



City of Johnson City
Tennessee

**Annual Comprehensive Financial Report
For The Year Ended June 30, 2021**

*Willow Springs Park
Johnson City, TN
Cover Design by:
Samantha Berkley – Finance Department
City of Johnson City, Tennessee*

City of Johnson City, Tennessee

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2021



Prepared by:

Finance Department

Janet Jennings, CPA, Director of Finance

CITY OF JOHNSON CITY, TENNESSEE

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2021

CITY OF JOHNSON CITY, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021
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City of Johnson City Tennessee

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

Office of Finance Director

December 30, 2021

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, 2021 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 514,899. 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 Veteran’s Administration 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 8.8% to 5.3% in the unemployment rate (not seasonally adjusted). The year-end statewide unemployment rate was 5.6% (not seasonally adjusted). A balance of property and sales taxes support the City’s finances. Current property taxes billed reflected moderate growth of .8%. 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 13.6% due to strong retail sales activity.

Long-term financial planning. East Tennessee State University continued investing in the community, with the early 2021 opening of The Martin Center for the Arts. The City contributed \$8 million in bond proceeds as well as in-kind donations. Revitalization of the downtown area continues to spur outside investment, including condominium/apartment development, retail, dining and entertainment. Stormwater remediation projects, resulting in the creation of Founders Park and King Commons Park, have served as a catalyst for increased real estate activity in the downtown area. To further support growth, the City is in the midst of a major redevelopment project for the Walnut Street Corridor, which serves as a connector between East Tennessee State University and Downtown. Transportation and utility infrastructure enhancements, as well as recreational and educational facility investments, continue to support new development across the entire 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 (20% of total general fund expenditures and interfund transfers). In addition to the restricted reserve, the City has unassigned fund balance representing 22.5% 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, 2020. This was the City’s twentieth 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.

A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another award.

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 blue ink that reads "Janet Jennings". The signature is written in a cursive style with a large initial "J".

Janet Jennings, CPA, CPFO
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Johnson City
Tennessee**

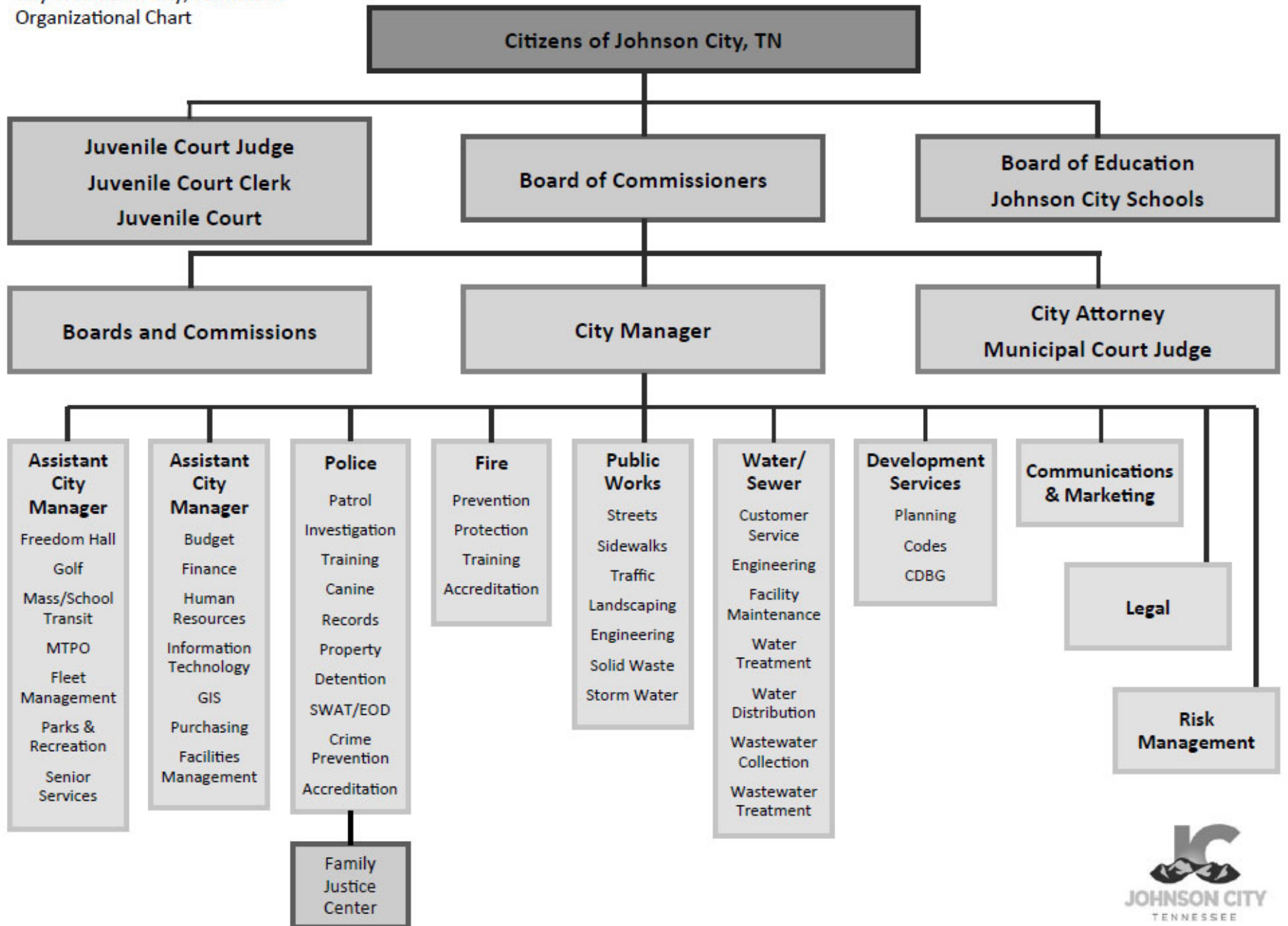
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021**

Board of Commissioners:

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

City Judges:

Sharon Greene, Juvenile Judge
Stan Widener, City Judge

City Administration:

M. Denis Peterson, City Manager
Charles J. Stahl, IV, 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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Johnson City, Tennessee (the City) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of City of Johnson City, Tennessee's School's Internal School Fund, which represents .32 percent, .72 percent, and 1.27 percent, respectively, of the assets, fund balances, and revenues of the governmental funds. 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, 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.

Change in Accounting Principle

As described in Note 1.G.15, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities and establishes the four types of fiduciary funds for reporting purposes. As a result of the implementation of GASB 84, the City reported a restatement of beginning net position totaling \$1,247,837 on the Statement of Activities for the change in accounting principle, as described in Note 3.W to the financial statements. In addition, under GASB 84, the City no longer has an Agency Fund. It is now a Fiduciary Fund. Our opinion is not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 and the pension and OPEB schedules, as detailed within the Required Supplementary Information section of the table of contents, on pages 154 through 165, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the supplemental information, including the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, 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 and Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 30, 2021, except for certain federal assistance numbers on the Schedule of Expenditures of Federal Awards, as to which the date is January 12, 2022

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, 2021. 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 \$385,003 (*net position*). Of this amount, \$284,672 is invested in capital assets (*net of related debt*) and \$14,479 is restricted for specific purposes.
- The City's overall net position increased by \$26,961. In addition, beginning net position increased \$1,248 to reflect the first time inclusion of the school activity funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$87,329, a current year increase of \$30,665. Of this amount, \$685 is nonspendable, \$46,932 is restricted, \$4,147 is committed for specific purposes, and \$15,491 is assigned. In addition, beginning fund balance increased \$9 to adjust for the purchase method to account for inventory and \$1,248 to reflect the first time inclusion of the school activity funds.
- At the end of the current fiscal year, fund balance for the general fund was \$45,438, or 51% of total general fund expenditures including transfers out. This balance includes \$85 in nonspendable assets, \$17,108 of restricted funds, \$3,831 committed for specific purposes and \$4,340 assigned.
- The City's total outstanding long-term debt increased \$10,676 (6%) during the current fiscal year, a combination of the issuance of new debt (\$23,645), principal repayments (\$12,235) and the refunding of debt at a premium.

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 and educational facilities debt service fund, which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single aggregated presentation and summarized under the heading "Other 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 statements can be found on page 50-51 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 153 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 154 through 165 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 166 through 194 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 \$385,003, at the close of the most recent fiscal year, an overall increase of \$26,961 from the prior fiscal year. In addition, beginning net position increased \$1,248 for the first time inclusion of the school activity funds.

City of Johnson City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 181,944	\$ 143,586	\$ 54,206	\$ 54,019	\$ 236,150	\$ 197,605
Capital assets	263,690	265,906	223,279	210,164	486,969	476,070
Total assets	445,634	409,492	277,485	264,183	723,119	673,675
Total deferred outflows of resources	20,920	22,383	1,401	2,331	22,321	24,714
Long-term liabilities outstanding	173,054	167,206	82,620	83,561	255,674	250,767
Other liabilities	27,364	18,596	7,648	5,745	35,012	24,341
Total liabilities	200,418	185,802	90,268	89,306	290,686	275,108
Total deferred inflows of resources	69,510	65,520	241	967	69,751	66,487
Net position:						
Net investment in capital assets	134,543	158,377	150,129	137,502	284,672	295,879
Restricted	14,479	4,150			14,479	4,150
Unrestricted	47,604	18,026	38,248	38,739	85,852	56,765
Total net position	\$ 196,626	\$ 180,553	\$ 188,377	\$ 176,241	\$ 385,003	\$ 356,794

By far, the largest portion of the City's net position (74%) 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 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining 22% is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all categories of net position, both for the government as a whole, and for its separate governmental and business-type activities. The reasons for the current year increase of \$26,961 are discussed in the sections for governmental activities and business-type activities, following the summary of changes in net position.

City of Johnson City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 11,469	\$ 9,653	\$ 57,214	\$ 54,818	\$ 68,683	\$ 64,471
Operating grants & contributions	57,044	46,776	3,117	3,050	60,161	49,826
Capital grants & contributions	111	391	1,670	679	1,781	1,070
General revenues:						
Property taxes	55,556	55,131			55,556	55,131
Sales taxes	51,995	45,791			51,995	45,791
Other taxes	10,372	10,002			10,372	10,002
Unrestricted investment earnings	510	815	1	136	511	951
Other	4	6	13	192	17	198
Total revenues	187,061	168,565	62,015	58,875	249,076	227,440
Expenses:						
General government	15,279	24,016			15,279	24,016
Public safety	29,132	28,293			29,132	28,293
Public works	21,848	19,200			21,848	19,200
Parks, recreation, culture, leisure	9,017	9,657			9,017	9,657
City services	1,703	1,085			1,703	1,085
Education	92,698	86,422			92,698	86,422
Interest on long-term debt	2,559	3,545			2,559	3,545
Water and sewer			30,067	29,549	30,067	29,549
City solid waste			10,645	10,187	10,645	10,187
Regional solid waste			3,162	2,992	3,162	2,992
Public building authority			22	8	22	8
Mass transit			4,215	4,292	4,215	4,292
Stormwater management			1,768	1,611	1,768	1,611
Total expenses	172,236	172,218	49,879	48,639	222,115	220,857
Increase (decrease) in net position before transfers	14,825	(3,653)	12,136	10,236	26,961	6,583
Transfers	-	514	-	(514)	-	-
Increase (decrease) in net position	14,825	(3,139)	12,136	9,722	26,961	6,583
Net position, beginning	180,553	183,692	176,241	166,519	356,794	350,211
Prior period adjustment	1,248	-	-	-	1,248	-
Net position, ending	\$196,626	\$180,553	\$188,377	\$176,241	\$385,003	\$356,794

Governmental activities. During the current fiscal year, net position for governmental activities increased \$14,825 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 increased \$1,248 for the first time inclusion of the school activity funds. Governmental activities reported an ending net position balance of \$196,626.

Business-type activities. For the city's business-type activities, current year net position increased \$12,136, 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 \$188,377. Key elements include:

- Water and Sewer Activities contributed \$8,377 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 \$1,555 of net position growth. A portion of these funds were invested in capital assets.
- Stormwater management experienced a net position increase of \$1,416. The majority of these funds were utilized for debt principal repayments and capital improvements.
- Other business-type activities contributed the remaining \$788 in net position growth, most of which was utilized for capital improvements and debt principal repayments.

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 \$87,329, a current year increase of \$30,665. Additionally, beginning fund balance increased \$9 to adjust inventory accounted for under the purchase method and \$1,248 for the first inclusion of the school activity funds. Included in ending fund balance are assets of \$685 which are nonspendable, indicating that they are either not in a spendable form or must be maintained intact. Restricted fund balance of \$46,932 includes amounts legally constrained for education (\$1,431), school debt service (\$6,136), specific capital projects (\$18,497), school food service (\$1,816), public safety and drug enforcement (\$1,286), senior services (\$743), community development (\$576), fund balance policy (\$16,411), and other services (\$36). Funds committed for a particular purpose total \$4,147 and include economic development (\$3,831) and education (\$316). Funds assigned for a particular purpose total \$15,491, consisting of unpaid leave (\$4,340), education (\$11,024), transportation planning operations (\$99), school food service (\$6) and other services (\$22). The remaining unassigned balance of \$20,074 comprises 23% 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 \$45,438, including \$85 of nonspendable assets, \$17,108 of restricted funds, \$3,831 committed for specific purposes and \$4,340 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 \$20,074 represents 22.5% of total general fund expenditures and transfers out, while total fund balance represents 51% of that same amount. In conjunction with the 22.5% 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 \$10,318, 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 \$10,209, including \$49 of nonspendable assets, \$316 committed for specific purposes and \$9,844 assigned for general education. The current year increase in fund balance was \$1,902. 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 \$0. Fund balance decreased \$83 from the prior year due mainly to the use of funds restricted for fieldhouse debt service.

