644	137,644
2036	120,000	13,444	133,444
2037	125,000	9,244	134,244
2038	130,000	4,712	134,712
	<u>\$ 1,640,000</u>	<u>525,106</u>	<u>2,165,106</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
OTHER NOTES PAYABLE TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
ANNUAL DEBT SERVICE REQUIREMENTS – ALL GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 125,000	58,075	183,075
2024	130,000	54,700	184,700
2025	135,000	51,100	186,100
2026	140,000	47,275	187,275
2027	140,000	44,575	184,575
2028	95,000	41,763	136,763
2029	95,000	38,675	133,675
2030	100,000	35,587	135,587
2031	105,000	32,337	137,337
2032	105,000	28,925	133,925
2033	110,000	25,381	135,381
2034	115,000	21,669	136,669
2035	120,000	17,644	137,644
2036	120,000	13,444	133,444
2037	125,000	9,244	134,244
2038	130,000	4,712	134,712
	<u>\$ 1,890,000</u>	<u>525,106</u>	<u>2,415,106</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
TENNESSEE MUNICIPAL BOND FUND, SERIES TCSLP 2008
ISSUED JANUARY 9, 2009
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 51,417	20,931	72,348
2024	53,963	18,361	72,324
2025	56,717	15,662	72,379
2026	59,539	12,827	72,366
2027	62,498	9,849	72,347
2028	65,596	6,725	72,321
2029	68,899	3,446	72,345
	<u>\$ 418,629</u>	<u>87,801</u>	<u>506,430</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013
ISSUED MAY 30, 2013
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 670,000	616,863	1,286,863
2024	690,000	596,762	1,286,762
2025	705,000	582,963	1,287,963
2026	720,000	567,100	1,287,100
2027	740,000	549,100	1,289,100
2028	760,000	529,675	1,289,675
2029	780,000	506,875	1,286,875
2030	805,000	483,475	1,288,475
2031	835,000	456,306	1,291,306
2032	860,000	428,125	1,288,125
2033	890,000	399,100	1,289,100
2034	920,000	369,063	1,289,063
2035	1,000,000	338,013	1,338,013
2036	1,000,000	306,012	1,306,012
2037	1,025,000	273,512	1,298,512
2038	1,050,000	240,200	1,290,200
2039	1,080,000	204,763	1,284,763
2040	1,150,000	168,312	1,318,312
2041	1,200,000	129,500	1,329,500
2042	1,225,000	87,500	1,312,500
2043	1,275,000	44,625	1,319,625
	<u>\$ 19,380,000</u>	<u>7,877,844</u>	<u>27,257,844</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2016A
ISSUED NOVEMBER 17, 2016
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,525,114	642,870	2,167,984
2024	1,603,372	566,612	2,169,984
2025	1,655,515	486,443	2,141,958
2026	1,885,809	403,667	2,289,476
2027	1,425,220	309,377	1,734,597
2028	1,490,398	252,368	1,742,766
2029	1,533,850	192,752	1,726,602
2030	1,590,337	131,398	1,721,735
2031	1,694,620	67,784	1,762,404
	<u>\$ 14,404,235</u>	<u>3,053,271</u>	<u>17,457,506</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 445,000	489,000	934,000
2024	465,000	466,750	931,750
2025	490,000	443,500	933,500
2026	515,000	419,000	934,000
2027	540,000	393,250	933,250
2028	565,000	366,250	931,250
2029	595,000	338,000	933,000
2030	625,000	308,250	933,250
2031	655,000	277,000	932,000
2032	680,000	250,800	930,800
2033	710,000	223,600	933,600
2034	735,000	195,200	930,200
2035	765,000	165,800	930,800
2036	795,000	135,200	930,200
2037	830,000	103,400	933,400
2038	860,000	70,200	930,200
2039	895,000	35,800	930,800
	<u>\$ 11,165,000</u>	<u>4,681,000</u>	<u>15,846,000</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B
ISSUED JULY 31, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 418,562	732,380	1,150,942
2024	579,173	711,454	1,290,627
2025	608,375	682,499	1,290,874
2026	640,010	652,083	1,292,093
2027	671,646	620,086	1,291,732
2028	705,715	586,508	1,292,223
2029	739,784	551,226	1,291,010
2030	776,287	514,241	1,290,528
2031	815,222	475,430	1,290,652
2032	856,592	434,674	1,291,266
2033	900,395	391,849	1,292,244
2034	944,198	346,834	1,291,032
2035	992,868	299,629	1,292,497
2036	1,041,538	249,991	1,291,529
2037	1,082,908	208,334	1,291,242
2038	1,126,710	165,022	1,291,732
2039	1,170,514	119,959	1,290,473
2040	1,227,372	62,984	1,290,356
	<u>\$ 15,297,869</u>	<u>7,805,183</u>	<u>23,103,052</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022
ISSUED MAY 4, 2022
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 875,000	862,703	1,737,703
2024	735,000	1,001,950	1,736,950
2025	770,000	965,200	1,735,200
2026	810,000	926,700	1,736,700
2027	850,000	886,200	1,736,200
2028	895,000	843,700	1,738,700
2029	940,000	798,950	1,738,950
2030	985,000	751,950	1,736,950
2031	1,035,000	702,700	1,737,700
2032	1,085,000	650,950	1,735,950
2033	1,140,000	596,700	1,736,700
2034	1,195,000	539,700	1,734,700
2035	1,255,000	479,950	1,734,950
2036	1,320,000	417,200	1,737,200
2037	1,375,000	364,400	1,739,400
2038	1,430,000	309,400	1,739,400
2039	1,485,000	252,200	1,737,200
2040	1,545,000	192,800	1,737,800
2041	1,605,000	131,000	1,736,000
2042	1,670,000	66,800	1,736,800
	<u>\$ 23,000,000</u>	<u>11,741,153</u>	<u>34,741,153</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 65,000	70,500	135,500
2024	65,000	67,250	132,250
2025	70,000	64,000	134,000
2026	75,000	60,500	135,500
2027	80,000	56,750	136,750
2028	80,000	52,750	132,750
2029	85,000	48,750	133,750
2030	90,000	44,500	134,500
2031	95,000	40,000	135,000
2032	100,000	36,200	136,200
2033	100,000	32,200	132,200
2034	105,000	28,200	133,200
2035	110,000	24,000	134,000
2036	115,000	19,600	134,600
2037	120,000	15,000	135,000
2038	125,000	10,200	135,200
2039	130,000	5,200	135,200
	<u>\$ 1,610,000</u>	<u>675,600</u>	<u>2,285,600</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2020
ISSUED DECEMBER 15, 2020
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 26,686	34,288	60,974
2024	30,000	32,900	62,900
2025	30,000	31,400	61,400
2026	30,000	29,900	59,900
2027	35,000	28,400	63,400
2028	35,000	26,650	61,650
2029	35,000	24,900	59,900
2030	35,000	23,150	58,150
2031	40,000	21,400	61,400
2032	40,000	19,800	59,800
2033	45,000	18,200	63,200
2034	45,000	16,400	61,400
2035	45,000	14,600	59,600
2036	50,000	12,800	62,800
2037	50,000	10,800	60,800
2038	50,000	8,800	58,800
2039	55,000	6,800	61,800
2040	55,000	4,600	59,600
2041	60,000	2,400	62,400
	<u>\$ 791,686</u>	<u>368,188</u>	<u>1,159,874</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2013
ISSUED MAY 30, 2013
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 270,000	111,713	381,713
2024	275,000	103,612	378,612
2025	280,000	98,113	378,113
2026	290,000	91,812	381,812
2027	295,000	84,563	379,563
2028	305,000	76,819	381,819
2029	315,000	67,669	382,669
2030	320,000	58,219	378,219
2031	335,000	47,419	382,419
2032	345,000	36,112	381,112
2033	355,000	24,469	379,469
2034	370,000	12,486	382,486
	<u>\$ 3,755,000</u>	<u>813,006</u>	<u>4,568,006</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2020
ISSUED DECEMBER 15, 2020
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 81,000	102,240	183,240
2024	84,000	98,190	182,190
2025	90,000	93,990	183,990
2026	93,000	89,490	182,490
2027	96,000	84,840	180,840
2028	102,000	80,040	182,040
2029	108,000	74,940	182,940
2030	114,000	69,540	183,540
2031	120,000	63,840	183,840
2032	123,000	59,040	182,040
2033	129,000	54,120	183,120
2034	132,000	48,960	180,960
2035	138,000	43,680	181,680
2036	144,000	38,160	182,160
2037	150,000	32,400	182,400
2038	156,000	26,400	182,400
2039	162,000	20,160	182,160
2040	168,000	13,680	181,680
2041	174,000	6,960	180,960
	<u>\$ 2,364,000</u>	<u>1,100,670</u>	<u>3,464,670</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
GENERAL OBLIGATION BONDS, SERIES 2022
ISSUED MAY 4, 2022
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 105,000	103,496	208,496
2024	90,000	120,200	210,200
2025	95,000	115,700	210,700
2026	95,000	110,950	205,950
2027	100,000	106,200	206,200
2028	105,000	101,200	206,200
2029	110,000	95,950	205,950
2030	120,000	90,450	210,450
2031	125,000	84,450	209,450
2032	130,000	78,200	208,200
2033	135,000	71,700	206,700
2034	145,000	64,950	209,950
2035	150,000	57,700	207,700
2036	160,000	50,200	210,200
2037	165,000	43,800	208,800
2038	170,000	37,200	207,200
2039	180,000	30,400	210,400
2040	185,000	23,200	208,200
2041	195,000	15,800	210,800
2042	200,000	8,000	208,000
	<u>\$ 2,760,000</u>	<u>1,409,746</u>	<u>4,169,746</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION BONDS TO BE REPAYED FROM ENTERPRISE FUNDS
ANNUAL DEBT SERVICE REQUIREMENTS – ALL BUSINESS-TYPE ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 4,532,779	3,786,984	8,319,763
2024	4,670,508	3,784,041	8,454,549
2025	4,850,607	3,579,470	8,430,077
2026	5,213,358	3,364,029	8,577,387
2027	4,895,364	3,128,615	8,023,979
2028	5,108,709	2,922,685	8,031,394
2029	5,310,533	2,703,458	8,013,991
2030	5,460,624	2,475,173	7,935,797
2031	5,749,842	2,236,329	7,986,171
2032	4,219,592	1,993,901	6,213,493
2033	4,404,395	1,811,938	6,216,333
2034	4,591,198	1,621,793	6,212,991
2035	4,455,868	1,423,372	5,879,240
2036	4,625,538	1,229,163	5,854,701
2037	4,797,908	1,051,646	5,849,554
2038	4,967,710	867,422	5,835,132
2039	5,157,514	675,282	5,832,796
2040	4,330,372	465,576	4,795,948
2041	3,234,000	285,660	3,519,660
2042	3,095,000	162,300	3,257,300
2043	1,275,000	44,625	1,319,625
	<u>\$ 94,946,419</u>	<u>39,613,462</u>	<u>134,559,881</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAID FROM ENTERPRISE FUNDS
LIMESTONE COVE
ISSUED MARCH 13, 2003
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 10,837	14,387	25,224
2024	11,353	13,871	25,224
2025	11,890	13,334	25,224
2026	12,453	12,771	25,224
2027	13,042	12,182	25,224
2028	13,661	11,563	25,224
2029	14,309	10,915	25,224
2030	14,987	10,238	25,225
2031	15,697	9,526	25,223
2032	16,441	8,782	25,223
2033	17,220	8,004	25,224
2034	18,035	7,187	25,222
2035	18,890	6,334	25,224
2036	19,785	5,440	25,225
2037	20,722	4,502	25,224
2038	21,704	3,521	25,225
2039	22,732	2,491	25,223
2040	23,809	1,416	25,225
2041	17,525	325	17,850
	<u>\$ 315,092</u>	<u>156,789</u>	<u>471,881</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAID FROM ENTERPRISE FUNDS
WATAUGA FLATS
ISSUED APRIL 20, 2004
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 8,881	11,687	20,568
2024	9,247	11,321	20,568
2025	9,690	10,878	20,568
2026	10,123	10,445	20,568
2027	10,575	9,993	20,568
2028	11,021	9,547	20,568
2029	11,539	9,029	20,568
2030	12,054	8,514	20,568
2031	12,592	7,976	20,568
2032	13,134	7,434	20,568
2033	13,740	6,828	20,568
2034	14,354	6,214	20,568
2035	14,994	5,574	20,568
2036	15,651	4,917	20,568
2037	16,362	4,206	20,568
2038	17,093	3,475	20,568
2039	17,856	2,712	20,568
2040	18,648	1,920	20,568
2041	19,485	1,083	20,568
2042	14,109	244	14,353
	\$ 271,148	133,997	405,145

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAID FROM ENTERPRISE FUNDS
LIMESTONE COVE
ISSUED APRIL 20, 2005
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 2,817	3,831	6,648
2024	2,929	3,719	6,648
2025	3,066	3,582	6,648
2026	3,199	3,449	6,648
2027	3,338	3,310	6,648
2028	3,474	3,174	6,648
2029	3,633	3,015	6,648
2030	3,790	2,858	6,648
2031	3,955	2,693	6,648
2032	4,119	2,529	6,648
2033	4,304	2,344	6,648
2034	4,491	2,157	6,648
2035	4,686	1,962	6,648
2036	4,884	1,764	6,648
2037	5,100	1,548	6,648
2038	5,321	1,327	6,648
2039	5,552	1,096	6,648
2040	5,791	858	6,649
2041	6,044	604	6,648
2042	6,306	342	6,648
2043	4,617	78	4,695
	<u>\$ 91,416</u>	<u>46,240</u>	<u>137,656</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAID FROM ENTERPRISE FUNDS
ARRA GREGGTOWN
ISSUED JANUARY 24, 2010
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 8,907	11,097	20,004
2024	9,171	10,833	20,004
2025	9,503	10,501	20,004
2026	9,817	10,187	20,004
2027	10,141	9,863	20,004
2028	10,449	9,555	20,004
2029	10,820	9,184	20,004
2030	11,177	8,827	20,004
2031	11,546	8,458	20,004
2032	11,904	8,100	20,004
2033	12,319	7,685	20,004
2034	12,726	7,278	20,004
2035	13,145	6,859	20,004
2036	13,561	6,443	20,004
2037	14,026	5,978	20,004
2038	14,489	5,515	20,004
2039	14,967	5,037	20,004
2040	15,449	4,555	20,004
2041	15,970	4,034	20,004
2042	16,497	3,507	20,004
2043	17,041	2,963	20,004
2044	17,597	2,407	20,004
2045	18,184	1,820	20,004
2046	18,784	1,220	20,004
2047	19,404	600	20,004
2048	7,894	62	7,956
	<u>\$ 345,488</u>	<u>162,568</u>	<u>508,056</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAID FROM ENTERPRISE FUNDS
ANNUAL DEBT SERVICE REQUIREMENTS – ALL BUSINESS-TYPE ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 31,442	41,002	72,444
2024	32,700	39,744	72,444
2025	34,149	38,295	72,444
2026	35,592	36,852	72,444
2027	37,096	35,348	72,444
2028	38,605	33,839	72,444
2029	40,301	32,143	72,444
2030	42,008	30,437	72,445
2031	43,790	28,653	72,443
2032	45,598	26,845	72,443
2033	47,583	24,861	72,444
2034	49,606	22,836	72,442
2035	51,715	20,729	72,444
2036	53,881	18,564	72,445
2037	56,210	16,234	72,444
2038	58,607	13,838	72,445
2039	61,107	11,336	72,443
2040	63,697	8,749	72,446
2041	59,024	6,046	65,070
2042	36,912	4,093	41,005
2043	21,658	3,041	24,699
2044	17,597	2,407	20,004
2045	18,184	1,820	20,004
2046	18,784	1,220	20,004
2047	19,404	600	20,004
2048	7,894	62	7,956
	<u>\$ 1,023,144</u>	<u>499,594</u>	<u>1,522,738</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS
For the Year Ended June 30, 2022

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Restated Outstanding July 1, 2021	Issued During Period	Paid / Matured During Period	Outstanding June 30, 2022
GOVERNMENTAL ACTIVITIES:								
<u>LEASES PAYABLE</u>								
Payable Through the General Fund:								
Building - Family Justice Center	\$ 266,996	4.85%	6/8/2021	5/8/2026	\$ 266,996	\$ -	\$ 53,359	\$ 213,637
Total Leases Payable Through the General Fund					266,996	-	53,359	213,637
Total Governmental Activities Leases Payable Outstanding								\$ 213,637
BUSINESS-TYPE ACTIVITIES:								
<u>LEASES PAYABLE</u>								
Payable Through Water and Sewer Fund:								
Land - Parking	\$ 7,829	4.85%	11/1/2021	4/1/2023	\$ -	\$ 7,829	\$ 3,427	\$ 4,402
Building - Office Space	12,178	4.85%	11/1/2021	4/1/2023	-	12,178	5,331	6,847
Total Leases Payable Through Water and Sewer Fund					-	20,007	8,758	11,249
Total Business-Type Activities Leases Payable Outstanding								\$ 11,249

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF LEASE OBLIGATIONS PRINCIPAL AND INTEREST REQUIREMENTS
LEASES TO BE REPAYED FROM GOVERNMENTAL FUNDS
FAMILY JUSTICE CENTER BUILDING LEASE - ISSUED JUNE 8, 2021
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 50,757	9,243	60,000
2024	53,274	6,726	60,000
2025	55,916	4,084	60,000
2026	53,690	1,311	55,001
	\$ 213,637	21,364	235,001

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF LEASE OBLIGATIONS PRINCIPAL AND INTEREST REQUIREMENTS
LEASES TO BE REPAID FROM ENTERPRISE FUNDS
PARKING LEASE – ISSUED NOVEMBER 1, 2021
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 4,402	98	4,500
	\$ 4,402	98	4,500

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF LEASE OBLIGATIONS PRINCIPAL AND INTEREST REQUIREMENTS
LEASES TO BE REPAYED FROM ENTERPRISE FUNDS
BUILDING LEASE – ISSUED NOVEMBER 1, 2021
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 6,847	153	7,000
	<u>\$ 6,847</u>	<u>153</u>	<u>7,000</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF LEASE OBLIGATIONS PRINCIPAL AND INTEREST REQUIREMENTS
LEASES TO BE REPAID FROM ENTERPRISE FUNDS
ANNUAL LEASE SERVICE REQUIREMENTS – ALL BUSINESS-TYPE ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 11,249	251	11,500
	\$ 11,249	251	11,500

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF UNCOLLECTED DELINQUENT TAXES
June 30, 2022

Tax Year	Uncollected Delinquent Taxes June 30, 2022
2021	\$ 717,155
2020	167,335
2019	94,296
2018	76,368
2017	61,107
2016	65,071
2015	68,881
2014	129,268
2013	24,964
2012	42,815
2011	38,747
Total	\$1,486,008

Uncollected Delinquent Taxes Filed in Chancery Court:

As of April 1, 2022, the above delinquent real property taxes for 2011 through 2020 have been filed by the Delinquent Tax Attorney in Washington County Chancery Court.