The educational facilities trust fund has a total fund balance of \$6,136, all of which is restricted. The net increase was \$2,249. This increase is attributable to dedicated local sales tax collections exceeding principal and interest payments.

Nonmajor (other) governmental funds have a fund balance of \$25,545, including \$551 of nonspendable assets, \$23,687 of restricted funds and \$1,307 assigned for a particular purpose. The net increase in fund balance during the current year was \$16,279. This net increase is primarily attributed to the issuance of bonds for capital projects. Additionally, the beginning fund balances for nonmajor governmental funds were increased \$9 for the purchase method to account for school food service inventory and by \$1,248 for the first time inclusion of school activity funds.

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 \$26,731 and \$3,077, respectively. Nonmajor (other) proprietary funds reported unrestricted net position of \$8,440. Total unrestricted net position of proprietary funds amounted to \$38,248.

As noted earlier in the discussion of business-type activities, net position for the proprietary funds increased \$12,136 with water and sewer and city solid waste operations contributing growth of \$8,377 and \$445, respectively. Nonmajor (other) proprietary funds reported an increase of \$3,314. 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 \$2,179 increase in expenditures and a \$148 increase in other financing uses. This increase consists of the following:

\$ 736	Mid-year pay plan adjustment
1,000	Public Works resurfacing budget adjustment
193	Parks and Recreation new grant funding for personnel and operating
250	Fire Department overtime adjustment
<u>2,179</u>	Total Increase in Expenditures
13	Transfer to Mass Transit for grant match
96	Transfer to Capital Projects Equipment Fund for fire equipment
39	Transfer to Capital Projects Parks Fund for pool equipment
<u>148</u>	Total Increase in General Fund Other Financing Uses
<u>\$ 2,327</u>	Total Increase in Expenditures and Other Financing Uses

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 \$2,909 decrease in expenditures and a \$65 net decrease in other financing uses, for a total decrease of \$2,974. This decrease consists of the following:

\$ (395)	General government spending lower than expected, due to open positions and lower departmental operational spending
(690)	Public safety spending lower than expected, due to open police department positions and lower outside service fees
(719)	Public works spending below budget, due to work delays and open positions
(1,240)	Parks and recreation and senior center spending lower than expected, due to pause in recreational activity and programming caused by pandemic
135	Other
<u>(2,909)</u>	Total Decrease in Expenditures
(536)	Lower transfer to Debt Service Fund for principal and interest payments
(274)	Lower than expected match funding for mass transit
180	Additional transfer to Freedom Hall Fund
471	Additional transfer to Community Development Fund
207	Additional transfer to Capital Projects Funds
(113)	Other
<u>(65)</u>	Net Decrease in Other Financing Uses
<u>\$ (2,974)</u>	Total Decrease in Expenditures and Other Financing Uses

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 \$10,921. 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, 2021, totaled \$486,969 (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.
- Carver Park splashpad.
- Lark Street extension and signalization.
- Liberty Bell Middle School cafeteria and gymnasium construction.
- Roof replacements at Cherokee Elementary, Topper Academy and Library.
- Covered storage for school maintenance facility.
- City Hall security upgrades.
- Baxter Street and 9th Avenue bridge – stormwater management.
- Cherokee water tank recoating.
- Regional wastewater treatment plant upgrades.
- Numerous water and sewer line extensions, replacements and upgrades completed.

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.
- Winged Deer Park Road construction.
- West Walnut Street corridor improvements – public works, stormwater management, water/sewer.
- Turf replacement at Kermit Tipton Stadium.
- Storage construction at Indian Trail Intermediate School.
- Implementation of new financial software.
- Miller Lane Bridge and David Miller Road bank stabilization – stormwater management.
- 2009 eastern water expansion project.
- Water/Sewer service center facility.
- Sewer basin rehabs.
- Unicoi Springs collection system rehab.
- I-26 interchange water/sewer upgrades at Boones Creek.
- Brush Creek and Knob Creek wastewater treatment plant improvements.
- Lower Brush Creek sanitary sewer interceptor project.
- Upper Reedy Creek interceptor project.
- Numerous water and sewer line extensions, replacements and upgrades.

City of Johnson City's Capital Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 30,487	\$ 30,487	\$ 11,331	\$ 11,010	\$ 41,818	\$ 41,497
Buildings and Improvements	277,112	265,407	19,163	15,608	296,275	281,015
Plant and Lines			259,959	257,086	259,959	257,086
Vehicles and Equipment	52,706	54,800	43,719	40,584	96,425	95,384
Intellectual Property	5	5			5	5
Artwork	265	265			265	265
Infrastructure	187,562	186,667			187,562	186,667
Construction in Progress	11,585	14,585	37,297	26,618	48,882	41,203
Accumulated Depreciation	(296,032)	(286,310)	(148,190)	(140,742)	(444,222)	(427,052)
Total	\$ 263,690	\$ 265,906	\$ 223,279	\$ 210,164	\$ 486,969	\$ 476,070

Additional information on the City's capital assets can be found in Note 3.D. on pages 83 through 84 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total debt outstanding of \$188,392. All of this debt is backed by the full faith and credit of the government.

City of Johnson City's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Notes payable	\$ 2,224	\$ 2,549	\$ 1,053	\$ 1,082	\$ 3,277	\$ 3,631
General obligation bonds	111,612	99,748	73,503	74,337	185,115	174,085
Revenue bonds			-	-	-	-
Total Long-Term Debt	\$ 113,836	\$ 102,297	\$ 74,556	\$ 75,419	\$ 188,392	\$ 177,716

The City's total debt increased \$10,676 (6%) during the current fiscal year. The governmental activities net increase of \$11,539 was the combination of the issuance of \$20,390 in new debt, the refunding of debt at a premium and principal repayments of \$8,117. The \$863 business-type activities decrease resulted from the issuance of \$3,255 in new debt and principal repayments of \$4,118. 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 3.4%. Additional information on the City's long-term debt can be found in Note 3.K. on pages 118 through 144 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate (not seasonally adjusted) for Johnson City is currently 5.3%, which is a decrease from last year's rate of 8.8%. This compares to the state's unemployment rate (not seasonally adjusted) of 5.6% as of June 30, 2021.
- Inflationary trends in the region are comparable to national indices.
- New taxable construction permitted and inspected came in at \$57.9 million, an increase of \$26.1 million from last year; renovations and additions permitted totaled \$41.5 million, an increase of \$17.7 million.
- Due to the unknown impacts of the pandemic, total General Fund revenues are very conservatively budgeted with no growth for fiscal year 2022.

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 2022.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,074, an increase of \$5,859. All appropriations lapse at year-end.

During the fiscal year, water and sewer rates increased 2.1% and 4.9%, 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 55,258,739	40,731,661	95,990,400	2,782,855
Investments	19,395,365	869,926	20,265,291	-
Accounts Receivable (Net)	2,350,430	2,087,689	4,438,119	7,975
Taxes Receivable	38,203,801	-	38,203,801	-
Less: Estimated Uncollectible	(723,985)	-	(723,985)	-
Intergovernmental Receivables	34,203,040	1,046,105	35,249,145	425,120
Deposits	5,050	-	5,050	-
Inventories	966,355	1,827,560	2,793,915	-
Prepaid Expenses	230,635	-	230,635	8,331
Restricted Assets:				
Cash and Cash Equivalents	26,497	-	26,497	181,289
Investments	24,394,123	7,643,586	32,037,709	-
Other Assets:				
Net Pension Asset	7,633,597	-	7,633,597	-
Capital Assets:				
Land	30,486,581	11,330,912	41,817,493	379,300
Book Collection	-	-	-	1,138,049
Buildings and Improvements	277,111,470	19,162,608	296,274,078	6,514,186
Plant in Service	-	259,959,561	259,959,561	-
Equipment and Vehicles	52,706,304	43,718,802	96,425,106	881,367
Intellectual Property	5,500	-	5,500	-
Artwork	265,150	-	265,150	-
Infrastructure	187,561,942	-	187,561,942	-
Less: Accumulated Depreciation	(296,032,393)	(148,190,175)	(444,222,568)	(1,343,056)
Construction in Progress	11,585,439	37,297,225	48,882,664	-
Total Assets	445,633,640	277,485,460	723,119,100	10,975,416
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of TIF Funds	-	-	-	1,567,200
OPEB Changes in Experience	2,570,124	-	2,570,124	-
OPEB Changes in Assumptions	5,073,103	-	5,073,103	-
Pension Contributions After Measurement Date	7,897,006	1,086,528	8,983,534	-
Pension Changes in Experience	426,557	53,835	480,392	-
Pension Changes in Assumptions	673,804	-	673,804	-
Pension Changes in Investment Earnings (Net)	3,039,442	258,377	3,297,819	-
Pension Changes in Proportionate Share	98,133	-	98,133	-
Deferred Bond Refunding Costs	1,141,847	2,277	1,144,124	-
Total Deferred Outflows of Resources	20,920,016	1,401,017	22,321,033	1,567,200

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	4,412,866	5,672,788	10,085,654	211,146
Accrued Payroll Expenses	7,024,314	467,036	7,491,350	41,990
Accrued Expenses	6,855,161	133,689	6,988,850	53,199
Accrued Interest Payable	614,354	284,948	899,302	63,370
Due to Other Governments	123,615	-	123,615	-
Matured Bonds and Interest Payable	-	33,253	33,253	-
Retainages Payable	414,678	196,374	611,052	-
Unearned Revenue	7,669,771	28,470	7,698,241	1,684
Contractor Deposits	249,353	332,766	582,119	-
Customer Deposits	-	498,364	498,364	26,246
Noncurrent Liabilities:				
Due within one year	10,684,546	4,456,254	15,140,800	512,524
Due in more than one year	162,369,005	78,164,037	240,533,042	7,556,267
Total Liabilities	200,417,663	90,267,979	290,685,642	8,466,426
DEFERRED INFLOWS OF RESOURCES				
Deferred - Current Property Taxes	53,652,988	-	53,652,988	-
OPEB Changes in Assumptions	5,982,721	-	5,982,721	-
OPEB Changes in Experience	5,298,569	-	5,298,569	-
Pension Changes in Experience	4,520,300	241,188	4,761,488	-
Pension Changes in Proportionate Share	55,492	-	55,492	-
Total Deferred Inflows of Resources	69,510,070	241,188	69,751,258	-
NET POSITION				
Net Investment in Capital Assets	134,543,008	150,129,222	284,672,230	1,552,715
Restricted for/by:				
Expendable:				
Stabilization Funds	528,263	-	528,263	-
Net Pension Asset	7,633,597	-	7,633,597	-
Imagination Library	-	-	-	36,504
Enabling Legislation	-	-	-	1,593,027
External Contributions	-	-	-	10,080
School Trust	6,634	-	6,634	-
Debt Service	6,136,193	-	6,136,193	-
Nonexpendable:				
School Trust	174,679	-	174,679	-
External Contributions	-	-	-	9,266
Unrestricted	47,603,549	38,248,088	85,851,637	874,598
Total Net Position	\$ 196,625,923	188,377,310	385,003,233	4,076,190

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, 2021

NET (EXPENSE) REVENUE AND CHANGES
IN NET POSITION

Functions/Programs	Expenses	PROGRAM REVENUES			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 15,279,090	3,081,345	3,206,829	-	(8,990,916)	-	(8,990,916)	-
Public Safety	29,131,902	1,779,428	1,495,156	-	(25,857,318)	-	(25,857,318)	-
Public Works	21,848,091	191,733	203,598	111,000	(21,341,760)	-	(21,341,760)	-
Parks, Recreation, Culture and Leisure	9,016,445	42,903	1,161,461	-	(7,812,081)	-	(7,812,081)	-
City Services	1,702,606	1,894,727	2,747,990	-	2,940,111	-	2,940,111	-
Education	92,698,132	4,478,993	48,228,941	-	(39,990,198)	-	(39,990,198)	-
Interest on Long-Term Debt	2,559,420	-	-	-	(2,559,420)	-	(2,559,420)	-
Total Governmental Activities	172,235,686	11,469,129	57,043,975	111,000	(103,611,582)	-	(103,611,582)	-
Business-Type Activities								
Water and Sewer	30,066,813	39,136,652	-	-	-	9,069,839	9,069,839	-
City Solid Waste	10,645,004	11,089,912	-	-	-	444,908	444,908	-
Regional Solid Waste	3,162,510	3,526,239	-	-	-	363,729	363,729	-
Mass Transit	4,214,610	307,840	3,116,706	1,639,111	-	849,047	849,047	-
Stormwater Management	1,768,031	3,153,700	-	30,840	-	1,416,509	1,416,509	-
Johnson City Building Authority	21,736	-	-	-	-	(21,736)	(21,736)	-
Total Business-Type Activities	49,878,704	57,214,343	3,116,706	1,669,951	-	12,122,296	12,122,296	-
Total Primary Government	\$ 222,114,390	68,683,472	60,160,681	1,780,951	(103,611,582)	12,122,296	(91,489,286)	-