As of April 1, 2022, the above delinquent personal property taxes for 2011 through 2021 have been filed by the Delinquent Tax Attorney in Washington County Chancery Court.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
UTILITY RATE STRUCTURE & NUMBER OF CUSTOMERS
June 30, 2022

<u>Water Rates:</u>	<u>Inside City</u>	<u>Outside City</u>
Base	\$5.62	\$10.06
0 - 20,000 Gallons Used	\$4.39 / 1,000 gal.	\$7.86/ 1,000 gal.
20,001 - 190,000 Gallons Used	\$3.51/ 1,000 gal.	\$6.28 / 1,000 gal.
190,000 - 490,000 Gallons Used	\$3.16 / 1,000 gal.	\$5.66/ 1,000 gal.
Over 490,000 Gallons Used	\$2.85 / 1,000 gal.	\$5.10 / 1,000 gal.
<u>Sewer Rates:</u>	<u>Inside City</u>	<u>Outside City</u>
Base	\$6.98	\$12.49
0 - 20,000 Gallons Used	\$7.01 / 1,000 gal.	\$12.55/ 1,000 gal.
20,001 - 190,000 Gallons Used	\$7.01 / 1,000 gal.	\$12.55/ 1,000 gal.
190,000 - 490,000 Gallons Used	\$7.01 / 1,000 gal.	\$12.55/ 1,000 gal.
Over 490,000 Gallons Used	\$7.01 / 1,000 gal.	\$12.55/ 1,000 gal.
<u>Residential Collection Rates:</u>	<u>Inside City</u>	<u>Outside City</u>
Collection at Roadside	\$11 / mon.	\$18 / mon.
Collection at Door	\$26 / mon.	\$29 / mon.
Additional Carts-Inside City ⁴	\$2.50/mon.*	-
Two Carts-Outside City	-	\$27 / mon.
Three Carts-Outside City	-	\$54 / mon.
<u>Commercial Collection Rates:</u>	<u>Inside City¹</u>	<u>Outside City²</u>
4 yard ³	\$69.50 / mon.	\$82 .00/ mon.
6 yard ³	\$84.50 / mon.	\$97.00 / mon.
8 yard ³	\$99.50 / mon.	\$112.00 / mon.
Each Commercial Cart-Inside City	\$16/mon.	-
Additional Carts-Inside City ⁴	\$2.50/mon.*	-
One Cart-Outside City	-	\$18 / mon.
Two Carts-Outside City	-	\$27 / mon.
Three Carts-Outside City	-	\$54 / mon.
<u>Number of Customers:</u>	<u>Inside City</u>	<u>Outside City</u>
Water	28,903	18,234
Sewer	25,277	4,893
Solid Waste ⁵	19,431	13,066
<u>Unaccounted for Water⁶:</u>	<u>Million Gallons</u>	<u>% of Total Gallons</u>
Water supplied	5,595	100.00%
Billed metered water	3,455	61.75%
Non-revenue water	2,141	38.27%

Sources: City of Johnson City Water/Sewer and Solid Waste Departments

¹Does not include dumpster which can be purchased or rented.

²Includes dumpster which is furnished.

³Rates based on one collection per week.

⁴Decal purchased annually for \$30 or prorated depending on purchase date.

⁵Does not include garbage pulls, front loader or container rentals.

⁶Additional details available on Schedule of Unaccounted for Water

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLE
Last Ten Fiscal Years

Tax Year	Property Tax Receivable Balance June 30, 2021	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Net Receivable Balance June 30, 2022
2022	\$ -	\$ -	\$ 37,592,718	\$ -	\$ -	\$ 37,592,718
2021	36,488,966	36,807,855	(36,488,966)	136,244	36,226,944	717,155
2020	595,085			78,983	506,733	167,335
2019	226,067			76,421	208,192	94,296
2018	92,890			12,179	28,701	76,368
2017	71,634			9,334	19,861	61,107
2016	66,635			443	2,007	65,071
2015	81,589			7,642	20,350	68,881
2014	139,820			1,533	12,085	129,268
2013	27,042			1,690	3,768	24,964
2012	44,452			1,318	2,955	42,815
2011	40,318			1,557	3,128	38,747
Totals	<u>\$ 37,874,498</u>	<u>\$ 36,807,855</u>	<u>\$ 1,103,752</u>	<u>\$ 327,344</u>	<u>\$ 37,034,723</u>	<u>\$ 39,078,726</u>

Source: City of Johnson City Finance Department

Notes: All uncollected real property taxes for years 2020 and prior, and all uncollected personal property taxes for years 2021 and prior, have been turned over to the County Clerk and Master for collection. Balance Sheet also includes Penalty and Interest Receivable of \$43,827.00, as well as the 2011 tax year per State Statute.

See Independent Auditors' Report.

STATISTICAL SECTION

This part of the City of Johnson City, Tennessee annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents:	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	262
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	269
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	273
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	278
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	281

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF JOHNSON CITY, TENNESSEE
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 135,679,728	\$ 145,233,944	\$ 146,062,186	\$ 149,886,448	\$ 157,267,474	\$ 172,294,598	\$ 164,348,526	\$ 158,376,815	\$ 134,543,008	\$ 168,891,753
Restricted	190,041	184,226	179,906	178,170	176,435	176,874	177,879	180,143	14,479,366	129,173,093
Unrestricted	<u>43,557,298</u>	<u>36,906,213</u>	<u>22,271,423</u>	<u>32,678,464</u>	<u>40,665,388</u>	<u>12,587,156</u>	<u>19,165,626</u>	<u>21,995,717</u>	<u>47,603,549</u>	<u>(58,488,089)</u>
Total Governmental Activities Net Position	<u>\$ 179,427,067</u>	<u>\$ 182,324,383</u>	<u>\$ 168,513,515</u>	<u>\$ 182,743,082</u>	<u>\$ 198,109,297</u>	<u>\$ 185,058,628</u>	<u>\$ 183,692,031</u>	<u>\$ 180,552,675</u>	<u>\$ 196,625,923</u>	<u>\$ 239,576,757</u>
Business-Type Activities										
Net investment in capital assets	\$ 237,654,677	\$ 249,654,751	\$ 258,922,440	\$ 268,916,812	\$ 125,239,905	\$ 130,448,631	\$ 129,639,300	\$ 137,501,779	\$ 150,129,222	\$ 173,472,721
Restricted	-	-	-	-	-	-	-	-	-	32,540,576
Unrestricted	<u>42,269,236</u>	<u>45,648,614</u>	<u>36,228,368</u>	<u>50,791,850</u>	<u>27,662,897</u>	<u>31,319,161</u>	<u>36,879,107</u>	<u>38,739,194</u>	<u>38,248,088</u>	<u>(2,690,645)</u>
Total Business-Type Activities Net Position	<u>\$ 279,923,913</u>	<u>\$ 295,303,365</u>	<u>\$ 295,150,808</u>	<u>\$ 319,708,662</u>	<u>\$ 152,902,802</u>	<u>\$ 161,767,792</u>	<u>\$ 166,518,407</u>	<u>\$ 176,240,973</u>	<u>\$ 188,377,310</u>	<u>\$ 203,322,652</u>
Primary Government										
Net investment in capital assets	\$ 373,334,405	\$ 394,888,695	\$ 404,984,626	\$ 418,803,260	\$ 282,507,379	\$ 302,743,229	\$ 293,987,826	\$ 295,878,594	\$ 284,672,230	\$ 342,364,474
Restricted	190,041	184,226	179,906	178,170	176,435	176,874	177,879	4,150,369	14,479,366	161,713,669
Unrestricted	<u>85,826,534</u>	<u>82,554,827</u>	<u>58,499,791</u>	<u>83,470,314</u>	<u>68,328,285</u>	<u>43,906,317</u>	<u>56,044,733</u>	<u>56,764,685</u>	<u>85,851,637</u>	<u>(61,178,734)</u>
Total Primary Government Net Position	<u>\$ 459,350,980</u>	<u>\$ 477,627,748</u>	<u>\$ 463,664,323</u>	<u>\$ 502,451,744</u>	<u>\$ 351,012,099</u>	<u>\$ 346,826,420</u>	<u>\$ 350,210,438</u>	<u>\$ 356,793,648</u>	<u>\$ 385,003,233</u>	<u>\$ 442,899,409</u>

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
<u>Governmental Activities:</u>										
General Government	\$ 12,419,584	\$ 9,266,874	\$ 4,564,277	\$ 4,335,325	\$ 9,643,114	\$ 12,786,476	\$ 13,076,213	\$ 24,016,203	\$ 15,279,090	\$ 3,912,065
Public Safety	31,395,845	30,692,083	30,939,191	32,305,227	31,610,552	33,343,553	27,295,207	28,292,328	29,131,902	30,094,302
Public Works	12,642,482	12,651,427	12,650,544	14,902,679	14,606,024	15,033,350	20,314,023	19,200,148	21,848,091	19,465,588
Parks, Recreation, Culture, Leisure	11,672,092	10,618,362	10,870,264	12,194,483	12,698,212	13,221,906	18,332,604	9,657,046	9,016,445	11,496,806
City Services	3,554,162	2,300,965	2,510,353	3,973,106	1,753,732	1,976,917	1,121,716	1,085,236	1,702,606	1,887,669
Education	66,648,109	67,898,323	67,770,806	69,976,221	73,857,226	74,537,135	83,153,479	86,422,316	92,698,132	95,625,942
Interest on Long-Term Debt	5,209,256	4,848,097	4,597,275	4,073,142	4,432,551	4,420,521	4,387,397	3,544,442	2,559,420	3,074,680
Total Governmental Activities	143,541,530	138,276,131	133,902,710	141,760,183	148,601,411	155,319,858	167,680,639	172,217,719	172,235,686	165,557,052
<u>Business-Type Activities:</u>										
Water and Sewer	26,701,483	27,144,157	27,738,376	27,613,936	27,669,083	27,588,826	28,583,025	29,548,812	30,066,813	30,671,877
City Solid Waste	8,564,272	8,812,294	8,792,209	8,476,506	8,725,010	9,348,989	9,734,302	10,187,184	10,645,004	11,066,084
Regional Solid Waste	1,879,979	2,359,107	2,507,334	2,499,989	2,540,729	2,634,499	2,937,745	2,991,546	3,162,510	3,325,840
Johnson City Power Board	182,309,204	187,412,031	187,141,320	177,636,443	330,100,133	-	-	-	-	-
Public Building Authority	2,483,843	1,860,680	1,802,483	1,784,026	1,610,582	1,410,549	7,068,931	7,637	21,736	356,103
Mass Transit	3,670,997	4,060,059	4,105,166	3,955,165	4,117,623	4,188,160	4,177,655	4,292,431	4,214,610	4,080,913
Stormwater Management	1,452,407	1,364,753	1,429,830	1,128,609	1,312,675	1,397,362	1,825,497	1,611,177	1,768,031	1,601,201
Golf Courses	1,191,088	1,181,532	1,105,750	1,131,202	1,366,224	1,118,089	-	-	-	-
Total Business-Type Activities	228,253,273	234,194,613	234,622,468	224,225,876	377,442,059	47,686,474	54,327,155	48,638,787	49,878,704	51,102,018
Total Expenses	\$ 371,794,803	\$ 372,470,744	\$ 368,525,178	\$ 365,986,059	\$ 526,043,470	\$ 203,006,332	\$ 222,007,794	\$ 220,856,506	\$ 222,114,390	\$ 216,659,070
Program Revenues										
<u>Governmental Activities:</u>										
Charges for Services:										
Public Safety	\$ 2,029,068	\$ 2,052,050	\$ 1,757,781	\$ 1,789,489	\$ 1,669,156	\$ 1,541,428	\$ 1,627,813	\$ 1,401,486	\$ 1,779,428	\$ 1,464,236
City Services	3,907,698	2,382,862	2,681,123	4,151,713	2,974,679	2,666,451	3,152,202	2,313,929	1,894,727	4,937,876
Education	2,759,877	2,813,129	2,671,039	2,728,801	2,592,278	2,648,631	2,837,113	2,659,394	4,478,993	4,745,968
Other Activities	2,087,215	2,393,283	2,557,362	2,960,484	2,901,925	3,335,874	3,355,935	3,278,202	3,315,981	3,763,937
Operating Grants and Contributions	39,259,020	40,117,315	39,497,052	40,988,489	43,451,171	44,780,548	46,072,045	46,776,092	57,043,975	62,747,780
Capital Grants and Contributions	537,527	4,504,724	2,769,030	2,333,757	5,825,912	12,769,039	1,506,284	390,647	111,000	1,539,509
Total Governmental Activities	50,580,405	54,263,363	51,933,387	54,952,733	59,415,121	67,741,971	58,551,392	56,819,750	68,624,104	79,199,306
<u>Business-Type Activities:</u>										
Charges for Services:										
Water and Sewer	30,059,125	31,826,356	34,301,931	34,578,056	35,384,686	35,279,454	37,120,170	37,450,215	39,136,652	41,936,030
City Solid Waste	9,123,389	9,233,914	9,415,360	9,418,453	9,920,132	10,126,509	10,731,221	10,810,713	11,089,912	12,150,591
Johnson City Power Board	190,986,834	193,430,658	192,872,051	186,860,746	154,193,474	-	-	-	-	-
Other Activities	6,387,939	6,442,117	6,459,367	6,628,788	6,600,708	6,579,202	5,946,855	6,557,310	6,987,779	7,390,897
Operating Grants and Contributions	1,986,176	6,629,333	2,454,077	2,488,746	2,831,403	2,609,938	2,632,075	3,050,073	3,116,706	3,007,815
Capital Grants and Contributions	206,452	416,299	327,374	1,571,898	413,391	350,697	2,086,154	678,522	1,669,951	1,610,039
Total Business-Type Activities	238,749,915	247,978,677	245,830,160	241,546,687	209,343,794	54,945,800	58,516,475	58,546,833	62,001,000	66,095,372
Total Program Revenues	\$ 289,330,320	\$ 302,242,040	\$ 297,763,547	\$ 296,499,420	\$ 268,758,915	\$ 122,687,771	\$ 117,067,867	\$ 115,366,583	\$ 130,625,104	\$ 145,294,678