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Functions/Programs	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION							
	PROGRAM REVENUES				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Component Units								
Johnson City Public Library	\$ 2,201,188	11,459	2,167,274	7,723	-	-	-	(14,732)
Johnson City Development Authority	2,015,061	1,042,215	1,018,101	-	-	-	-	45,255
Industrial Development Board	-	-	-	-	-	-	-	-
Total Component Units	\$ 4,216,249	1,053,674	3,185,375	7,723	-	-	-	30,523
General Revenues								
Property Taxes					\$ 55,556,523	-	55,556,523	-
Sales Taxes					51,994,687	-	51,994,687	-
Beer and Liquor Taxes					3,114,283	-	3,114,283	-
Business Taxes					2,774,444	-	2,774,444	-
Room Occupancy Taxes					1,905,962	-	1,905,962	-
Telephone and Cable Taxes					727,009	-	727,009	-
State of Tennessee Mixed Drink Taxes					813,817	-	813,817	-
Franchise Taxes					572,178	-	572,178	-
Unrestricted State Income Taxes					130,768	-	130,768	-
Unrestricted State of Tennessee Excise Taxes					333,111	-	333,111	-
Unrestricted Investment Earnings					510,200	1,276	511,476	10,807
Gain on Disposal of Capital Assets					-	12,516	12,516	-
Other General Revenue					4,260	-	4,260	5,087
E-Rate Reimbursement					-	-	-	5,794
Transfers					(249)	249	-	-
Total General Revenues and Transfers					118,436,993	14,041	118,451,034	21,688
Change in Net Position					14,825,411	12,136,337	26,961,748	52,211
Net Position, July 1, 2020					180,552,675	176,240,973	356,793,648	4,035,635
Prior Period Adjustment					1,247,837	-	1,247,837	(11,656)
Net Position, July 1, 2020 (Restated)					181,800,512	176,240,973	358,041,485	4,023,979
Net Position, June 30, 2021					\$ 196,625,923	188,377,310	385,003,233	4,076,190

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

CITY OF JOHNSON CITY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 20,985,012	9,777,750	-	5,176,568	6,755,651	42,694,981
Investments	19,395,365	-	-	-	-	19,395,365
Accounts Receivable, Net	1,511,185	116,437	-	-	230,316	1,857,938
Notes Receivable	-	-	-	-	3,860	3,860
Due from Other Funds	3,107	21,141	-	454,466	31,108	509,822
Taxes Receivable	38,203,801	-	-	-	-	38,203,801
Less: Estimated Uncollectible	(723,985)	-	-	-	-	(723,985)
Due from Federal Government	-	-	-	-	865,584	865,584
Due from State of Tennessee	2,470,163	2,890	-	-	4,181,766	6,654,819
Due from Washington County	4,380,155	21,800,436	-	478,662	-	26,659,253
Due from Local Governments	4,412	17,494	-	-	1,478	23,384
Deposits	5,050	-	-	-	-	5,050
Inventories	85,520	49,015	-	-	376,011	510,546
Restricted Cash and Cash Equivalents	-	-	-	26,497	-	26,497
Restricted Investments	6,659,353	528,263	-	-	17,206,507	24,394,123
Total Assets	\$ 92,979,138	32,313,426	-	6,136,193	29,652,281	161,081,038

CITY OF JOHNSON CITY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES						
Accounts Payable	\$ 1,595,676	458,862	-	-	1,519,519	3,574,057
Accrued Payroll Expenditures	1,399,393	4,182,061	-	-	1,377,687	6,959,141
Accrued Expenditures	3,920	-	-	-	10,785	14,705
Due to State of Tennessee	71,943	-	-	-	-	71,943
Due to Local Governments	-	51,672	-	-	-	51,672
Due to Other Funds	9,349	516,991	-	-	11,792	538,132
Retainages Payable	-	-	-	-	414,678	414,678
Unearned Revenue	-	-	-	-	772,689	772,689
Contractor Deposits	249,353	-	-	-	-	249,353
Total Liabilities	3,329,634	5,209,586	-	-	4,107,150	12,646,370
DEFERRED INFLOWS OF RESOURCES						
Deferred - Current Property Taxes	36,758,180	16,894,808	-	-	-	53,652,988
Deferred Revenue - Other	6,897,082	-	-	-	-	6,897,082
Unavailable Revenue - Property Taxes	556,022	-	-	-	-	556,022
Total Deferred Inflows of Resources	44,211,284	16,894,808	-	-	-	61,106,092
FUND BALANCES						
Nonspendable	85,520	49,015	-	-	550,690	685,225
Restricted	17,108,185	-	-	6,136,193	23,687,214	46,931,592
Committed	3,830,691	316,060	-	-	-	4,146,751
Assigned	4,339,826	9,843,957	-	-	1,307,227	15,491,010
Unassigned	20,073,998	-	-	-	-	20,073,998
Total Fund Balances	45,438,220	10,209,032	-	6,136,193	25,545,131	87,328,576
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 92,979,138	32,313,426	-	6,136,193	29,652,281	161,081,038

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, 2021

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

Total Fund Balances of Governmental Funds	\$ 87,328,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	260,873,484
Prepays are expensed when disbursed and are not recognized based upon economic benefit or recorded as assets in the governmental funds.	230,635
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.	556,022
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.	(43,626,438)
Compensated absences 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.	(4,448,231)
Accrued interest on the notes and bonds payable represents a liability of the City that is generally not recorded at the fund level.	(583,254)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(122,959,856)
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.	13,001,207
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.	6,253,778
Net Position of Governmental Activities	\$ 196,625,923

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, 2021

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 77,216,109	30,306,177	-	2,685,065	-	110,207,351
Licenses and Permits	1,030,760	1,685	-	-	-	1,032,445
Intergovernmental Revenues	15,136,181	35,337,844	132,589	-	14,465,584	65,072,198
Charges for Services	1,844,222	2,319,284	-	-	89,060	4,252,566
Fines and Forfeitures	778,964	-	-	-	192,103	971,067
Revenue from Use of Property	1,599,127	2,500	5,000	-	44,198	1,650,825
Investment Earnings	215,207	85,791	71,300	9,143	104,857	486,298
Miscellaneous	631,382	389,028	21,000	-	2,674,320	3,715,730
Total Revenues	<u>98,451,952</u>	<u>68,442,309</u>	<u>229,889</u>	<u>2,694,208</u>	<u>17,570,122</u>	<u>187,388,480</u>
Expenditures						
Current						
General Government	16,038,866	-	-	-	-	16,038,866
Public Safety	27,945,395	-	-	-	463,600	28,408,995
Public Works	15,367,182	-	-	-	-	15,367,182
Parks, Recreation, Culture and Leisure	6,663,554	-	-	-	548,386	7,211,940
City Services	-	-	-	-	1,401,406	1,401,406
Education	-	72,936,300	-	-	12,144,496	85,080,796
Capital Outlay	-	643,065	-	-	13,802,753	14,445,818
Debt Service						
Principal Retirement	70,000	-	6,708,931	1,500,000	-	8,278,931
Interest and Fiscal Charges	64,600	-	2,677,061	504,803	-	3,246,464
Other Fees	-	-	154,780	122,299	-	277,079
Total Expenditures	<u>66,149,597</u>	<u>73,579,365</u>	<u>9,540,772</u>	<u>2,127,102</u>	<u>28,360,641</u>	<u>179,757,477</u>

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,302,355	(5,137,056)	(9,310,883)	567,106	(10,790,519)	7,631,003
Other Financing Sources (Uses)						
Transfers from Other Funds	701,918	10,876,736	9,137,071	1,678,281	5,702,515	28,096,521
Transfers to Other Funds	(22,940,941)	(3,837,934)	-	-	(1,317,895)	(28,096,770)
Proceeds from Sale of Real Estate and Equipment	254,371	-	-	-	-	254,371
Issuance of Refunding Bonds	-	-	5,528,045	768,671	-	6,296,716
Bond Issuance	-	-	-	-	18,530,823	18,530,823
Premium on Bonds-Refunding	-	-	592,367	81,008	-	673,375
Premium on Bond Issuance	-	-	-	-	4,154,490	4,154,490
Payment to Refunded Bonds Escrow Agent	-	-	(6,029,735)	(845,964)	-	(6,875,699)
Total Other Financing Sources (Uses)	(21,984,652)	7,038,802	9,227,748	1,681,996	27,069,933	23,033,827
Net Change in Fund Balances	10,317,703	1,901,746	(83,135)	2,249,102	16,279,414	30,664,830
Fund Balances, July 1, 2020	35,120,517	8,307,286	83,135	3,887,091	8,009,129	55,407,158
Prior Period Adjustment to record Internal School Fund	-	-	-	-	1,247,837	1,247,837
Purchase Method Inventory Adjustment	-	-	-	-	8,751	8,751
Fund Balances Adjusted	35,120,517	8,307,286	83,135	3,887,091	9,265,717	56,663,746
Fund Balances, June 30, 2021	<u>\$ 45,438,220</u>	<u>10,209,032</u>	<u>-</u>	<u>6,136,193</u>	<u>25,545,131</u>	<u>87,328,576</u>

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, 2021

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

Net Change in Fund Balances of Governmental Funds	\$ 30,664,830
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 depreciation of general capital assets and other capital related expenses in the current period exceed capital outlays.	(3,608,613)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.	(55,926)
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.	(13,209,211)
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.	8,751
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(351,036)
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.	(1,313,256)
Premiums paid for insurance from the governmental funds are expensed as paid. A portion of the payments are prepaid insurance.	44,001
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.	(277,354)
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.	(110,160)
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.	4,344,043
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.	<u>(1,310,658)</u>
Change in Net Position of Governmental Activities	<u>\$ 14,825,411</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property Tax, Net	\$ 35,532,000	35,532,000	36,092,320	560,320
Property Tax - Penalty and Interest	250,000	250,000	290,986	40,986
Other Fees - Taxes	-	-	344	344
Received in Lieu of Taxes	6,468,000	6,468,000	6,593,810	125,810
Local Sales Tax	19,800,000	21,934,260	25,563,699	3,629,439
Business Tax	1,500,000	1,500,000	2,388,101	888,101
Local Beer Tax	2,000,000	2,000,000	2,099,663	99,663
Local Liquor Tax	775,000	775,000	982,037	207,037
Hotel/Motel Tax	2,000,000	2,000,000	1,905,962	(94,038)
Franchise Tax	550,000	550,000	572,178	22,178
Telephone Commissions/Cable	693,000	693,000	727,009	34,009
Total Taxes	69,568,000	71,702,260	77,216,109	5,513,849
Licenses and Permits				
Building Permits	470,000	470,000	659,358	189,358
Electrical Permits and Electrician Certificates	65,000	65,000	92,912	27,912
Plumbing Permits and Plumbers Certificates	25,000	25,000	35,894	10,894
Natural Gas Permits	12,000	12,000	10,939	(1,061)
Zoning Permits and Fees	13,000	13,000	16,925	3,925
Mechanical Permits	47,000	47,000	55,863	8,863
Sign Permits	17,000	17,000	18,551	1,551
Plan Review Permits	30,000	30,000	51,359	21,359
Beverage and Private Club Permits	85,000	85,000	86,407	1,407
Other Fees and Licenses	5,000	5,000	2,552	(2,448)
Total Licenses and Permits	769,000	769,000	1,030,760	261,760
Intergovernmental Revenues				
State of Tennessee				
Boarding of Prisoners	1,250,000	1,250,000	961,579	(288,421)
Sales Tax	5,080,000	5,080,000	6,592,686	1,512,686
Income Tax	250,000	250,000	296,955	46,955
Beer Tax	30,000	30,000	29,898	(102)
Mixed Drink Tax	700,000	700,000	813,817	113,817
State Street Aid	2,200,000	2,200,000	2,269,688	69,688
Highway Maintenance	348,580	348,580	363,374	14,794
Street and Transit	125,000	125,000	114,928	(10,072)
Excise Taxes	85,000	85,000	333,111	248,111
Fire Supplement	73,800	73,800	100,800	27,000
Police Supplement	81,000	81,000	104,800	23,800
First TN-VA Development				
District Senior Citizens Grant	76,000	76,000	80,549	4,549
Telecommunications	140,000	140,000	162,988	22,988
Governor's State Appropriation	-	-	1,503,688	1,503,688
Environment and Conservation Grant	1,739,063	1,739,063	234,375	(1,504,688)
21st Century Grant	-	192,555	68,954	(123,601)
Coronavirus Relief Funds	-	-	1,001,670	1,001,670
Federal Emergency Management Funds	-	-	40,631	40,631
State Emergency Management Funds	-	-	13,544	13,544
Other	-	-	5,646	5,646
Total State of Tennessee	12,178,443	12,370,998	15,093,681	2,722,683

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
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	-
Total Washington County	<u>44,500</u>	<u>44,500</u>	<u>42,500</u>	<u>(2,000)</u>
Total Intergovernmental Revenues	<u>12,222,943</u>	<u>12,415,498</u>	<u>15,136,181</u>	<u>2,720,683</u>
Charges for Services				
School Bus Charters	120,000	120,000	123,587	3,587
Accident Reports	1,500	1,500	183	(1,317)
Special Work Charges	8,000	8,000	59,917	51,917
Administrative Fees from Other Funds	1,586,618	1,586,618	1,586,618	-
Miscellaneous Services	20,500	20,500	73,917	53,417
Total Charges for Services	<u>1,736,618</u>	<u>1,736,618</u>	<u>1,844,222</u>	<u>107,604</u>
Fines and Forfeitures				
Municipal Courts - Fines and Court Costs	<u>1,205,000</u>	<u>1,205,000</u>	<u>778,964</u>	<u>(426,036)</u>
Revenue From Use of Property				
Rents from Buildings and Equipment	300,000	300,000	293,126	(6,874)
Parks and Recreation	1,045,000	1,045,000	941,382	(103,618)
Print Shop Charges	35,000	35,000	28,333	(6,667)
Computer Services (MIS)	336,286	336,286	336,286	-
Total Revenue From Use of Property	<u>1,716,286</u>	<u>1,716,286</u>	<u>1,599,127</u>	<u>(117,159)</u>
Investment Earnings				
Investment Income	<u>265,000</u>	<u>265,000</u>	<u>215,207</u>	<u>(49,793)</u>
Miscellaneous				
Refunds and Reimbursements	158,000	158,000	245,763	87,763
Senior Citizens	212,000	212,000	19,272	(192,728)
Donations	50,000	50,000	38,244	(11,756)
Damages	-	-	81,688	81,688
Sale of Methane Gas	130,000	130,000	70,924	(59,076)
Miscellaneous	145,000	145,000	175,491	30,491
Total Miscellaneous	<u>695,000</u>	<u>695,000</u>	<u>631,382</u>	<u>(63,618)</u>
Total Revenues	<u>88,177,847</u>	<u>90,504,662</u>	<u>98,451,952</u>	<u>7,947,290</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures				
General Government				
City Commission				
Other	-	-	165	(165)
Personnel Services	46,650	46,650	44,501	2,149
Purchased Services	15,025	15,025	15,524	(499)
Supplies	700	700	1,038	(338)
Total City Commission	62,375	62,375	61,228	1,147
City Court				
Fixed Charges	-	-	-	-
Personnel Services	152,542	152,542	103,079	49,463
Purchased Services	224,300	224,300	138,824	85,476
Supplies	10,600	10,600	567	10,033
Total City Court	387,442	387,442	242,470	144,972
Staff Attorney				
Fixed Charges	1,910	1,910	1,875	35
Personnel Services	201,992	201,992	209,465	(7,473)
Purchased Services	143,695	143,695	182,741	(39,046)
Supplies	2,000	2,000	607	1,393
Total Staff Attorney	349,597	349,597	394,688	(45,091)
Juvenile Court				
Building Materials	150	150	279	(129)
Fixed Charges	61,231	61,231	59,279	1,952
Other	-	-	754	(754)
Personnel Services	806,000	821,200	776,654	44,546
Purchased Services	57,938	57,938	40,598	17,340
Supplies	23,025	23,025	14,493	8,532
Total Juvenile Court	948,344	963,544	892,057	71,487
City Manager				
Fixed Charges	35,263	35,263	54,054	(18,791)
Other	1,000	1,000	750	250
Personnel Services	375,139	411,039	380,907	30,132
Purchased Services	25,500	25,500	7,225	18,275
Supplies	49,812	49,812	1,384	48,428
Total City Manager	486,714	522,614	444,320	78,294
Management Services				
Personnel Services	459,650	459,650	493,440	(33,790)
Purchased Services	30,450	30,450	13,615	16,835
Supplies	2,250	2,250	1,234	1,016
Total Management Services	492,350	492,350	508,289	(15,939)

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
General Government (Continued)				
Community Relations Office				
Building Materials	-	-	7,033	(7,033)
Fixed Charges	634	634	8,399	(7,765)
Other	5,600	5,600	-	5,600
Personnel Services	358,332	358,332	347,895	10,437
Purchased Services	69,814	69,814	47,887	21,927
Supplies	15,400	15,400	43,346	(27,946)
Total Community Relations Office	449,780	449,780	454,560	(4,780)
Purchasing				
Fixed Charges	1,965	1,965	1,770	195
Personnel Services	243,915	243,915	247,922	(4,007)
Purchased Services	15,277	15,277	7,931	7,346
Supplies	640	640	322	318
Total Purchasing	261,797	261,797	257,945	3,852
Human Resources				
Fixed Charges	2,691	2,691	3,102	(411)
Other	12,134	12,134	3,213	8,921
Personnel Services	386,862	386,862	391,706	(4,844)
Purchased Services	36,180	36,180	15,913	20,267
Supplies	3,450	3,450	7,309	(3,859)
Total Human Resources	441,317	441,317	421,243	20,074
Development Services				
Building Materials	-	-	862	(862)
Fixed Charges	7,439	7,439	9,085	(1,646)
Other	-	-	299	(299)
Personnel Services	1,354,759	1,379,559	1,258,440	121,119
Purchased Services	175,410	175,410	244,421	(69,011)
Supplies	36,050	36,050	29,639	6,411
Total Development Services	1,573,658	1,598,458	1,542,746	55,712
Miscellaneous Appropriations				
Fixed Charges	492,682	492,682	584,735	(92,053)
Other	-	-	25,000	(25,000)
Personnel Services	-	-	515	(515)
Purchased Services	505,000	505,000	499,668	5,332
Supplies	-	-	2,902	(2,902)
Total Miscellaneous Appropriations	997,682	997,682	1,112,820	(115,138)

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
General Government (Continued)				
Risk Management				
Building Materials	-	-	86	(86)
Fixed Charges	169,148	169,148	166,683	2,465
Personnel Services	44,746	44,746	62,179	(17,433)
Purchased Services	136,210	136,210	124,293	11,917
Supplies	14,230	14,230	166,346	(152,116)
Total Risk Management	<u>364,334</u>	<u>364,334</u>	<u>519,587</u>	<u>(155,253)</u>
Information Technology				
Building Materials	-	-	78	(78)
Other	1,000	1,000	-	1,000
Fixed Charges	566,470	566,470	728,328	(161,858)
Personnel Services	1,156,330	1,176,330	1,083,042	93,288
Purchased Services	144,423	144,423	100,578	43,845
Supplies	320,800	320,800	124,246	196,554
Total Information Technology	<u>2,189,023</u>	<u>2,209,023</u>	<u>2,036,272</u>	<u>172,751</u>
Central Print Shop				
Building Materials	-	-	38	(38)
Fixed Charges	2,870	2,870	3,417	(547)
Personnel Services	79,799	79,799	80,409	(610)
Purchased Services	13,025	13,025	2,900	10,125
Supplies	19,150	19,150	14,981	4,169
Total Central Print Shop	<u>114,844</u>	<u>114,844</u>	<u>101,745</u>	<u>13,099</u>
Special Appropriations	<u>5,557,539</u>	<u>5,557,539</u>	<u>5,399,349</u>	<u>158,190</u>
Finance Administration				
Fixed Charges	6,723	6,723	2,325	4,398
Other	593	593	4	589
Personnel Services	206,296	206,296	209,578	(3,282)
Purchased Services	7,436	7,436	5,003	2,433
Supplies	1,777	1,777	1,130	647
Total Finance Administration	<u>222,825</u>	<u>222,825</u>	<u>218,040</u>	<u>4,785</u>
Accounting				
Other	-	-	1,110	(1,110)
Personnel Services	679,915	703,515	696,143	7,372
Purchased Services	199,031	199,031	186,223	12,808
Supplies	5,966	5,966	6,790	(824)
Total Accounting	<u>884,912</u>	<u>908,512</u>	<u>890,266</u>	<u>18,246</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
General Government (Continued)				
Collections				
Fixed Charges	951	951	1,160	(209)
Other	21,500	21,500	20,269	1,231
Personnel Services	295,097	295,097	289,838	5,259
Purchased Services	143,443	143,443	157,524	(14,081)
Supplies	5,311	5,311	8,760	(3,449)
Total Collections	466,302	466,302	477,551	(11,249)
Records Management				
Personnel Services	62,197	62,197	62,910	(713)
Purchased Services	405	405	2	403
Supplies	740	740	778	(38)
Total Records Management	63,342	63,342	63,690	(348)
Total General Government	16,314,177	16,433,677	16,038,866	394,811
Public Safety				
Student Transportation				
Fixed Charges	6,378	6,378	7,965	(1,587)
Other	-	-	8,003	(8,003)
Personnel Services	1,682,057	1,709,957	1,707,605	2,352
Purchased Services	666,143	666,143	351,936	314,207
Supplies	10,750	10,750	3,168	7,582
Total Student Transportation	2,365,328	2,393,228	2,078,677	314,551
Police Department				
Building Materials	-	-	401	(401)
Fixed Charges	92,244	92,244	132,711	(40,467)
Other	15,650	15,650	14,786	864
Personnel Services	12,582,072	12,803,072	12,398,239	404,833
Purchased Services	1,541,805	1,541,805	1,346,571	195,234
Supplies	302,081	302,081	371,161	(69,080)
Total Police Department	14,533,852	14,754,852	14,263,869	490,983

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Safety (Continued)				
Fire Department				
Building Materials	258	258	8,961	(8,703)
Fixed Charges	32,407	32,407	65,200	(32,793)
Other	750	750	348	402
Personnel Services	9,842,641	10,260,341	10,361,294	(100,953)
Purchased Services	831,456	831,456	777,059	54,397
Supplies	361,642	361,642	384,678	(23,036)
Total Fire Department	<u>11,069,154</u>	<u>11,486,854</u>	<u>11,597,540</u>	<u>(110,686)</u>
Emergency Management Services				
Purchased Services	-	-	5,309	(5,309)
Total Public Safety	<u>27,968,334</u>	<u>28,634,934</u>	<u>27,945,395</u>	<u>689,539</u>
Public Works				
Administration				
Building Materials	-	-	20	(20)
Other	-	-	4,146	(4,146)
Fixed Charges	124,948	124,948	196,703	(71,755)
Personnel Services	252,145	352,145	253,178	98,967
Purchased Services	24,880	24,880	24,800	80
Supplies	7,997	7,997	74,975	(66,978)
Total Administration	<u>409,970</u>	<u>509,970</u>	<u>553,822</u>	<u>(43,852)</u>
Streets				
Building Materials	606,415	606,415	4,429,820	(3,823,405)
Capital Outlay	-	-	6,000	(6,000)
Fixed Charges	2,700	2,700	13,756	(11,056)
Other	600	600	901	(301)
Personnel Services	3,594,623	3,594,623	3,230,043	364,580
Purchased Services	4,034,396	5,034,396	1,345,212	3,689,184
Supplies	639,520	639,520	263,925	375,595
Total Streets	<u>8,878,254</u>	<u>9,878,254</u>	<u>9,289,657</u>	<u>588,597</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Works (Continued)				
Engineering				
Building Materials	-	-	233	(233)
Fixed Charges	4,200	4,200	4,730	(530)
Personnel Services	836,110	836,110	815,980	20,130
Purchased Services	35,250	35,250	21,319	13,931
Supplies	22,000	22,000	22,788	(788)
Total Engineering	<u>897,560</u>	<u>897,560</u>	<u>865,050</u>	<u>32,510</u>
Traffic Control				
Building Materials	1,600	1,600	3,193	(1,593)
Fixed Charges	2,700	2,700	1,906	794
Personnel Services	957,055	957,055	941,901	15,154
Purchased Services	1,839,971	1,839,971	1,810,875	29,096
Supplies	251,350	251,350	260,390	(9,040)
Total Traffic Control	<u>3,052,676</u>	<u>3,052,676</u>	<u>3,018,265</u>	<u>34,411</u>
Sidewalks				
Building Materials	137,900	137,900	76,304	61,596
Other	-	-	-	-
Fixed Charges	-	-	65	(65)
Purchased Services	13,800	13,800	9,904	3,896
Supplies	9,200	9,200	17,285	(8,085)
Total Sidewalks	<u>160,900</u>	<u>160,900</u>	<u>103,558</u>	<u>57,342</u>
Mowing				
Purchased Services	424,717	424,717	424,831	(114)
Supplies	2,950	2,950	648	2,302
Total Mowing	<u>427,667</u>	<u>427,667</u>	<u>425,479</u>	<u>2,188</u>
General Facilities				
Building Materials	6,800	6,800	4,409	2,391
Fixed Charges	4,655	4,655	3,951	704
Personnel Services	557,303	569,103	552,563	16,540
Purchased Services	119,844	119,844	96,284	23,560
Supplies	24,840	24,840	10,718	14,122
Total General Facilities	<u>713,442</u>	<u>725,242</u>	<u>667,925</u>	<u>57,317</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Works (Continued)				
Municipal Building				
Building Materials	100	100	1,984	(1,884)
Fixed Charges	7,551	7,551	6,595	956
Purchased Services	233,780	233,780	246,996	(13,216)
Supplies	23,600	23,600	24,016	(416)
Total Municipal Building	<u>265,031</u>	<u>265,031</u>	<u>279,591</u>	<u>(14,560)</u>
Keystone				
Building Materials	-	-	610	(610)
Fixed Charges	2,383	2,383	2,686	(303)
Personnel Services	43,142	43,142	44,124	(982)
Purchased Services	76,024	76,024	75,493	531
Supplies	6,950	6,950	13,682	(6,732)
Total Keystone	<u>128,499</u>	<u>128,499</u>	<u>136,595</u>	<u>(8,096)</u>
Facilities Center				
Building Materials	-	-	1,443	(1,443)
Fixed Charges	4,453	4,453	5,021	(568)
Purchased Services	33,798	33,798	17,703	16,095
Supplies	2,400	2,400	3,073	(673)
Total Facilities Center	<u>40,651</u>	<u>40,651</u>	<u>27,240</u>	<u>13,411</u>
Total Public Works	<u>14,974,650</u>	<u>16,086,450</u>	<u>15,367,182</u>	<u>719,268</u>
Parks, Recreation, Culture and Leisure				
Parks and Recreation				
Building Materials	171,375	171,375	180,676	(9,301)
Fixed Charges	154,363	154,363	171,929	(17,566)
Other	7,650	7,650	1,723	5,927
Personnel Services	4,435,915	4,716,770	3,890,151	826,619
Purchased Services	1,376,870	1,376,870	1,268,989	107,881
Supplies	705,920	705,920	554,032	151,888
Total Parks and Recreation	<u>6,852,093</u>	<u>7,132,948</u>	<u>6,067,500</u>	<u>1,065,448</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Parks, Recreation, Culture and Leisure (Continued)				
Senior Citizens				
Fixed Charges	658	658	1,434	(776)
Other	6,100	6,100	152	5,948
Personnel Services	609,350	609,350	529,512	79,838
Purchased Services	108,404	108,404	23,689	84,715
Supplies	45,993	45,993	41,267	4,726
Total Senior Citizens	770,505	770,505	596,054	174,451
Total Parks, Recreation, Culture and Leisure	7,622,598	7,903,453	6,663,554	1,239,899
Debt Service				
Principal Retirement	-	-	70,000	(70,000)
Interest and Fiscal Charges	-	-	64,600	(64,600)
Total Debt Service	-	-	134,600	(134,600)
Total Expenditures	66,879,759	69,058,514	66,149,597	2,908,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,298,088	21,446,148	32,302,355	10,856,207
Other Financing Sources (Uses)				
Transfer to General Purpose School Fund	(10,876,736)	(10,876,736)	(10,876,736)	-
Transfer to Mass Transit	(961,000)	(974,270)	(700,249)	274,021
Transfer to Freedom Hall	(250,000)	(250,000)	(429,783)	(179,783)
Transfer to Transportation Planning	(70,500)	(70,500)	(109,232)	(38,732)
Transfer to Capital Projects Fund	(1,819,088)	(1,953,878)	(2,160,878)	(207,000)
Transfer to Parks Administration	-	-	(28,000)	(28,000)
Transfer to Debt Service	(8,699,401)	(8,699,401)	(8,163,353)	536,048
Transfer to Police Grant and Technology	-	-	(1,706)	(1,706)
Transfer to Community Development	-	-	(471,004)	(471,004)
Transfer from General Purpose School Fund	-	-	1,918	1,918
Transfer from Water and Sewer Fund	700,000	700,000	700,000	-
Proceeds from Sale of Real Estate and Equipment	75,000	75,000	254,371	179,371
Total Other Financing Sources (Uses)	(21,901,725)	(22,049,785)	(21,984,652)	65,133
Net Change in Fund Balance	(603,637)	(603,637)	10,317,703	10,921,340
Fund Balance, July 1, 2020	35,120,517	35,120,517	35,120,517	-
Fund Balance, June 30, 2021	\$ 34,516,880	34,516,880	45,438,220	10,921,340