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (92,961,125)	\$ (84,012,768)	\$ (81,969,323)	\$ (86,807,450)	\$ (89,186,290)	\$ (87,577,887)	\$ (109,129,247)	\$ (115,397,969)	\$ (103,611,582)	\$ (86,357,746)
Business-Type Activities	10,496,642	13,784,064	11,207,692	17,320,811	(168,098,265)	7,259,326	4,189,320	9,908,046	12,122,296	14,993,354
Total Net Expense	<u>\$ (82,464,483)</u>	<u>\$ (70,228,704)</u>	<u>\$ (70,761,631)</u>	<u>\$ (69,486,639)</u>	<u>\$ (257,284,555)</u>	<u>\$ (80,318,561)</u>	<u>\$ (104,939,927)</u>	<u>\$ (105,489,923)</u>	<u>\$ (91,489,286)</u>	<u>\$ (71,364,392)</u>
General Revenues										
<u>Governmental Activities:</u>										
Taxes:										
Property Taxes	\$ 40,822,891	\$ 41,912,196	\$ 42,425,368	\$ 48,996,724	\$ 50,416,299	\$ 54,104,970	\$ 55,483,051	\$ 55,130,602	\$ 55,556,523	\$ 56,562,922
Sales Taxes	36,766,067	36,860,487	39,012,253	41,079,414	42,264,409	43,200,014	44,509,947	45,790,641	51,994,687	60,392,012
Other Taxes	8,847,922	8,577,593	10,436,777	9,701,055	10,561,841	10,477,633	10,386,080	10,002,418	10,371,572	12,096,780
Unrestricted Investment Earnings	707,660	702,811	720,145	769,385	810,117	1,056,146	1,195,844	814,783	510,200	355,087
Miscellaneous	6,828	6,006	5,936	5,810	6,940	16,002	6,370	6,326	4,260	34,224
Transfers	1,018,959	(1,120,923)	466,812	484,629	492,899	(798,453)	(89,229)	513,843	(249)	1,472
Total Governmental Activities	<u>88,170,327</u>	<u>86,938,170</u>	<u>93,067,291</u>	<u>101,037,017</u>	<u>104,552,505</u>	<u>108,056,312</u>	<u>111,492,063</u>	<u>112,258,613</u>	<u>118,436,993</u>	<u>129,442,497</u>
<u>Business-Type Activities:</u>										
Unrestricted Investment Earnings	537,405	510,265	603,254	644,620	584,609	475,413	450,746	136,114	1,276	(46,540)
Miscellaneous	7,370	40,271	28,226	11,476	253,494	331,798	21,320	192,249	12,516	-
Transfers	(1,018,959)	1,045,545	(466,812)	(484,629)	(492,899)	798,453	89,229	(513,843)	249	(1,472)
Total Business-Type Activities	<u>(474,184)</u>	<u>1,596,081</u>	<u>164,668</u>	<u>171,467</u>	<u>345,204</u>	<u>1,605,664</u>	<u>561,295</u>	<u>(185,480)</u>	<u>14,041</u>	<u>(48,012)</u>
Total Primary Government	<u>\$ 87,696,143</u>	<u>\$ 88,534,251</u>	<u>\$ 93,231,959</u>	<u>\$ 101,208,484</u>	<u>\$ 104,897,709</u>	<u>\$ 109,661,976</u>	<u>\$ 112,053,358</u>	<u>\$ 112,073,133</u>	<u>\$ 118,451,034</u>	<u>\$ 129,394,485</u>
Change in Net Position										
Governmental Activities	\$ (4,790,798)	\$ 2,925,402	\$ 11,097,968	\$ 14,229,567	\$ 15,366,215	\$ 20,478,425	\$ 2,362,816	\$ (3,139,356)	\$ 14,825,411	\$ 43,084,751
Business-Type Activities	10,022,458	15,380,145	11,372,360	17,492,278	(167,753,061)	8,864,990	4,750,615	9,722,566	12,136,337	14,945,342
Total Change in Net Position	<u>\$ 5,231,660</u>	<u>\$ 18,305,547</u>	<u>\$ 22,470,328</u>	<u>\$ 31,721,845</u>	<u>\$ (152,386,846)</u>	<u>\$ 29,343,415</u>	<u>\$ 7,113,431</u>	<u>\$ 6,583,210</u>	<u>\$ 26,961,748</u>	<u>\$ 58,030,093</u>

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	In-Lieu of Tax	Local Sales Tax	State Sales Tax	Business Tax	Beer Tax	Local Liquor Tax	Room Occupancy Tax	Franchise Tax	Telephone/Cable Tax	Other Taxes	Total
2013	38,894,018	1,843,635	32,395,228	4,370,839	2,196,371	2,234,109	623,007	1,251,767	369,544	717,509	1,540,853	86,436,880
2014	39,977,645	1,934,551	32,343,153	4,517,334	1,982,393	2,197,683	671,464	1,285,430	399,873	761,565	1,279,185	87,350,276
2015	40,720,901	1,704,467	34,217,649	4,794,604	2,185,374	2,258,227	629,317	1,427,415	654,678	784,140	2,497,626	91,874,398
2016	46,033,026	2,963,698	35,971,479	5,107,935	2,270,973	2,166,272	777,946	2,007,870	492,083	802,123	1,183,788	99,777,193
2017	47,059,759	3,356,540	37,030,484	5,233,925	2,395,568	2,203,174	727,966	2,259,568	682,111	680,377	1,613,077	103,242,549
2018	47,691,286	6,413,684	37,817,911	5,382,103	2,444,271	2,198,827	684,360	2,135,805	680,162	791,000	1,543,208	107,782,617
2019	48,943,394	6,539,657	38,908,894	5,601,053	2,434,884	2,057,020	776,488	2,265,923	584,651	774,999	1,492,115	110,379,078
2020	48,414,530	6,716,072	40,037,172	5,753,469	2,492,158	2,051,323	883,091	2,016,288	588,739	771,884	1,198,935	110,923,661
2021	48,746,674	6,809,849	45,402,001	6,592,686	2,774,444	2,129,561	984,722	1,905,962	572,178	727,009	1,277,696	117,922,782
2022	49,736,053	6,826,869	52,358,363	8,033,649	3,170,557	2,148,162	957,690	2,936,121	790,494	733,965	1,359,791	129,051,714