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Local Sales Tax	\$ 14,347,961	14,347,961	17,153,237	2,805,276
Local Liquor Tax	-	-	2,685	2,685
County Property Tax	12,599,771	12,599,771	12,457,486	(142,285)
Interest and Penalty	188,000	188,000	90,387	(97,613)
Business Tax	315,000	315,000	386,343	71,343
In Lieu - Local Utilities	200,150	200,150	216,039	15,889
Total Taxes	<u>27,650,882</u>	<u>27,650,882</u>	<u>30,306,177</u>	<u>2,655,295</u>
Licenses and Permits				
Marriage Licenses	1,500	1,500	1,685	185
Intergovernmental Revenues				
State of Tennessee				
Basic Education Program	34,831,000	34,831,000	34,745,962	(85,038)
Career Ladder Program	136,000	136,000	141,763	5,763
Bank Excise Tax	32,000	32,000	81,318	49,318
Other State of Tennessee Funds	-	235,545	322,430	86,885
Total State of Tennessee	<u>34,999,000</u>	<u>35,234,545</u>	<u>35,291,473</u>	<u>56,928</u>
Federal				
ROTC Reimbursement	60,000	60,000	46,371	(13,629)
Total Intergovernmental Revenues	<u>35,059,000</u>	<u>35,294,545</u>	<u>35,337,844</u>	<u>43,299</u>
Charges for Services				
School Tuition	262,000	262,000	257,413	(4,587)
Educare Revenue	1,388,000	1,688,000	2,061,871	373,871
Total Charges for Services	<u>1,650,000</u>	<u>1,950,000</u>	<u>2,319,284</u>	<u>369,284</u>
Investment Earnings				
Investment Income	-	-	85,791	85,791
Revenue From Use of Property				
Rents from Buildings and Equipment	50,000	50,000	2,500	(47,500)
Miscellaneous				
Refunds and Reimbursements	203,500	288,300	332,189	43,889
Other Local Revenue	47,000	47,000	56,839	9,839
Total Miscellaneous	<u>250,500</u>	<u>335,300</u>	<u>389,028</u>	<u>53,728</u>
Total Revenues	<u>64,661,882</u>	<u>65,282,227</u>	<u>68,442,309</u>	<u>3,160,082</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures				
Instruction				
Regular Education				
Capital Outlay	135,518	380,250	373,705	6,545
Other	142,120	148,165	145,165	3,000
Personnel Services	39,326,811	41,010,135	40,501,986	508,149
Purchased Services	401,774	447,930	442,424	5,506
Supplies	511,727	601,257	379,151	222,106
Total Regular Education	<u>40,517,950</u>	<u>42,587,737</u>	<u>41,842,431</u>	<u>745,306</u>
Special Education				
Personnel Services	4,870,692	4,572,192	4,443,612	128,580
Supplies	17,602	17,602	17,359	243
Total Special Education	<u>4,888,294</u>	<u>4,589,794</u>	<u>4,460,971</u>	<u>128,823</u>
Vocational Education				
Personnel Services	1,945,247	1,993,247	1,977,489	15,758
Purchased Services	5,000	5,000	5,000	-
Supplies	10,112	10,112	10,112	-
Total Vocational Education	<u>1,960,359</u>	<u>2,008,359</u>	<u>1,992,601</u>	<u>15,758</u>
Alternative Education				
Capital Outlay	12,594	10,094	3,077	7,017
Other	5,000	5,000	5,000	-
Personnel Services	954,229	1,021,829	1,007,262	14,567
Purchased Services	6,600	6,600	6,100	500
Supplies	23,804	23,804	23,804	-
Total Alternative Education	<u>1,002,227</u>	<u>1,067,327</u>	<u>1,045,243</u>	<u>22,084</u>
Total Instruction	<u>48,368,830</u>	<u>50,253,217</u>	<u>49,341,246</u>	<u>911,971</u>
Support Services				
Health Services				
Capital Outlay	500	2,200	2,127	73
Other	1,800	1,300	1,684	(384)
Personnel Services	551,118	633,918	629,818	4,100
Purchased Services	8,320	5,320	4,859	461
Supplies	19,280	21,480	18,394	3,086
Total Health Services	<u>581,018</u>	<u>664,218</u>	<u>656,882</u>	<u>7,336</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Support Services (Continued)				
Student Support				
Capital Outlay	2,500	-	-	-
Supplies	-	-	117,577	(117,577)
Purchased Services	8,000	175	175	-
Personnel Services	1,872,080	1,844,605	1,728,743	115,862
Total Student Support	<u>1,882,580</u>	<u>1,844,780</u>	<u>1,846,495</u>	<u>(1,715)</u>
Regular Education				
Capital Outlay	30,000	32,287	24,786	7,501
Other	55,500	52,852	45,635	7,217
Personnel Services	3,184,022	3,446,250	3,364,659	81,591
Purchased Services	685,700	198,200	169,110	29,090
Supplies	93,530	102,852	87,978	14,874
Total Regular Education	<u>4,048,752</u>	<u>3,832,441</u>	<u>3,692,168</u>	<u>140,273</u>
Alternative Education				
Other	500	500	500	-
Personnel Services	53,644	53,644	51,644	2,000
Supplies	2,500	2,500	2,500	-
Total Alternative Education	<u>56,644</u>	<u>56,644</u>	<u>54,644</u>	<u>2,000</u>
Special Education				
Other	5,000	5,000	4,938	62
Personnel Services	543,723	598,823	551,258	47,565
Purchased Services	3,127	7,727	8,324	(597)
Supplies	3,385	2,285	2,095	190
Total Special Education	<u>555,235</u>	<u>613,835</u>	<u>566,615</u>	<u>47,220</u>
Vocational Education				
Personnel Services	60,443	61,543	57,150	4,393
Purchased Services	-	400	371	29
Supplies	81,000	116,000	105,600	10,400
Total Vocational Education	<u>141,443</u>	<u>177,943</u>	<u>163,121</u>	<u>14,822</u>
Board of Education				
Fixed Charges	81,034	81,034	170,010	(88,976)
Other	496,680	512,080	493,002	19,078
Personnel Services	339,209	345,809	329,292	16,517
Purchased Services	51,700	38,700	36,775	1,925
Supplies	2,000	2,000	1,736	264
Total Board of Education	<u>970,623</u>	<u>979,623</u>	<u>1,030,815</u>	<u>(51,192)</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Support Services (Continued)				
Office of Director of Schools				
Capital Outlay	1,250	1,250	1,024	226
Other	22,000	2,000	5,145	(3,145)
Personnel Services	267,649	269,149	264,076	5,073
Purchased Services	128,157	136,657	129,046	7,611
Supplies	7,000	7,000	4,007	2,993
Total Office of Director of Schools	<u>426,056</u>	<u>416,056</u>	<u>403,298</u>	<u>12,758</u>
Office of Principal				
Other	3,386	3,386	3,386	-
Personnel Services	5,063,202	5,104,202	4,989,709	114,493
Purchased Services	157,774	158,774	149,172	9,602
Supplies	5,796	5,796	5,796	-
Total Office of Principal	<u>5,230,158</u>	<u>5,272,158</u>	<u>5,148,063</u>	<u>124,095</u>
Fiscal Services				
Capital Outlay	3,000	-	-	-
Other	750	750	99	651
Personnel Services	431,158	429,258	422,550	6,708
Purchased Services	49,250	51,450	51,096	354
Supplies	8,000	9,200	8,976	224
Total Fiscal Services	<u>492,158</u>	<u>490,658</u>	<u>482,721</u>	<u>7,937</u>
Operation of Plant				
Personnel Services	2,298,066	2,242,066	2,168,370	73,696
Purchased Services	2,265,000	2,270,500	2,193,308	77,192
Supplies	385,000	377,313	152,331	224,982
Capital Outlay	-	3,000	-	3,000
Total Operation of Plant	<u>4,948,066</u>	<u>4,892,879</u>	<u>4,514,009</u>	<u>378,870</u>
Maintenance of Plant				
Capital Outlay	40,000	49,924	48,324	1,600
Other	3,000	3,000	-	3,000
Personnel Services	1,534,977	1,431,277	1,356,420	74,857
Purchased Services	226,360	281,910	246,497	35,413
Supplies	225,000	233,000	212,729	20,271
Total Maintenance Of Plant	<u>2,029,337</u>	<u>1,999,111</u>	<u>1,863,970</u>	<u>135,141</u>
Preschool				
Capital Outlay	10,000	7,650	-	7,650
Other	4,000	6,450	7,514	(1,064)
Personnel Services	340,923	351,023	325,995	25,028
Purchased Services	125	1,425	96	1,329
Supplies	14,000	9,083	5,439	3,644
Total Preschool	<u>369,048</u>	<u>375,631</u>	<u>339,044</u>	<u>36,587</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Support Services (Continued)				
Transportation				
Capital Outlay	35,000	20,850	-	20,850
Personnel	-	13,850	13,214	636
Purchased Services	2,385,715	2,385,715	6,412	2,379,303
Supplies	54,000	54,300	40,581	13,719
Total Transportation	<u>2,474,715</u>	<u>2,474,715</u>	<u>60,207</u>	<u>2,414,508</u>
Other Support				
Capital Outlay	3,000	950	349	601
Other	4,000	2,500	1,265	1,235
Personnel Services	66,533	71,683	70,789	894
Purchased Services	-	13,200	12,875	325
Supplies	5,700	3,100	1,519	1,581
Total Other Support	<u>79,233</u>	<u>91,433</u>	<u>86,797</u>	<u>4,636</u>
Community Services				
Capital Outlay	9,000	4,000	3,140	860
Other	29,700	31,450	27,453	3,997
Personnel Services	1,080,025	1,082,988	1,025,761	57,227
Purchased Services	6,385	12,445	9,890	2,555
Supplies	82,100	78,757	47,162	31,595
Total Community Services	<u>1,207,210</u>	<u>1,209,640</u>	<u>1,113,406</u>	<u>96,234</u>
Technology				
Capital Outlay	30,000	30,600	21,732	8,868
Other	4,000	2,000	678	1,322
Personnel Services	1,251,112	1,315,712	1,286,366	29,346
Purchased Services	530,825	504,825	407,502	97,323
Supplies	23,700	37,700	31,216	6,484
Total Technology	<u>1,839,637</u>	<u>1,890,837</u>	<u>1,747,494</u>	<u>143,343</u>
Other Capital Outlay				
Capital Outlay	192,000	234,686	164,801	69,885
Other	70,000	73,079	22,920	50,159
Personnel Services	-	1,000	1,000	-
Supplies	-	4,350	4,307	43
Total Other Capital Outlay	<u>262,000</u>	<u>313,115</u>	<u>193,028</u>	<u>120,087</u>

(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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Support Services (Continued)				
Human Resources				
Capital Outlay	1,250	800	-	800
Other	1,000	550	-	550
Personnel Services	228,638	230,338	228,575	1,763
Purchased Services	900	1,100	996	104
Supplies	1,000	1,700	1,662	38
Total Human Resources	<u>232,788</u>	<u>234,488</u>	<u>231,233</u>	<u>3,255</u>
Attendance				
Purchased Services	46,000	44,500	44,109	391
Total Attendance	<u>46,000</u>	<u>44,500</u>	<u>44,109</u>	<u>391</u>
Total Support Services	<u>27,872,701</u>	<u>27,874,705</u>	<u>24,238,119</u>	<u>3,636,586</u>
Total Expenditures	<u>76,241,531</u>	<u>78,127,922</u>	<u>73,579,365</u>	<u>4,548,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,579,649)</u>	<u>(12,845,695)</u>	<u>(5,137,056)</u>	<u>7,708,639</u>
Other Financing Sources (Uses)				
Transfer from General Fund	13,247,451	13,247,451	10,876,736	(2,370,715)
Transfer from to Federal and Special Project Funds	-	-	(2,683)	(2,683)
Transfer to Educational Facilities Debt Service	-	-	(1,678,281)	(1,678,281)
Transfer to General Fund	-	-	(1,918)	(1,918)
Transfer to School Federal and Special Project Funds	(87,979)	(87,979)	(1,181,334)	(1,093,355)
Transfer to Debt Service	<u>(2,426,418)</u>	<u>(2,612,418)</u>	<u>(973,718)</u>	<u>1,638,700</u>
Total Other Financing Sources (Uses)	<u>10,733,054</u>	<u>10,547,054</u>	<u>7,038,802</u>	<u>(3,508,252)</u>
Net Change in Fund Balance	(846,595)	(2,298,641)	1,901,746	4,200,387
Fund Balance, July 1, 2020	<u>8,307,286</u>	<u>8,307,286</u>	<u>8,307,286</u>	<u>-</u>
Fund Balance, June 30, 2021	<u>\$ 7,460,691</u>	<u>6,008,645</u>	<u>10,209,032</u>	<u>4,200,387</u>