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,156	\$ 72,979	\$ 85,520	\$ 96,946
Restricted	12,457,236	11,878,510	11,889,800	12,679,649	12,979,083	13,857,735	13,982,936	14,032,169	17,108,185	19,051,384
Committed	1,470,925	1,943,629	2,181,388	1,714,572	1,527,408	2,086,485	2,799,971	2,762,976	3,830,691	5,659,625
Assigned	2,355,773	2,348,660	3,023,818	3,180,670	3,276,728	3,567,788	3,872,171	4,037,445	4,339,826	4,524,298
Unassigned	<u>4,622,461</u>	<u>2,486,172</u>	<u>2,021,235</u>	<u>4,852,157</u>	<u>7,588,895</u>	<u>7,445,296</u>	<u>10,442,643</u>	<u>14,214,948</u>	<u>20,073,998</u>	<u>23,621,692</u>
Total General Fund	<u>\$ 20,906,395</u>	<u>\$ 18,656,971</u>	<u>\$ 19,116,241</u>	<u>\$ 22,427,048</u>	<u>\$ 25,372,114</u>	<u>\$ 26,957,304</u>	<u>\$ 31,166,877</u>	<u>\$ 35,120,517</u>	<u>\$ 45,438,220</u>	<u>\$ 52,953,945</u>
All Other Governmental Funds										
Non-Spendable	\$ 217,801	\$ 235,507	\$ 507,191	\$ 415,652	\$ 452,683	\$ 479,673	\$ 490,842	\$ 603,248	\$ 599,705	\$ 456,760
Restricted	10,917,248	9,297,773	7,621,989	17,406,094	24,615,974	29,107,085	20,547,758	11,338,923	29,823,407	76,600,631
Committed	610,429	681,946	454,544	517,952	322,079	582,994	645,856	347,975	316,060	545,246
Assigned	5,090,983	4,226,783	5,149,639	5,829,418	5,612,503	5,889,801	7,300,743	7,996,495	11,151,184	10,642,295
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 16,836,461</u>	<u>\$ 14,442,009</u>	<u>\$ 13,733,363</u>	<u>\$ 24,169,116</u>	<u>\$ 31,003,239</u>	<u>\$ 36,059,553</u>	<u>\$ 28,985,199</u>	<u>\$ 20,286,641</u>	<u>\$ 41,890,356</u>	<u>\$ 88,244,932</u>

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 80,445,192	\$ 81,782,676	\$ 85,081,967	\$ 93,279,948	\$ 96,278,500	\$ 100,949,681	\$ 103,172,357	\$ 104,256,784	\$ 110,207,351	\$ 119,610,404
Licenses and Permits	702,213	757,415	776,698	833,884	835,364	836,686	796,649	878,950	1,032,445	1,104,258
Intergovernmental	45,606,539	49,663,837	48,607,550	50,315,913	55,196,783	64,518,474	54,570,292	53,966,535	65,072,198	73,678,824
Charges for Services	2,991,501	3,050,353	3,095,598	3,702,978	3,628,029	3,821,724	4,065,044	3,824,575	4,252,566	3,989,329
Fines and Forfeitures	1,944,649	1,933,431	1,630,708	1,660,670	1,610,416	1,449,455	1,398,916	1,324,562	971,067	1,072,142
Use of Property	3,392,179	2,218,992	2,453,149	3,741,016	2,681,428	2,351,103	2,822,621	2,079,377	1,650,825	3,906,613
Investment Earnings	696,041	688,619	703,713	737,421	773,756	1,014,306	1,144,041	777,174	486,298	331,989
Miscellaneous	1,780,090	1,714,356	1,761,335	1,752,613	1,976,180	1,798,881	2,068,715	1,917,759	3,715,730	4,878,756
Total Revenues	137,558,404	141,809,679	144,110,718	156,024,443	162,980,456	176,740,310	170,038,635	169,025,716	187,388,480	208,572,315
Expenditures:										
General Government	11,150,547	11,258,034	10,848,901	11,670,070	13,106,067	14,090,259	14,505,704	16,197,625	16,038,866	17,540,335
Public Safety	24,726,131	25,127,286	25,482,244	25,474,069	25,825,505	26,653,821	26,638,085	27,574,172	28,408,995	29,393,791
Public Works	11,521,689	11,721,899	11,707,450	13,579,188	13,370,651	13,682,038	13,912,637	12,593,517	15,367,182	13,520,874
Parks, Recreation, Culture, Leisure	5,946,828	5,753,448	6,035,715	5,955,601	7,440,588	7,442,412	8,377,533	7,843,841	7,211,940	9,813,971
City Services	2,933,658	1,780,873	2,007,388	3,330,582	1,217,513	1,284,156	833,546	776,934	1,401,406	1,618,160
Education	66,418,198	67,693,080	67,619,069	69,571,178	73,648,389	74,287,608	76,104,927	78,925,763	85,080,796	88,317,040
Miscellaneous	7,940	6,020	5,000	7,000	4,800	4,250	-	-	-	-
Capital Outlay	9,741,929	11,158,840	10,587,147	14,864,040	26,225,574	15,202,240	22,331,962	16,710,161	14,445,818	26,610,355
Debt Service:										
Principal	7,916,760	8,277,136	8,570,964	9,217,182	10,885,598	10,134,338	10,185,740	10,449,115	8,278,931	10,091,201
Interest and Fiscal Fees	6,341,239	5,017,159	4,413,297	3,963,372	4,534,554	4,711,181	4,652,964	3,815,269	3,246,464	3,775,313
Other Charges	-	-	348,947	215,353	5,180,158	193,169	165,958	351,659	277,079	113,182
Total Expenditures	146,704,919	147,793,775	147,626,122	157,847,635	181,439,397	167,685,472	177,709,056	175,238,056	179,757,477	200,794,222
Excess (deficiency) of revenues over (under) expenditures	(9,146,515)	(5,984,096)	(3,515,404)	(1,823,192)	(18,458,941)	9,054,838	(7,670,421)	(6,212,340)	7,631,003	7,778,093

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses):										
Transfers (Net)	560,312	(868,916)	508,514	385,033	492,899	(2,596,257)	(1,094,905)	513,843	(249)	1,472
Contributions	-	819,247	-	-	-	-	-	-	-	-
Note Proceeds	-	-	2,727,592	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	4,300,516	-	-	-	6,296,716	-
Refunding Bond Payments	-	-	-	-	-	-	-	(23,857,877)	(6,875,699)	-
Bond Issuance	3,030,475	1,189,948	134,136	14,680,110	19,410,000	-	5,080,000	20,213,965	18,530,823	45,878,070
Premium on Bonds - Refunding	-	-	-	-	662,538	-	-	-	673,375	-
Premium on Bond Issuance	-	-	-	-	2,703,584	-	652,823	3,839,575	4,154,490	-
Leases Issued	-	-	-	-	-	-	-	-	-	266,996
Bond Proceeds from Other Gov't	-	-	-	-	520,718	-	-	-	-	-
Drawdown on Previous Bond	-	-	-	-	18,510	-	-	-	-	-
Sale of Property	130,386	210,655	345,882	601,431	89,767	169,977	145,338	666,663	254,371	225,364
Total Other Financing Sources (Uses)	3,721,173	1,350,934	3,716,124	15,666,574	28,198,532	(2,426,280)	4,783,256	1,376,169	23,033,827	46,371,902
Net Change in Fund Balances	\$ (5,425,342)	\$ (4,633,162)	\$ 200,720	\$ 13,843,382	\$ 9,739,591	\$ 6,628,558	\$ (2,887,165)	\$ (4,836,171)	\$ 30,664,830	\$ 54,149,995
Debt Service as a Percentage of Noncapital Expenditures	10.4%	9.7%	9.5%	9.2%	9.9%	9.7%	9.6%	9.0%	7.0%	8.0%

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Year	Real Property		Personal Property	Public Utility	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential & Farm Property	Industrial & Commercial Property						
2013	2012	909,372,575	754,500,160	99,025,795	50,171,410	1,813,069,940	1.57	5,844,618,770	31.02%
2014	2013	916,789,200	756,109,520	104,115,224	48,511,598	1,825,525,542	1.58	5,900,907,255	30.94%
2015	2014	887,013,750	770,839,760	106,999,274	47,559,678	1,812,412,462	1.62	5,831,826,480	31.08%
2016	2015	894,322,200	780,355,000	110,892,872	47,785,742	1,833,355,814	1.87	6,008,492,877	30.51%
2017	2016	898,799,800	798,558,600	128,527,419	49,677,344	1,875,563,163	1.87	6,028,691,817	31.11%
2018	2017	900,878,220	816,709,775	118,427,003	44,284,022	1,880,299,020	1.89	6,039,828,872	31.13%
2019	2018	904,621,575	829,503,520	117,170,861	42,946,986	1,894,242,942	1.89	6,202,530,538	30.54%
2020	2019	996,731,025	922,468,565	129,579,039	45,549,497	2,094,328,126	1.71	6,726,774,325	31.13%
2021	2020	1,004,984,125	921,290,360	134,969,007	46,841,383	2,108,084,875	1.71	6,775,214,984	31.11%
2022	2021	1,024,168,300	931,030,495	125,536,297	43,263,675	2,123,998,767	1.71	6,889,626,442	30.83%

269 Source: City of Johnson City Finance Department; State Board of Equalization Tax Aggregate Report of Tennessee; County Assessment Summary

Note: Tax rates are per \$100 of assessed value

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
PROPERTY TAX RATES (per \$100 assessed value)
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Johnson City Direct Rates*	1.57	1.58	1.62	1.87	1.87	1.89	1.89	1.71	1.71	1.73
Washington County Direct Rates										
General	0.65	0.65	0.68	0.69	0.74	0.74	0.74	0.67	0.67	0.67
Upkeep (Highway)	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.14	0.14	0.14
General Purpose School	0.74	0.77	0.80	0.80	0.83	0.83	0.83	0.74	0.74	0.74
General Capital Projects	-	-	-	-	0.32	0.32	0.21	0.20	0.03	0.03
Education Capital Projects	-	-	-	-	-	-	-	-	0.17	0.17
Debt Service	0.33	0.31	0.32	0.32	0.32	0.32	0.41	0.37	0.37	0.37
Solid Waste/Sanitation	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Total Direct Rate	<u>1.91</u>	<u>1.91</u>	<u>1.98</u>	<u>1.98</u>	<u>2.38</u>	<u>2.38</u>	<u>2.38</u>	<u>2.15</u>	<u>2.15</u>	<u>2.15</u>
Carter County Direct Rates										
General	0.87	1.02	0.92	1.02	0.99	1.00	1.14	1.05	1.08	0.91
Highway/Public Works	0.13	0.13	0.13	0.13	0.13	0.13	0.12	0.13	0.13	0.11
General Purpose Schools	1.04	1.04	1.06	1.06	1.11	1.12	1.07	1.07	1.07	0.88
General Debt Service	0.12	0.15	0.35	0.25	0.22	0.22	0.25	0.22	0.18	0.13
Total Direct Rate	<u>2.15</u>	<u>2.33</u>	<u>2.45</u>	<u>2.45</u>	<u>2.45</u>	<u>2.47</u>	<u>2.58</u>	<u>2.47</u>	<u>2.47</u>	<u>2.03</u>
Sullivan County Rates										
General	0.67	0.66	0.66	0.77	0.77	0.79	0.79	0.81	0.81	0.73
Solid Waste/Sanitation	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Highway	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07
General Purpose Schools	1.39	1.37	1.37	1.47	1.47	1.35	1.35	1.35	1.35	1.17
School Capital Project	0.07	0.07	0.07	0.10	0.10	0.09	0.09	0.09	0.09	0.08
General Debt Service	0.11	0.11	0.11	0.14	0.14	0.22	0.22	0.22	0.22	0.34
Total Direct Rate	<u>2.33</u>	<u>2.31</u>	<u>2.31</u>	<u>2.58</u>	<u>2.58</u>	<u>2.55</u>	<u>2.55</u>	<u>2.57</u>	<u>2.57</u>	<u>2.41</u>

Source: City of Johnson City Finance Department; County Budget Offices

Note: *There are no component breakdowns for the Johnson City direct tax rate.

See Independent Auditors' Report.

**CITY OF JOHNSON CITY
PRINCIPAL PROPERTY TAXPAYERS
For the Fiscal Years Noted**

Taxpayer	2022			2013		
	Taxable Assessed		Percentage of Total Taxable Assessed	Taxable Assessed		Percentage of Total Taxable Assessed
	Value	Rank		Value	Rank	
Glimcher Mall Johnson City LLC	\$ 22,627,200	1	1.1%	\$ 22,631,920	1	1.2%
Wal-Mart/Sams Real Estate	17,070,340	2	0.8%	18,398,500	3	1.0%
Mountain States Properties	14,302,695	3	0.7%	7,390,777	10	0.4%
American Water Heater	14,032,634	4	0.7%	9,365,367	7	0.5%
Atmos Energy Corp	12,750,963	5	0.6%	10,068,377	5	0.6%
Knob Creek Apts LLC	11,301,440	6	0.5%	10,686,400	4	0.6%
Reserve Johnson City	10,334,920	7	0.5%	-	-	0.0%
RAF Johnson City LLC (The Crossing)	9,811,320	8	0.5%	-	-	0.0%
Bristol Highway Partners	8,732,880	9	0.4%	-	-	0.0%
1109 University/ETSU 815 LLC	8,200,000	10	0.4%	-	-	0.0%
United Telephone	-	-	0.0%	18,653,630	2	1.0%
Johnson City Crossing LP	-	-	0.0%	8,682,560	8	0.5%
Hallmark Johnson City	-	-	0.0%	7,563,920	9	0.4%
Sofha Real Estate	-	-	0.0%	10,014,000	6	0.6%
Totals	\$ 129,164,392		6.1%	\$ 123,455,451		6.8%

Total Taxable Assessed Value:

FYE 2022 (Tax Year 2021) 2,123,998,767

FYE 2013 (Tax Year 2012) 1,813,069,940

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Tax Levy for Fiscal Year	Subsequent Adjustments to Levy	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Delinquent Taxes
				Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy	
2013	28,506,943	(73,004)	28,433,939	27,520,081	96.79%	871,043	28,391,124	99.85%	42,815
2014	28,843,764	39,503	28,883,267	28,103,866	97.30%	754,437	28,858,303	99.91%	24,964
2015	29,361,471	(28,737)	29,332,734	28,530,267	97.26%	673,199	29,203,466	99.56%	129,268
2016	34,322,563	7,021	34,329,584	33,579,748	97.82%	680,955	34,260,703	99.80%	68,881
2017	35,106,178	(217,390)	34,888,788	34,085,543	97.70%	738,175	34,823,717	99.81%	65,071
2018	35,527,100	11,877	35,538,977	34,725,926	97.71%	751,944	35,477,870	99.83%	61,107
2019	35,782,212	95,039	35,877,251	34,989,135	97.52%	811,748	35,800,883	99.79%	76,368
2020	35,946,258	(24,864)	35,921,394	35,062,834	97.61%	764,264	35,827,098	99.74%	94,296
2021	36,168,650	(6,633)	36,162,017	35,487,950	98.14%	506,733	35,994,683	99.54%	167,335
2022	36,748,225	195,874	36,944,099	36,226,944	98.06%		36,226,944	98.06%	717,155

Source: City of Johnson City Finance Department

Note: Receivables include liens outstanding for lot clean-up and demolition

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation	Notes	Capital	General Obligation	Revenue	Notes			
	Bonds	Payable	Lease	Bonds	Bonds	Payable			
2013	132,940,502	175,000	179,741	103,831,140	54,189,586	1,254,650	292,570,619	17.09%	4,539
2014	125,661,880	-	-	99,521,339	49,783,136	1,232,930	276,199,285	15.91%	4,263
2015	118,021,821	1,370,000	-	94,667,548	45,191,686	1,906,965	261,158,020	14.50%	4,006
2016	123,047,495	1,187,000	-	89,139,200	41,070,237	1,807,469	256,251,401	13.94%	3,909
2017	134,071,123	1,000,000	-	83,892,648	499,681	1,162,240	220,625,692	11.58%	3,331
2018	123,205,021	809,000	-	78,415,773	338,551	1,136,646	203,904,991	10.55%	3,071
2019	118,089,999	2,869,000	-	84,282,029	180,000	1,109,978	206,531,006	10.62%	3,093
2020	108,181,226	2,549,000	-	80,890,764	-	1,082,270	192,703,260	9.70%	2,880
2021	124,106,476	2,224,000	-	79,742,257	-	1,053,318	207,126,051	9.42%	2,915
2022	158,804,298	1,890,000	-	113,453,425	-	1,034,393	275,182,116	11.73%	3,861

Source: City of Johnson City Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended	General Obligation	Less: Amounts	Net General	Percentage of	
June 30	Bonds	Available in Debt	Obligation Bonds	Estimated Actual	
		Service Fund (1)		Taxable Value of	Per Capita
				Property	
2013	236,771,642	(1,628,613)	235,143,029	4.02%	3,648
2014	225,183,219	(1,688,300)	223,494,919	3.79%	3,450
2015	213,684,543	(1,582,959)	212,101,584	3.64%	3,253
2016	212,186,695	(2,138,472)	210,048,223	3.50%	3,204
2017	210,455,637	(2,409,472)	208,046,165	3.45%	3,141
2018	194,685,467	(2,591,862)	192,093,605	3.18%	2,893
2019	193,580,296	(3,178,319)	190,401,977	3.07%	2,851
2020	189,071,990	(3,970,226)	185,101,764	2.75%	2,767
2021	203,848,733	(6,136,193)	197,712,540	2.92%	2,783
2022	272,257,723	(7,696,541)	264,561,182	3.84%	3,712

Source: City of Johnson City Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Amount restricted for debt service principal payments

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Overlapping Debt:			
Carter County	\$ 15,716,865	2.00%	314,337
Sullivan County	228,563,109	0.04%	91,425
Washington County	<u>145,530,301</u>	62.00%	<u>90,228,787</u>
<i>Subtotal, Overlapping Debt</i>	<u>389,810,275</u>		<u>90,634,549</u>
Net Direct Debt:			
City of Johnson City	<u>160,694,298</u>	100.00%	<u>160,694,298</u>
Total Direct and Overlapping Debt	<u><u>\$ 550,504,573</u></u>		<u><u>251,328,847</u></u>

Sources: City of Johnson City Finance Department
County Governments

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Johnson City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 181,306,994	\$ 182,552,554	\$ 181,241,246	\$ 183,335,581	\$ 187,556,316	\$ 188,029,902	\$ 189,133,171	\$ 209,432,813	\$ 210,808,488	\$ 212,399,877
Total Net Debt Applicable to Limit	93,480,502	87,666,880	83,231,821	88,807,495	99,736,123	90,865,021	82,204,856	71,512,916	70,953,698	103,964,968
Legal Debt Margin	\$ 87,826,492	\$ 94,885,674	\$ 98,009,425	\$ 94,528,086	\$ 87,820,193	\$ 97,164,881	\$ 106,928,315	\$ 137,919,897	\$ 139,854,790	\$ 108,434,909
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	51.56%	48.02%	45.92%	48.44%	53.18%	48.32%	43.46%	34.15%	33.66%	48.95%

Legal Debt Margin Calculation for Fiscal Year 2022	
Total Taxable Assessed Value	2,123,998,767
Debit Limit (10% of Taxable Assessed Value)	212,399,877
Debt Applicable to Limit:	
General Obligation Debt	143,635,791
Less: Sales Tax Revenue Bonds	(39,670,823)
Total Net Debt Applicable to Limit	103,964,968
Legal Debt Margin	\$ 108,434,909

Source: City of Johnson City Finance Department

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
Water and Sewer Revenue Bonds:							
2013	30,059,125	23,099,853	6,959,272	1,615,000	319,125	1,934,125	3.60
2014	31,826,356	23,691,806	8,134,550	1,685,000	243,813	1,928,813	4.22
2015	34,301,931	24,366,537	9,935,394	1,615,145	164,825	1,779,970	5.58
2016	34,578,056	24,527,412	10,050,644	1,180,000	82,312	1,262,312	7.96
2017	35,384,686	25,206,358	10,178,328	160,000	27,425	187,425	54.31
2018	35,279,454	25,744,486	9,534,968	165,000	21,025	186,025	51.26
2019	37,120,170	25,675,151	11,445,019	175,000	14,425	189,425	60.42
2020	37,450,215	26,874,693	10,575,522	180,000	7,425	187,425	56.43
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Johnson City Power Board Revenue Bonds:							
2013	190,986,834	179,963,954	11,022,880	2,625,000	2,352,038	4,977,038	2.21
2014	193,430,658	185,172,023	8,258,635	2,735,000	2,247,038	4,982,038	1.66
2015	192,872,051	185,013,234	7,858,817	3,009,825	2,137,637	5,147,462	1.53
2016	186,860,746	175,630,596	11,230,150	2,955,000	2,023,838	4,978,838	2.26
2017	154,193,474	140,083,234	14,110,240	3,095,000	1,884,838	4,979,838	2.83
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: City of Johnson City Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
Operating Expenses do not include interest