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 30,132,804	3,383,316	7,215,541	40,731,661	12,563,758
Investments	564,239	-	305,687	869,926	-
Accounts Receivable (Net)	1,212,151	565,426	310,112	2,087,689	488,632
Due from Other Funds	-	-	-	-	28,310
Due from Federal Government	-	-	791,195	791,195	-
Due from State of Tennessee	-	-	254,910	254,910	-
Inventories	1,817,627	9,933	-	1,827,560	455,809
Total Current Assets	33,726,821	3,958,675	8,877,445	46,562,941	13,536,509
Noncurrent Assets					
Capital Assets					
Land	4,076,278	2,296,132	4,958,502	11,330,912	-
Buildings and Improvements	1,388,416	4,889,174	12,885,018	19,162,608	311,001
Plant in Service	259,959,561	-	-	259,959,561	-
Equipment and Vehicles	16,552,378	13,424,610	13,741,814	43,718,802	3,532,969
Less: Accumulated Depreciation	(130,097,128)	(8,383,864)	(9,709,183)	(148,190,175)	(1,027,461)
Construction In Progress	36,477,673	150,380	669,172	37,297,225	-
Net Capital Assets	188,357,178	12,376,432	22,545,323	223,278,933	2,816,509
Restricted Assets					
Investments	5,067,716	-	2,575,870	7,643,586	-
Total Restricted Assets	5,067,716	-	2,575,870	7,643,586	-
Total Noncurrent Assets	193,424,894	12,376,432	25,121,193	230,922,519	2,816,509
Total Assets	227,151,715	16,335,107	33,998,638	277,485,460	16,353,018

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	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	685,341	121,713	279,474	1,086,528	211,677
Pension Changes in Experience	34,391	5,303	14,141	53,835	9,889
Pension Changes in Investment Earnings (Net)	132,826	28,401	97,150	258,377	62,665
Deferred Bond Refunding Costs	2,277	-	-	2,277	-
Total Deferred Outflows of Resources	854,835	155,417	390,765	1,401,017	284,231
LIABILITIES					
Current Liabilities					
Accounts Payable	5,175,702	394,334	102,752	5,672,788	838,809
Accrued Payroll Expenses	284,004	62,558	120,474	467,036	65,173
Accrued Expenses	126,253	6,774	662	133,689	6,840,456
Accrued Interest Payable	221,478	17,914	45,556	284,948	31,100
Unearned Revenue	5,438	21,952	1,080	28,470	-
Matured Bonds and Interest Payable	33,253	-	-	33,253	-
Retainages Payable	196,374	-	-	196,374	-
Contractor Deposits	332,766	-	-	332,766	-
Customer Deposits	431,734	29,283	37,347	498,364	-
Notes and Bonds Payable - Current Portion	3,925,169	81,597	338,000	4,344,766	227,795
Compensated Absences - Current Portion	47,603	14,498	12,005	74,106	15,762
Deferred Landfill Postclosure					
Cost - Current Portion	-	37,380	-	37,380	-
Total Current Liabilities	10,779,774	666,290	657,876	12,103,940	8,019,095

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds		
LIABILITIES (CONTINUED)					
Noncurrent Liabilities					
Compensated Absences Payable	669,305	162,985	228,744	1,061,034	197,852
Net Pension Liability	170,217	189,213	218,007	577,437	119,310
Notes and Bonds Payable (Net)	66,781,321	2,793,686	6,875,801	76,450,808	2,000,978
Deferred Landfill Postclosure Cost	-	74,760	-	74,760	-
Total Noncurrent Liabilities	<u>67,620,843</u>	<u>3,220,644</u>	<u>7,322,552</u>	<u>78,164,039</u>	<u>2,318,140</u>
Total Liabilities	<u>78,400,617</u>	<u>3,886,934</u>	<u>7,980,428</u>	<u>90,267,979</u>	<u>10,337,235</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Changes in Experience	154,346	25,506	61,336	241,188	46,236
Total Deferred Inflows of Resources	<u>154,346</u>	<u>25,506</u>	<u>61,336</u>	<u>241,188</u>	<u>46,236</u>
NET POSITION					
Net Investment in Capital Assets	122,720,681	9,501,149	17,907,392	150,129,222	587,736
Unrestricted	26,730,906	3,076,935	8,440,247	38,248,088	5,666,042
Total Net Position	<u>\$ 149,451,587</u>	<u>12,578,084</u>	<u>26,347,639</u>	<u>188,377,310</u>	<u>6,253,778</u>

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
Operating Revenues					
Charges for Services (Net)	\$ 38,268,248	10,831,088	6,954,843	56,054,179	32,011,934
Other Revenue	868,404	258,824	32,936	1,160,164	2,006,347
Total Operating Revenues	39,136,652	11,089,912	6,987,779	57,214,343	34,018,281
Operating Expenses					
Administration	911,871	454,367	548,631	1,914,869	-
Personnel Services	9,731,045	2,673,716	4,313,720	16,718,481	2,341,426
Contractual Services	1,286,067	3,572,974	1,102,139	5,961,180	27,890,371
Materials and Supplies	1,623,989	328,421	386,986	2,339,396	34,006
Repairs and Maintenance	2,437,916	2,225,983	1,175,797	5,839,696	4,099,019
Other Operating Expenses	4,938,391	260,921	138,202	5,337,514	156,898
Depreciation and Amortization	6,605,385	1,045,722	1,318,936	8,970,043	492,135
Total Operating Expenses	27,534,664	10,562,104	8,984,411	47,081,179	35,013,855
Operating Income (Loss)	11,601,988	527,808	(1,996,632)	10,133,164	(995,574)
Nonoperating Revenues (Expenses)					
Investment Income	24	-	1,252	1,276	23,902
Operating Grants	-	-	3,116,706	3,116,706	-
Interest Expenses and Commissions	(2,563,980)	(82,900)	(170,684)	(2,817,564)	(50,086)
Amortization of Loss on Refunding	(35,623)	-	-	(35,623)	-
Amortization of Gain on Refunding	67,454	-	-	67,454	-
Sale of Real Estate and Other Equipment	7,015	-	5,501	12,516	-
Gain (Loss) on Sale of Capital Assets	-	-	(11,792)	(11,792)	(288,900)
Total Nonoperating Revenues (Expenses)	(2,525,110)	(82,900)	2,940,983	332,973	(315,084)

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds		
Income (Loss) Before Transfers and Capital Contributions	9,076,878	444,908	944,351	10,466,137	(1,310,658)
Transfers and Capital Contributions					
Transfers In	-	-	700,249	700,249	-
Transfers Out	(700,000)	-	-	(700,000)	-
Federal Capital Grant Revenue	-	-	916,711	916,711	-
State Capital Grant Revenue	-	-	753,240	753,240	-
Total Transfers and Capital Contributions	(700,000)	-	2,370,200	1,670,200	-
Change in Net Position	8,376,878	444,908	3,314,551	12,136,337	(1,310,658)
Net Position, July 1, 2020	141,074,709	12,133,176	23,033,088	176,240,973	7,564,436
Net Position, June 30, 2021	\$ 149,451,587	12,578,084	26,347,639	188,377,310	6,253,778

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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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 38,660,543	10,838,905	6,893,632	56,393,080	26,707
Receipts from Interfund Services Provided	965,979	246,605	-	1,212,584	33,974,181
Receipts (Payments) for Contractor Deposits	(82,893)	-	-	(82,893)	-
Payments to Employees	(9,834,667)	(2,651,334)	(4,384,781)	(16,870,782)	(2,357,039)
Payments to Suppliers	(5,639,444)	(5,862,911)	(1,857,812)	(13,360,167)	(31,701,872)
Payments for Interfund Services Used	(1,844,685)	(2,224,960)	(1,566,546)	(5,636,191)	(11,862)
Net Cash Provided by (Used for) Operating Activities	22,224,833	346,305	(915,507)	21,655,631	(69,885)
Cash Flows from Noncapital Financing Activities					
Transfers to Other Funds	(700,000)	-	-	(700,000)	-
Transfers from Other Funds	-	-	700,249	700,249	-
Operating Grants Received	-	-	2,715,654	2,715,654	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(700,000)	-	3,415,903	2,715,903	-
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(17,948,106)	(2,019,774)	(2,137,060)	(22,104,940)	(2,229,483)
Proceeds from Bonds Issued	-	813,283	2,442,000	3,255,283	1,865,980
Payments of Construction Retainages	(377,589)	-	-	(377,589)	-
Bond Issue Costs	-	(3,745)	-	(3,745)	(8,592)
Bond Premium	-	194,076	569,245	763,321	372,095
Capital Grants Received	-	-	1,583,582	1,583,582	-
Principal Paid on Capital Debt	(3,802,705)	(65,306)	(250,000)	(4,118,011)	-
Interest Paid on Capital Debt	(2,866,206)	(84,151)	(165,889)	(3,116,246)	(19,696)
Proceeds from Sale of Capital Assets	7,015	-	13,365	20,380	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	(24,987,591)	(1,165,617)	2,055,243	(24,097,965)	(19,696)

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	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	24	-	1,252	1,276	23,902
Purchase of Investments	-	-	(2,576,307)	(2,576,307)	-
Sale of Investments	4,321,359	121,192	-	4,442,551	-
Net Cash Provided by (Used for) Investing Activities	4,321,383	121,192	(2,575,055)	1,867,520	23,902
Net Increase (Decrease) in Cash and Cash Equivalents	858,625	(698,120)	1,980,584	2,141,089	(65,679)
Cash and Cash Equivalents, July 1, 2020	29,274,179	4,081,436	5,234,957	38,590,572	12,629,437
48 Cash and Cash Equivalents, June 30, 2021	\$ 30,132,804	3,383,316	7,215,541	40,731,661	12,563,758
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 11,601,988	527,808	(1,996,632)	10,133,164	(995,574)
Adjustments:					
Depreciation	6,605,385	1,045,722	1,318,936	8,970,043	492,135
Landfill Postclosure Cost	-	(37,380)	-	(37,380)	-
Changes in the Allowance for Uncollectible Receivables	271,454	-	-	271,454	-
(Increase) Decrease in Deferred Pension Outflows	78,624	(10,863)	(7,777)	59,984	(15,082)
Increase (Decrease) in Deferred Pension Inflows	(371,759)	(58,289)	(136,112)	(566,160)	(103,112)
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	219,362	(2,643)	(96,751)	119,968	(65,170)
(Increase) Decrease in Inventories	183,874	-	-	183,874	(51,819)
(Increase) Decrease in Due from Other Funds	-	-	-	-	(1,984)
Increase (Decrease) in Accounts Payable and Accrued Expenses	3,522,559	(1,067,900)	(72,598)	2,382,061	568,140

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	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	50,655	8,339	20,807	79,801	9,738
Increase (Decrease) in Net Pension Liability	114,853	37,490	71,187	223,530	63,128
Increase (Decrease) in Compensated Absences	24,005	45,705	(19,166)	50,544	29,715
Increase (Decrease) in Contractor Deposits	(82,893)	-	2,575	(80,318)	-
Increase (Decrease) in Customer Deposits	(1,029)	(203)	-	(1,232)	-
Increase (Decrease) in Other Payables	7,672	818	4	8,494	-
Increase (Decrease) in Retainage Payable	-	(140,743)	-	(140,743)	-
Increase (Decrease) in Unearned Revenue	83	(1,556)	20	(1,453)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 22,224,833</u>	<u>346,305</u>	<u>(915,507)</u>	<u>21,655,631</u>	<u>(69,885)</u>

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Non-Cash Capital and Related Financing Activities

Water and Sewer:

- Amortization of Deferred Bond Refunding totaling \$35,623 as shown on the Statement of Revenues, Expenses, and Changes in Net Position.
- Amortization of Gain on Deferred Bond Refunding totaling \$67,454 as shown on the Statement of Revenues, Expenses, and Changes in Net Position.
- Amortization of Bond Premium totaling \$289,746 included in interest expense on the Statement of Revenues, Expenses, and Changes in Net Position.

City Solid Waste:

- Amortization of Bond Premium totaling \$16,522 included in interest expense on the Statement of Revenues, Expenses, and Changes in Net Position.

Nonmajor Proprietary - Stormwater Management:

- Amortization of Bond Premium totaling \$29,753 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 \$9,302 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.
- Loss on Disposal of Capital Assets totaling \$288,900 shown on the 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
AGENCY FUND - NETCO
June 30, 2021

ASSETS

Cash and Cash Equivalents	\$ 92,509
Receivables	<u>114,861</u>
Total Assets	<u><u>\$ 207,370</u></u>

LIABILITIES

Accounts Payable	\$ 79,710
Due to Cooperative	<u>127,660</u>
Total Liabilities	<u><u>\$ 207,370</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
AGENCY FUND - NETCO
For the Fiscal Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
ASSETS				
Cash and Cash Equivalents	\$ 35,547	2,155,905	2,098,943	92,509
Receivables	83,031	114,861	83,031	114,861
Total Assets	<u>\$ 118,578</u>	<u>2,270,766</u>	<u>2,181,974</u>	<u>207,370</u>
LIABILITIES				
Accounts Payable	\$ -	79,710	-	79,710
Due to Cooperative	118,578	9,082	-	127,660
Total Liabilities	<u>\$ 118,578</u>	<u>88,792</u>	<u>-</u>	<u>207,370</u>

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, 2021

	Johnson City Public Library	Johnson City Development Authority	Industrial Development Board	Total Component Units
ASSETS				
Cash and Cash Equivalents	\$ 669,645	2,110,338	2,872	2,782,855
Restricted Cash and Cash Equivalents	-	181,289	-	181,289
Accounts Receivable (Net)	-	7,975	-	7,975
Intergovernmental Receivables	-	425,120	-	425,120
Prepaid Expenses	-	8,331	-	8,331
Capital Assets:				
Land	-	379,300	-	379,300
Book Collection	1,138,049	-	-	1,138,049
Buildings and Improvements	368,659	6,145,527	-	6,514,186
Equipment and Furniture	881,367	-	-	881,367
Less: Accumulated Depreciation	(885,705)	(457,351)	-	(1,343,056)
Total Assets	2,172,015	8,800,529	2,872	10,975,416
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow of TIF Funds	-	1,567,200	-	1,567,200
LIABILITIES				
Accounts Payable	18,678	192,468	-	211,146
Deposits Payable	-	26,246	-	26,246
Accrued Payroll Expenses	41,990	-	-	41,990
Accrued Interest Payable	-	63,370	-	63,370
Other Accrued Expenses	-	53,199	-	53,199
Deferred Revenue	-	1,684	-	1,684
Noncurrent Liabilities:				
Due within one year	43,685	468,839	-	512,524
Due in more than one year	-	7,556,267	-	7,556,267
Total Liabilities	104,353	8,362,073	-	8,466,426
NET POSITION				
Net Investment in Capital Assets	1,442,343	110,372	-	1,552,715
Restricted for Imagination Library	36,504	-	-	36,504
Restricted by External Contributions	7,690	-	-	7,690
Restricted for East Tennessee Foundation:				
Expendable	2,390	-	-	2,390
Nonexpendable	9,266	-	-	9,266
Restricted by Enabling Legislation	-	1,593,027	-	1,593,027
Unrestricted	569,469	302,257	2,872	874,598
Total Net Position	\$ 2,067,662	2,005,656	2,872	4,076,190

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, 2021

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Total
	Expenses	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	\$ 2,136,606	11,459	2,106,402	7,723	(11,022)	-	-	(11,022)
Imagination Library	64,582	-	60,872	-	(3,710)	-	-	(3,710)
Total Johnson City Public Library	<u>2,201,188</u>	<u>11,459</u>	<u>2,167,274</u>	<u>7,723</u>	<u>(14,732)</u>	<u>-</u>	<u>-</u>	<u>(14,732)</u>
Johnson City Development Authority:								
General Government	680,046	196,746	198,283	-	-	(285,017)	-	(285,017)
John Sevier Center	779,756	845,469	-	-	-	65,713	-	65,713
Tax Increment Financing	555,259	-	819,818	-	-	264,559	-	264,559
Total Johnson City Development Authority	<u>2,015,061</u>	<u>1,042,215</u>	<u>1,018,101</u>	<u>-</u>	<u>-</u>	<u>45,255</u>	<u>-</u>	<u>45,255</u>
Industrial Development Board:								
General Government	-	-	-	-	-	-	-	-
Total Industrial Development Board	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 4,216,249</u>	<u>1,053,674</u>	<u>3,185,375</u>	<u>7,723</u>	<u>(14,732)</u>	<u>45,255</u>	<u>-</u>	<u>30,523</u>
General Revenues:								
Unrestricted Investment Earnings					\$ 229	10,578	-	10,807
Other General Revenue					5,046	-	-	5,046
E-Rate Reimbursement					5,794	-	-	5,794
Miscellaneous Revenue							41	41
Total General Revenues					<u>11,069</u>	<u>10,578</u>	<u>41</u>	<u>21,688</u>
Change in Net Position					<u>(3,663)</u>	<u>55,833</u>	<u>41</u>	<u>52,211</u>
Net Position, July 1, 2020					2,082,981	1,949,823	2,831	4,035,635
Prior Period Adjustment					(11,656)	-	-	(11,656)
Net Position, July 1, 2020 (Restated)					<u>2,071,325</u>	<u>1,949,823</u>	<u>2,831</u>	<u>4,023,979</u>
Net Position, June 30, 2021					<u>\$ 2,067,662</u>	<u>2,005,656</u>	<u>2,872</u>	<u>4,076,190</u>

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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, 2021

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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Blended Component Unit

Johnson City Public Building Authority (PBA) - The Johnson City Public Building Authority's Board of Directors is appointed by the City of Johnson City Commission. The PBA is organized to engage in activities necessary to implement functions or projects delegated to it by the Board of Commissioners of the City of Johnson City, including but not limited to the acquisition of, design, planning, construction, maintenance and operation of a project commonly known as the Continuing Education Center. The PBA is reported as a blended component unit of the City because the services it provides almost entirely benefit the primary government. It is reported as an enterprise fund of the City because its principal operating revenues are charges for services, and thus, it does not issue separate financial statements.

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.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

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.

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. An agency fund is generally used to account for assets that the City holds on behalf of others as their agent. All agency 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.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2021, the City treats the Debt Service Fund as major.

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 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. Since the City has adopted GASB 84 in the fiscal year ended June 30, 2021, this is the first year that this fund has been reported by the City.

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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Project Fund* accounts for the acquisition and construction of major capital facilities, equipment, and infrastructure other than those financed by proprietary funds.

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 eight 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, 2021

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, 2021

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 are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund has no measurement focus, but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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, 2021

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, 2021

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 Tennessee Bank. 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, 2021

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.

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, 2021**

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
Computer equipment/software licenses	3

6. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has items that qualify for reporting in this category. There are also deferred bond refunding costs. 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 2021, 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, 2020 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 net difference between projected and actual earnings on pension plan investments and 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.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The 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 and other deferred/unavailable revenue. 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, 2020 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. 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.

7. 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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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.

9. 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.

10. 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.

11. 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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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.

12. Reclassifications

Certain reclassifications have been made to the June 30, 2020 financial statements in order for them to conform to the June 30, 2021 financial statement presentation.

13. 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.

14. 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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Accounting Changes

GASB Statement 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The implementation of this standard resulted in the inclusion of an additional nonmajor government fund, the Internal School Fund, in the financial statements for the fiscal year ended June 30, 2021.

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, 2021**

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, 2021

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 \$260,873,484 difference are as follows:

Governmental Capital Assets	\$ 559,722,386
Less: Accumulated Depreciation	(296,032,393)
Less: Internal Service Funds Net Capital Assets	<u>(2,816,509)</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>\$ 260,873,484</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$(122,959,856) difference are as follows:

Bonds and Notes Payable (net of Unamortized Premiums and Discounts)	\$ (126,330,476)
Less: Deferred Charge on Refunding	1,141,847
Less: Internal Service Funds Bonds and Notes Payable including Premiums	2,228,773
Net adjustment to reduce total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ (122,959,856)

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 \$13,001,207 difference are as follows:

Net Pension Asset	\$ 7,633,597
Deferred Outflows Related to Pensions	12,134,942
Net Pension Liability	(2,072,855)
Deferred Inflows Related to Pensions	(4,575,792)
Less: Internal Service Funds Portion	(118,685)
Net adjustment to increase total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ 13,001,207

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 \$(43,626,438) difference are as follows:

OPEB Liability	\$ (39,988,375)
Deferred Outflows Related to OPEB	7,643,227
Deferred Inflows Related to OPEB	(11,281,290)
Net adjustment to reduce total <i>fund balances of governmental funds</i> to arrive at <i>net position of governmental activities</i>	\$ (43,626,438)

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 depreciation of general capital assets and other capital related expenses in the current period exceed capital outlay.” This difference does not include depreciation and amortization expense of \$492,135 relating to internal service funds. The details of this \$(3,608,613) difference are as follows:

Capital Outlay	\$ 14,445,818
Less: Items not Capitalized	(2,301,554)
Depreciation and Amortization Expense	<u>(15,752,877)</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>\$ (3,608,613)</u></u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.” 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 this \$(55,926) difference are as follows:

Change in Donated Assets	\$ 14,539
Net Loss on Disposals	<u>(70,465)</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>\$ (55,926)</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 \$(351,036) difference are as follows:

Deferred Property Taxes as of June 30, 2021	\$ 556,022
Deferred Property Taxes as of June 30, 2020	(740,871)
Deferred Other Taxes as of June 30, 2020	<u>(166,187)</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>\$ (351,036)</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$(13,209,211) difference, which does not include the internal service funds, are as follows:

Principal Repayments on Bonds and Notes	\$ 7,978,973
Proceeds from Issuance of Bonds and Notes	(24,823,737)
Premium on Issuance of Bonds and Notes	(4,827,865)
Refunding Escrow Payment	6,875,699
Amortization of Premium and Deferred Refunding	<u>1,587,719</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>\$ (13,209,211)</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 \$4,344,043 difference are as follows:

Change in Net Pension Asset	\$ (2,493,743)
Change in Deferred Outflows of Resources Related to Pensions	1,876,180
Change in Net Pension Liability	(1,184,694)
Change in Deferred Inflows of Resources Related to Pensions	<u>6,146,300</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>\$ 4,344,043</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$19,286 of cash on hand, which has been included in cash and cash equivalents. The City's carrying amount of deposits, including restricted cash, was \$95,997,611 and the bank balance was \$96,576,857. Of the City's bank balance, \$96,550,361 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 \$26,496 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 (days) range from 1 to 105 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, 2021

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

B. Investments (Continued)

At June 30, 2021, the City's investments were as follows:

Investment Type	Fair Value or Amortized Cost	Weighted Average Maturity (Years)
Municipal Bonds	\$ 27,079,253	0.02
Treasury Securities	4,098,801	0.38
Certificates of Deposit - Investments	9,370,316	0.07
State Treasurer's Investment Pool - Amortized Cost	870,416	N/A
Cash with Investment Firm	155,951	N/A
Fixed Rate Agency Securities	10,200,000	N/A
Total Fair Value	\$ 51,774,737	
Portfolio Weighted Average Maturity		0.06

Classified as:

Investments	\$ 20,265,291
Restricted Investments	32,037,709
Less: TCRS Stabilization	(528,263)
Total Investments Herein	\$ 51,774,737

As of June 30, 2021 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 12.34% and 7.96%, respectively, of the City's investment portfolio. An additional 8.16% of the City's investment portfolio is in United States Treasury securities.

As of June 30, 2021, the City's investment ratings were as follows:

Rating	Rating Agency	Fair Value	Percentage of Total Investments
AAA	Standard & Poor's	\$ 6,052,642	11.69%
AA+	Standard & Poor's	4,802,500	9.28%
AA	Standard & Poor's	5,731,006	11.07%
AA-	Standard & Poor's	1,507,704	2.91%
Aa3	Moody's	2,853,244	5.51%
Aa2	Moody's	2,204,036	4.26%
Aaa	Moody's	5,927,111	11.45%
unrated		22,696,494	43.84%
		\$ 51,774,737	100.00%

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

B. Investments (Continued)

Investments at fair value level at June 30, 2021 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	\$ 27,079,253	-	27,079,253	-
Treasury Securities	4,098,801	4,098,801	-	-
Certificates of Deposit - Investments	9,370,316	-	9,370,316	-
Cash with Investment Firm	155,951	155,951	-	-
Fixed Rate Agency Securities	10,200,000	-	10,200,000	-
	<u>\$ 50,904,321</u>	<u>4,254,752</u>	<u>46,649,569</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.

Interest Rate Risk

Under its loan agreement, the Public Building Authority of Blount County, Tennessee (the Authority), at the request of the City, entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series D-9-A. This swap was finalized in the fiscal year ended June 30, 2021, with no additional payments due to or from the City.

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, 2021

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, 2021, 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, 2021

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, 2021

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

B. Investments (Continued)

Restricted Investments - TCRS Stabilization Trust (Continued)

At June 30, 2021, 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	\$ 163,762
Developed Market International Equity	N/A	N/A	73,957
Emerging Market International Equity	N/A	N/A	21,131
U.S. Fixed Income	N/A	N/A	105,653
Real Estate	N/A	N/A	52,826
Short-term Securities	N/A	N/A	5,283
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>105,653</u>
Total			<u><u>\$ 528,263</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	\$ 163,762	163,762	-	-	-
Developed Market International Equity	73,957	73,957	-	-	-
Emerging Market International Equity	21,131	21,131	-	-	-
U.S. Fixed Income	105,653	-	105,653	-	-
Real Estate	52,826	-	-	52,826	-
Short-term Securities	5,283	-	5,283	-	-
Investments at Amortized Cost using the NAV:					
Private Equity and Strategic Lending	<u>105,653</u>	-	-	-	<u>105,653</u>
Total	<u><u>\$ 528,263</u></u>	<u>258,849</u>	<u>110,935</u>	<u>52,826</u>	<u>105,653</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 county 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, 2021

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 Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Receivables					
Taxes	\$ 38,203,801	-	-	-	38,203,801
Accounts	1,511,185	116,437	-	234,176	1,861,798
Intergovernmental	6,854,730	21,820,820	478,662	5,048,828	34,203,040
Gross Receivables	46,569,716	21,937,257	478,662	5,283,004	74,268,639
Less: Allowances for Uncollectibles	(723,985)	-	-	-	(723,985)
Net Total Receivables	<u>\$ 45,845,731</u>	<u>21,937,257</u>	<u>478,662</u>	<u>5,283,004</u>	<u>73,544,654</u>