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Census Data Year	Education Level - Population 25 Years and Over									
		Population	Personal Income	Per Capita Personal Income	Median Age	High School Graduate or Higher	Associate's Degree	Bachelor's Degree	Graduate or Professional Degree	School Enrollment	Unemployment Rate
2013	2012	64,452	1,711,974,024	26,562	37.5	86.5%	5.0%	21.3%	14.8%	7,559	8.3%
2014	2013	64,787	1,735,514,156	26,788	36.9	87.7%	5.0%	21.9%	14.8%	7,651	7.1%
2015	2014	65,196	1,800,648,324	27,619	36.4	88.3%	4.6%	22.6%	16.3%	7,902	6.6%
2016	2015	65,552	1,838,078,080	28,040	36.0	89.3%	5.3%	23.1%	16.3%	7,772	5.6%
2017	2016	66,233	1,905,788,342	28,774	35.9	89.9%	5.7%	23.1%	16.4%	7,739	4.4%
2018	2017	66,391	1,932,973,965	29,115	36.4	90.8%	5.9%	23.4%	16.7%	7,762	4.2%
2019	2017 *	66,778	1,944,241,470	29,115	36.4	90.8%	5.9%	23.4%	16.7%	7,860	4.4%
2020	2018 *	66,906	1,987,576,542	29,707	35.9	90.2%	6.3%	23.6%	16.8%	8,098	8.8%
2021	2020	71,046	2,198,092,194	30,939	35.6	90.2%	7.1%	23.1%	16.8%	7,584	5.3%
2022	2021	71,278	2,345,687,702	32,909	35.6	91.0%	7.1%	21.1%	18.0%	7,616	4.0%

Sources: U. S. Census Bureau (American Community Survey) - City of Johnson City
U. S. Department of Labor (Bureau of Labor Statistics) - City of Johnson City
Tennessee Department of Education (Report Card) - Johnson City Schools
World Population Review

*With the exception of population, personal income, school enrollment and unemployment rate, 2019 census information was unavailable.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
PRINCIPAL EMPLOYERS
For the Fiscal Years Noted

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
East Tennessee State University	3,541	1	6.6%	2,330	2	3.7%
Ballad Health Corporation	2,993	2	5.6%	3,541	1	5.6%
Veteran Health Administration	2,188	3	4.1%	1,592	4	2.5%
CITI Commerce Solution	1,700	4	3.2%	1,950	3	3.1%
Advanced Call Center Technologies, LLC	1,500	5	2.8%	1,200	6	1.9%
Washington County Board of Education	1,200	6	2.2%	1,200	7	1.9%
A. O. Smith (American Water Heater)	1,170	7	2.2%	1,300	5	2.0%
Frontier Health	1,100	8	2.0%	-	-	-
Johnson City Board of Education	1,100	9	2.0%	900	8	1.4%
City of Johnson City	985	10	1.8%	860	9	1.3%
				650	10	1.0%
	<u>17,477</u>		<u>32.5%</u>	<u>15,523</u>		<u>24.4%</u>

Total Washington County Employment:

FYE 2022 53,739

FYE 2013 63,720

Sources: First Tennessee Development District
Business Journal
Tennessee Department of Labor & Workforce Development

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	85	85	81	82	83	92	93	99	99	102
Public Safety	304	308	306	305	311	311	318	315	315	316
Public Works	84	84	83	84	82	79	82	82	82	82
Parks, Recreation, Culture, Leisure	70	70	70	77	80	87	88	87	87	89
Other City Services	72	72	69	71	68	70	70	71	71	71
Education	930	959	947	985	1,025	1,071	1,077	1,086	878	1100
Water and Sewer	164	164	164	165	166	169	170	174	175	178
Solid Waste	60	59	59	59	60	60	62	65	64	66
Storm Water Mgmt	8	8	8	8	8	8	8	9	9	9
Mass Transit	49	51	53	53	53	54	58	58	57	54
Golf Courses	10	10	10	9	8	7	7	7	7	8
	<u>1,836</u>	<u>1,870</u>	<u>1,850</u>	<u>1,898</u>	<u>1,944</u>	<u>2,008</u>	<u>2,031</u>	<u>2,051</u>	<u>1,844</u>	<u>2,073</u>

Sources: City of Johnson City Finance Department
Johnson City School System

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Student Transportation:										
Miles	522,207	512,606	469,210	482,215	595,719	530,243	547,480	524,739	414,092 *	535,132
Passengers	1,209,276	1,213,583	1,246,394	1,256,119	1,254,236	1,262,300	1,232,579	925,251	537,455 *	947,242
Police:										
Physical Arrests	5,843	5,071	5,127	5,094	5,023	5,167	5,179	4,741	4,906	5,474
Parking Citations	2,267	1,717	1,836	2,154	1,624	2,114	2,784	1,142	397	491
Traffic Citations	20,482	20,392	14,970	14,017	12,575	12,236	16,477	14,432	10,270	13,504
Camera Enforcement Citations	4,216	5,965	6,576	9,604	10,551	9,972	9,625	8,914	9,567	3,413
Fire:										
Calls Answered	9,704	8,892	9,485	10,297	9,645	9,657	9,765	9,449	9,455	9,830
Inspections	1,895	1,588	1,622	1,568	1,916	1,478	1,040	661	742	1,193
Public Works:										
Potholes Repaired	568	660	1,439	1,202	1,080	1,069	1,282	1,035	963	545
Streets Swept (linear miles)	4,948	5,222	5,148	7,183	5,898	5,825	5,244	4,139	4,300	4,134
Traffic Signals Repaired/Replaced	184	176	129	101	75	119	88	61	107	83
Snow & Ice Control Treatment (lane miles)	5,562	7,680	3,368	2,730	2,356	3,715	3,920	3,021	3,332	2,234
Public Welfare:										
Parks and Recreation:										
Pool Admissions	48,841	62,840	60,665	54,333	44,592	51,889	56,154	37,426	10,644	38,798
Youth Basketball Participants	650	650	658	645	704	760	716	698	-	635
Youth Kickball	105	87	81	59	-	-	-	-	-	-
Youth Soccer Participants	1,584	1,610	1,929	2,199	2,129	1,964	2,405	1,188	1,062	2,228
Youth Softball & Tee-ball Participants	164	147	119	83	108	103	93	-	94	129
Tennis Instruction Participants	161	69	81	162	65	64	104	120	162	162
Adult Basketball Teams	22	23	22	22	20	21	14	15	-	14
Adult Softball Teams	131	126	115	106	116	110	94	36	70	75
Senior Citizens Programs/Events Attendance	131,064	131,269	136,015	149,963	178,225	201,640	196,412	144,052	18,624	80,491
City Services:										
Freedom Hall Events	42	32	50	45	37	62	60	41	20	43

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water and Sewer:										
Average Daily Consumption (Water)	16.15 mgd	16.23 mgd	16.28 mgd	16.22 mgd	16.15 mgd	15.4 mgd	15.01 mgd	14.6 mgd	14.88 mgd	15.47 mgd
Maximum Daily Capacity (Water)	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd	28.00 mgd
Water Taps	325	330	401	308	372	356	338	410	500	480
Sewer Taps	221	1,043	908	335	517	355	333	709	640	799
Solid Waste:										
Refuse Collected (Tons)	86,177	85,725	86,936	90,601	91,486	96,304	103,267	100,268	101,840	108,871
Recyclables Sold (Tons)	5,954	5,678	5,889	6,281	6,009	5,406	5,553	5,072	5,277	5,310
Mulch Sold as Boiler Fuel (Tons)	14,501	17,512	11,640	6,801	8,756	11,691	7,240	5,967	-	-
Leaves Collected (Tons)	3,512	3,596	3,726	3,041	3,583	3,242	3,450	3,277	3,193	3,400
Golf Courses:										
18-Hole Rounds Played	36,635	34,074	33,051	35,452	33,458	29,377	24,583	9,555	32,639	36,767

Source: Various City Departments

Note: Operating Indicators are not available for the general government function.

* The numbers are down due to COVID schedule changes, hybrid and virtual classes.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Student Transportation:										
Buses	57	68	59	57	59	58	62	58	52	50
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	184	182	195	188	176	187	186	183	188	202
Motorcycle Units	3	3	3	3	3	3	3	3	3	3
Fire:										
Stations	9	9	9	9	9	9	9	9	9	9
Fire Trucks/Rescue Units	31	30	31	31	36	35	33	39	37	37
Public Works:										
Streets (Miles)	530.49	530.49	530.49	528.89	528.89	553.2	554	555.8	557.6	548
Traffic Signals	96	96	95	98	98	98	99	100	104	104
Public Welfare:										
Parks and Recreation:										
Park Sites	19	19	19	19	19	19	19	19	19	19
Park Acreage	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Therapy Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	22	22	22	22	22	22	22	22	22	18
Pickle Ball Courts										12
Community/Recreation Centers	5	5	5	4	4	4	4	5	4	4
School System:										
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Secondary Schools	3	3	3	3	3	3	3	3	3	4
Water and Sewer:										
Water Mains (Miles)	930	940	944	949	952	953	966	973	967	951
Fire Hydrants	3,422	3,486	3,533	3,569	3,630	3,670	3,675	3,738	3,765	3,856
Sanitary Sewers (Miles)	575	578	579	583	684	686	677	744	748	762
Manholes	12,911	12,968	13,042	13,086	13,229	13,311	13,327	13,567	13,572	13,848
Solid Waste:										
Collection Trucks	51	53	56	55	55	56	60	49	50	50
Golf Courses	2	2	2	2	2	1	1	1	1	1
Mass Transit:										
Buses/Trolleys/Vans	37	37	37	37	38	38	43	39	38	38

Source: Various City Departments
Note: Does not include leased property

See Independent Auditors' Report.

**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor and Board of Commissioners
City of Johnson City, Tennessee

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 the City of Johnson City, Tennessee (the City), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 28, 2023. In addition, we have audited the discretely presented component units of the City. This report does not include the results of the testing of internal control over financial reporting or compliance and other matters that are reported in those separately issued audit reports for the Johnson City Public Library and Johnson City Development Authority.

The financial statements of City of Johnson City, Tennessee's School's Internal School Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the City of Johnson City, Tennessee's School's Internal School Fund or that are reported separately by those auditors who audited the financial statements of the City of Johnson City, Tennessee's School's Internal School Fund.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 have not been 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.

City of Johnson City, Tennessee
Independent Auditors' Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters

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 City's financial statements will not to be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003 to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questions costs as items 2022-001 through 2022-004.

City of Johnson City, Tennessee's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response, and management's corrective action plan, were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Blackburn, Childers + Steagall, PC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

April 28, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Board of Commissioners
City of Johnson City, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Johnson City, Tennessee's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended June 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, 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 fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

City of Johnson City, Tennessee
Independent Auditors' Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters

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

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

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

Blackburn, Childers + Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

April 28, 2023

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on 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 the City of Johnson City, Tennessee (the City).
2. Three material weaknesses are reported. There is one significant deficiency reported relating to the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of the City, which are required to be reported in accordance with *Government Auditing Standards*, and disclosed during the audit.
4. No material weaknesses in internal control over major federal award programs are disclosed during the audit of the City.
5. The auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs that are required to be disclosed in accordance with Title 2 U.S. CFR section 200.516(a) of the Uniform Guidance.
7. The programs tested as major programs were as follows:

<u>Program</u>	<u>Federal Assistance Number</u>
Wastewater Upgrade	11.307
Community Development Block Grant	14.218
Highway Planning and Construction Cluster	20.205
Federal Transit Cluster	20.507
Shuttered Venue Operators Grant	59.075
Title I	84.010
Elementary & Secondary School Emergency Relief	84.425D
Epidemiology & Laboratory Capacity	93.323
Capitalization Grants for Clean Water State Revolving Loan	66.458

8. The threshold for distinguishing Types A and B programs was \$1,009,567.
9. The City was determined to be a low-risk auditee.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

Current Fiscal Year Findings

2022-001: Material Weakness – Johnson City Food Service Inventory

- **Criteria:** The perpetual school food service inventory records are kept in OneSource while financial records are maintained in and generated from Skyward. Entries to reconcile the Skyward balances to the balances shown in OneSource should be posted regularly to ensure accurate presentation.
- **Condition:** The values presented as of June 30, 2022 on the trial balance received for audit test work varied significantly from the OneSource report for the same data.
- **Cause:** Certain monthly processes, specifically the inventory reconciliations, were recorded incorrectly. Rather than reconciling existing balances to the proper accounts, inventory amounts were posted as additions to the existing balances.
- **Effect:** The June 2022 inventory balances presented on the trial balance were materially overstated.
- **Recommendation:** It is recommended that reconciling journal entries be posted to inventory values monthly with an additional review process to ensure that reconciliations align with adjusted balances.
- **City of Johnson City, Tennessee Management's Response:** School Finance staff will coordinate with School Food Services management to ensure that they receive food service inventory activity and record it in the general ledger in a timely manner.

2022-002: Material Weakness – Bank Reconciliations

- **Criteria:** Monthly bank reconciliations should be performed on all bank accounts in a timely manner.
- **Condition:** During review of cash, auditors noted that bank reconciliations were not performed timely during the year under audit and therefore, reconciliations were not readily available for any month after December 31, 2021. The cash balances presented as of June 30, 2022 on the original trial balance received for audit testwork could not be verified without completed bank reconciliations.
- **Cause:** Bank reconciliations were not performed in a timely manner.
- **Effect:** The June 30, 2022 cash balances reported on the trial balance were not accurate and were not adjusted properly due to the failure to perform the cash reconciliations in a timely manner. The client did prepare adjusting journal entries in March 2023 to record the corrected June 30, 2022 ending balances.
- **Recommendation:** It is recommended that bank reconciliations be performed in a timely manner for all cash accounts held by the City and be readily available for review.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2022-002: Material Weakness – Bank Reconciliations (Continued)

- ***City of Johnson City, Tennessee Management's Response:*** Accounting continued to be overburdened with the implementation of the new software system which began in the previous fiscal year. Key elements of the bank reconciliation process were incorrectly set up in the system and numerous delays were encountered obtaining files from the bank to upload. Additionally, turnover in the staff responsible for bank reconciliations resulted in additional work for other accountants who were already working at full capacity. A manual bank reconciliation process has been developed and implemented until the automated process is in place. Other mitigating cash controls are in place to ensure deposits are reconciled with individual cashier activity and discrepancies are investigated timely. Weekly reconciliation of cash receipts to the bank has been implemented in 2023 and is being maintained by a Staff Accountant. We expect to be fully caught up on bank reconciliations by July 1st, at which time a monthly timeline for completion will be developed and implemented to ensure timely completion of the bank reconciliations.

2022-003: Material Weakness – Accurate Financial Reporting

- ***Criteria:*** Timely and accurate financial reporting is essential for proper oversight and decision making within the City. All trial balance amounts should be properly reconciled to subsidiary ledgers, underlying accounting data, and reconciliations. Additionally, the State of Tennessee Audit Manual requires that accounting records be closed within sixty days after fiscal year end.
- ***Condition:*** Many fund level trial balances were not properly adjusted during the year end close due to the lack of supporting financial reporting information available from the accounting software. Major areas affected include cash, payroll, utility billings, grant reporting, and capital assets.
- ***Cause:*** Implementation issues with the new software conversion process were not timely addressed and corrected in order to allow for accurate financial reporting for the year ended June 30, 2022. Errors were noted in report generation, reconciliations to the subsidiary ledgers, and incompatible software integration.
- ***Effect:*** A significant number of journal entries, both client prepared and auditor proposed, were necessary in order to properly reflect the financial accounting position of the City at June 30, 2022. Client prepared journal entries were not finalized until March 2023.
- ***Recommendation:*** We recommend that the City continue to work with their programmer and software liaison to improve the software integration features. We further recommend that the City continue to conduct manual reviews and reconciliations of major areas until the software reporting issues have been fully resolved.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2022-003: Material Weakness – Accurate Financial Reporting (Continued)

- ***City of Johnson City, Tennessee Management's Response:*** The implementation of a new software system, which began in the previous fiscal year, created hardships for the accurate and timely reporting of financial data. Accounting and IT continue to work extensively with the implementation team and software support to correct the flaws identified after implementation. Staff has implemented manual processes that allow the reconciliation and adjustment of fund financial data in a timely manner, thus providing more accurate and timely information to be available to end users. Manual processes will continue to be performed until such a time that implementation flaws have been corrected and the software allows for accurate and timely financial reporting.

2022-004: Significant Deficiency – Cash Disbursements and Purchasing

- ***Criteria:*** Cash disbursement documentation should include proper evidence of approval, invoice, purchase order, receipt form, and any additional information available.
- ***Condition:*** During the testing of cash disbursements, it was noted that several of the disbursements' documentation occurring after the software change did not have a purchase order when over threshold amounts noted in the purchasing policy, receipt of goods/services form, or reference to a fund and account number charged. This was noted on purchases by the City and the Public Building Authority. The bypassing of certain purchasing procedures occurred in an effort to obtain repair/replacement parts of a scarce nature, by ordering them before or without obtaining approval from purchasing.
- ***Cause:*** Proper cash disbursement documentation was not obtained and/or retained for every purchase. The City approved purchasing policies were not always followed. It was noted that specific departments were circumventing certain steps of the purchasing procedures in an effort to acquire replacement parts that are in short supply.
- ***Effect:*** The effect of these issues causes certain purchases to not be in compliance with the internal control procedures for cash disbursements as prescribed by the City's purchasing policy. It further indicates that the nonconforming transactions were not identified through the City's internal review processes.
- ***Recommendation:*** We recommend the purchasing procedures, as adopted by the City and illustrated in the purchasing policy, be followed for all cash disbursements. We further recommend that the City implement controls to ensure the policies are followed and review procedures are adequate to identify nonconforming transactions. It is recommended that cash disbursement evidence be obtained and be readily available.
- ***City of Johnson City, Tennessee Management's Response:*** The City underwent changes to processes beginning with the implementation of new software in Fiscal Year 2021.

**CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2022-004: Significant Deficiency – Cash Disbursements and Purchasing (Continued)

While learning these processes and new software, some tasks took a greater amount of time to accomplish and were rushed in order to complete work. Consequently, some purchases were not reviewed closely enough prior to approval and payment to identify that the documentation was incomplete or that proper purchasing procedures had not been followed. All departments are aware of the purchasing procedures and policy and are expected to adhere to them. Additional training will be provided if necessary and repeat offenders may incur disciplinary action. Approvers and Accounts Payable have been reminded of the importance of a complete review of all documentation prior to approval and payment to ensure compliance.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/ Current Year Finding Number
2021-001	Significant Deficiency - Johnson City Food Service Inventory	Not Corrected; Changed to a Material Weakness - Repeated as 2022-001
2021-002	Significant Deficiency - Bank Reconciliations	Not Corrected; Changed to a Material Weakness - Repeated as 2022-002

Federal Award Findings and Questioned Costs

None Reported.

April 28, 2023

Blackburn, Childers & Steagall, PLC
P. O. Box 3745
Johnson City, Tennessee 37602

RE: Management's Corrective Action Plan June 30, 2022

Name of Contact Person

Stephanie Laos, Finance Director

Signature: _____



Anticipated Completion Date

April 30, 2023

2022-001: Johnson City Food Service Inventory

School Finance staff will set up a monthly schedule to coordinate with School Food Services management to ensure that they receive food service inventory activity and record it in the general ledger in a timely manner.

Anticipated Completion Date

July 1, 2023

2022-002: Bank Reconciliations

Accounting continued to be overburdened with the implementation of the new software system which began in the previous fiscal year. Key elements of the bank reconciliation process were incorrectly set up in the system and numerous delays were encountered obtaining files from the bank to upload. A manual bank reconciliation process has been developed and implemented until the automated process is in place. Daily deposits are reconciled with individual cashier activity and discrepancies are investigated timely. Weekly reconciliation of cash receipts to the bank account activity was implemented in 2023 and is being maintained by a Staff Accountant. Reports were developed to review all cash disbursements and enable a manual reconciliation to transactions in the bank accounts. Excel spreadsheets are utilized to compile all data and create the bank reconciliation. We expect to be fully caught up on bank reconciliations by July 1st, at which time a monthly timeline for completion will be developed and implemented to ensure timely completion of the bank reconciliations.