	Water and Sewer	City Solid Waste	Nonmajor Proprietary Funds	Total Enterprise Funds
Receivables				
Accounts	\$ 3,265,793	967,868	475,654	4,709,315
Intergovernmental	-	-	1,046,105	1,046,105
Gross Receivables	3,265,793	967,868	1,521,759	5,755,420
Less: Allowance for Uncollectibles	(2,053,642)	(402,442)	(165,542)	(2,621,626)
Net Total Receivables	<u>\$ 1,212,151</u>	<u>565,426</u>	<u>1,356,217</u>	<u>3,133,794</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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	\$ 38,203,801	-	-	38,203,801
Accounts	1,861,798	4,709,315	488,632	7,059,745
Intergovernmental	34,203,040	1,046,105	-	35,249,145
Gross Receivables	<u>74,268,639</u>	<u>5,755,420</u>	<u>488,632</u>	<u>80,512,691</u>
Less: Allowances for				
Uncollectibles	<u>(723,985)</u>	<u>(2,621,626)</u>	<u>-</u>	<u>(3,345,611)</u>
Net Total Receivables	<u>\$ 73,544,654</u>	<u>3,133,794</u>	<u>488,632</u>	<u>77,167,080</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	\$ 555,867
	City Solid Waste	34,069
	Regional Solid Waste Services	10,873
	Stormwater	15,537
		<u>\$ 616,346</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 2021 property taxes are unearned and unavailable, but are recorded as receivable on the levy date, as described in Note 1.G.6 and Note 1.H.2.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

D. Capital Assets

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

	Primary Government				Ending Balance
	Beginning Balance	Additions	Deletions	Adjustments	
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 30,486,581	-	-	-	30,486,581
Artwork	265,150	-	-	-	265,150
Construction in Progress	14,584,681	11,623,895	(14,623,137)	-	11,585,439
Total Capital Assets, Not Being Depreciated	45,336,412	11,623,895	(14,623,137)	-	42,337,170
Capital Assets, Being Depreciated:					
Buildings and Improvements	265,407,415	11,721,319	-	(17,264)	277,111,470
Equipment and Vehicles	54,800,353	4,926,699	(7,052,551)	31,803	52,706,304
Intellectual Property	5,500	-	-	-	5,500
Infrastructure	186,666,871	895,071	-	-	187,561,942
Total Capital Assets, Being Depreciated	506,880,139	17,543,089	(7,052,551)	14,539	517,385,216
Accumulated Depreciation:					
Buildings and Improvements	(141,029,446)	(9,040,210)	-	8,632	(150,061,024)
Equipment and Vehicles	(39,760,894)	(3,152,865)	6,523,086	(8,632)	(36,399,305)
Intellectual Property	(672)	(122)	-	-	(794)
Infrastructure	(105,519,455)	(4,051,815)	-	-	(109,571,270)
Total Accumulated Depreciation	(286,310,467)	(16,245,012)	6,523,086	-	(296,032,393)
Net Capital Assets, Being Depreciated	220,569,672	1,298,077	(529,465)	14,539	221,352,823
Net Governmental Activities Capital Assets	\$ 265,906,084	12,921,972	(15,152,602)	14,539	263,689,993

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

Governmental Activities:	
General Government	\$ 964,288
Education	6,659,287
Public Welfare	1,575,738
Public Works	5,659,289
Public Safety	631,260
City Services	263,015
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of those assets	492,135
Total Depreciation Expense - Governmental Activities	\$ 16,245,012

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

D. Capital Assets (Continued)

	Primary Government				Ending Balance
	Beginning Balance	Additions	Deletions	Adjustments	
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 11,010,556	320,356	-	-	11,330,912
Construction in Progress	26,617,867	14,961,933	(4,282,575)	-	37,297,225
Total Capital Assets, Not Being Depreciated	37,628,423	15,282,289	(4,282,575)	-	48,628,137
Capital Assets, Being Depreciated:					
Buildings and Improvements	15,607,998	3,554,610	-	-	19,162,608
Plant in Service	257,085,986	2,873,575	-	-	259,959,561
Equipment and Vehicles	40,583,259	4,677,042	(1,541,499)	-	43,718,802
Total Capital Assets, Being Depreciated	313,277,243	11,105,227	(1,541,499)	-	322,840,971
Accumulated Depreciation:					
Buildings and Improvements	(4,337,526)	(512,444)	-	4,781	(4,845,189)
Plant in Service	(112,132,140)	(5,507,209)	-	(4,781)	(117,644,130)
Equipment and Vehicles	(24,272,309)	(2,950,390)	1,521,843	-	(25,700,856)
Total Accumulated Depreciation	(140,741,975)	(8,970,043)	1,521,843	-	(148,190,175)
Net Capital Assets, Being Depreciated	172,535,268	2,135,184	(19,656)	-	174,650,796
Net Business-Type Activities Capital Assets	\$210,163,691	17,417,473	(4,302,231)	-	223,278,933

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

Business-Type Activities:	
Water and Sewer	\$ 6,605,385
City Solid Waste	1,045,722
Regional Solid Waste	409,330
Mass Transit	571,455
Stormwater Management	338,151
Total Depreciation Expense - Business-Type Activities	\$ 8,970,043

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	909
Inactive Employees Entitled to but not yet Receiving Benefits	740
Active Employees	540
	<u>2,189</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, 2021, the employer contributions for the City were \$5,492,015 based on a rate of 20.34 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, 2020, 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, 2021

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and 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 2.5 percent.

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate 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, 2021

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, 2019	\$ 236,470,704	235,291,764	1,178,940
Changes for the Fiscal Year:			
Service Cost	2,181,602	-	2,181,602
Interest	16,862,303	-	16,862,303
Differences between Expected and Actual Experience	(383,449)	-	(383,449)
Contributions - Employer	-	5,728,167	(5,728,167)
Net Investment Income	-	11,510,495	(11,510,495)
Benefit Payments, Including Refunds of Employee Contributions	(12,137,627)	(12,137,627)	-
Administrative Expense	-	(49,558)	49,558
Other Changes	-	-	-
Net Changes	<u>6,522,829</u>	<u>5,051,477</u>	<u>1,471,352</u>
Balance at June 30, 2020	<u>\$ 242,993,533</u>	<u>240,343,241</u>	<u>2,650,292</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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Johnson City's Net Pension Liability (Asset)	<u>\$ 31,729,496</u>	<u>2,650,292</u>	<u>(21,878,948)</u>

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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, 2021, the City recognized pension expense of \$4,118,806.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2021, 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	\$ 190,483	1,167,511
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,639,851	-
Contributions Subsequent to the Measurement Date of June 30, 2020	5,492,015	(not applicable)
Total	\$ 7,322,349	1,167,511

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

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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:	
2022	\$ (1,784,494)
2023	408,505
2024	976,011
2025	1,062,801

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, 2021, the City reported a payable of \$424,893 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2021.

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 publically 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, 2021

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, 2021 to the Teacher Legacy Pension Plan were \$3,318,888, which is 10.05 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, 2021**

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, 2021, the Johnson City Schools reported a liability (asset) of (\$7,302,904) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. 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, 2020, Johnson City Schools' proportion was 0.957665 percent. The proportion measured as of June 30, 2019 was 0.951120 percent.

Pension Expense (Negative Pension Expense)

For the fiscal year ended June 30, 2021, Johnson City Schools recognized pension expense (negative pension expense) of (\$35,563).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2021, 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	\$ 277,624	3,511,106
Changes in Assumptions	663,435	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,631,029	-
Changes in Proportion of Net Pension Liability (Asset)	79,750	47,132
Contributions Subsequent to the Measurement Date of June 30, 2020	3,318,888	(not applicable)
Total	\$ 5,970,726	3,558,238

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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 \$3,318,888, 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, 2022. 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:	
2022	\$ (1,760,509)
2023	(271,378)
2024	45,046
2025	1,080,441

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and 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 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Johnson City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ 22,711,868	(7,302,904)	(32,192,200)

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, 2020, Johnson City Schools reported a payable of \$272,669 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2021.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 publically 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, 2021

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, 2021 to the Teacher Retirement Plan were \$172,631 which is 2.05 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, 2021, Johnson City Schools reported a liability (asset) of (\$330,693) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension 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, 2020, Johnson City Schools' proportion was 0.581549 percent. The proportion measured as of June 30, 2019 was 0.616697 percent.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:	
2021	\$ (1,983)
2022	1,910
2023	3,894
2024	4,460
2025	(4,665)
Thereafter	(26,871)

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and 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 2.5 percent.

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

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

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

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Johnson City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ 257,224	(330,693)	(764,060)

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, 2021, Johnson City Schools reported a payable of \$14,879 for the outstanding amount of contributions to the pension plan required at the fiscal year ended June 30, 2021.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021, is as follows:

	Net Pension Liability (Asset)			Total Net Pension Liability (Asset)
	City TCRS Plan	School's TCRS Teacher Legacy Plan	School's TCRS Hybrid Plan	
Governmental Activities				
Governmental Activities-Liability	\$ 2,072,855	-	-	2,072,855
Governmental Activities-Asset	-	(7,302,904)	(330,693)	(7,633,597)
Total Governmental Activities	<u>2,072,855</u>	<u>(7,302,904)</u>	<u>(330,693)</u>	<u>(5,560,742)</u>
Business-Type Activities				
Water and Sewer Fund	170,217	-	-	170,217
City Solid Waste	189,213	-	-	189,213
Non-Major Proprietary	218,007	-	-	218,007
Total Business-Type Activities	<u>577,437</u>	<u>-</u>	<u>-</u>	<u>577,437</u>
Total Net Pension Liability (Asset)	<u>\$ 2,650,292</u>	<u>(7,302,904)</u>	<u>(330,693)</u>	<u>(4,983,305)</u>

The summary of Pension Deferred Outflows and Deferred Inflows as of June 30, 2021, is as follows:

	City TCRS Plan	School's TCRS Teacher Legacy Plan	School's TCRS Hybrid Plan	Total
Deferred Outflows Related to Pensions				
Differences Between Expected and Actual Experience	\$ 190,483	277,624	12,285	480,392
Changes in Assumptions	-	663,435	10,369	673,804
Changes in Proportion of Net Pension Liability (Asset)	-	79,750	18,383	98,133
Contributions Subsequent to Measurement Date	5,492,015	3,318,888	172,631	8,983,534
Differences Between Projected and Actual Earnings on Pension Plan Investments	1,639,851	1,631,029	26,939	3,297,819
Total Deferred Outflows Related to Pensions	<u>\$ 7,322,349</u>	<u>5,970,726</u>	<u>240,607</u>	<u>13,533,682</u>
Deferred Inflows Related to Pensions				
Differences Between Expected and Actual Experience	\$ 1,167,511	3,511,106	82,871	4,761,488
Changes in Proportion of Net Pension Liability (Asset)	-	47,132	8,360	55,492
Total Deferred Inflows Related to Pensions	<u>\$ 1,167,511</u>	<u>3,558,238</u>	<u>91,231</u>	<u>4,816,980</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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. 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 \$436,567 for the fiscal year ended June 30, 2021.

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 \$980,657 and \$1,298,046, respectively, for the fiscal year ended June 30, 2021. 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 \$333,826 for the fiscal year ended June 30, 2021. 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, 2021. 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, 2021

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 \$357,090 and \$427,818, respectively, for the fiscal year ended June 30, 2021.

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 approved a resolution which amends the post-employment healthcare benefits. Under the amendment, active employees with at least 35 years of continuous full-time service solely to the City as of July 1, 2008, shall be 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, may remain in the group health plan at employee rates until reaching Medicare eligibility. Upon reaching Medicare eligibility, these employees shall be eligible to be reimbursed up to \$3,000 per fiscal year for the costs of a Medicare supplemental plan, if they choose to procure such a plan.

All other active full-time employees with less than 30 years of continuous service solely to the City as of July 1, 2008, shall not be eligible for any of the retiree health benefits as set forth in the above paragraphs. 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 October 1, 2020 to \$156.60 for single coverage and \$402.33 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, 2021, contributions received from active employees were \$1,971,508 and contributions received from retirees were \$331,384.

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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, 2021, the following were covered by the benefit terms:

Inactives Receiving Benefits	117
Inactives Not Receiving Benefits	0
Actives	992
Total	1,109

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% - 6.50%

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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: 2.21 percent as of June 30, 2020 and 2.16 percent as of June 30, 2021, 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
2022	6.10%
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, 2021**

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, 2021.

Changes in the OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at June 30, 2020	\$ 25,929,297
Changes for the Fiscal Year:	
Service Cost	1,239,276
Interest	584,728
Differences between Expected and Actual Experience	(3,274,044)
Changes in Assumptions	(2,509,227)
Benefit Payments	(1,420,563)
Net Changes	(5,379,830)
Balance at June 30, 2021	\$ 20,549,467

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 2.16 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Increase (3.16%)	Current Discount Rate (2.16%)	1% Decrease (1.16%)
OPEB Liability	\$ 19,376,751	20,549,467	21,734,761

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 6.10 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 (5.10 percent decreasing to 3.00 percent) or 1-percentage-point higher (7.10 percent decreasing to 5.00 percent) than the current rate:

	1% Increase (7.10% decreasing to 5.00%)	Current Health Care Trend Rate (6.10% decreasing to 4.00%)	1% Decrease (5.10% decreasing to 3.00%)
OPEB Liability	\$ 22,843,937	20,549,467	18,566,828

OPEB Expense

For the fiscal year ended June 30, 2021, the City recognized a net OPEB expense after contributions of \$106,839.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2021, 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	\$ -	(3,017,013)
Changes in Assumptions	2,264,031	(2,328,232)
Total	\$ 2,264,031	(5,345,245)

**CITY OF JOHNSON CITY, TENNESSEE
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021**

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:		
2022	\$	(296,602)
2023		(283,902)
2024		(216,533)
2025		(354,835)
2026		(687,909)
Thereafter		(1,241,433)

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, \$316.50 for retiree plus children, \$452.25 for retiree plus spouse, and \$818.50 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, then the quarterly charge is \$427 for individual and \$1,097 for family.

The co-insurance rate of reimbursement depends on the plan the employee is covered by. The Preferred Network has a \$500 deductible with an 80% co-insurance rate. The Select Network has a \$500 deductible and a 90 % co-insurance rate.

During the fiscal year ended June 30, 2021, premiums of \$2,555,950 were collected from active employees and \$84,084 were collected from retirees.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021, the following were covered by the benefit terms:

Inactives Receiving Benefits	76
Inactives Not Receiving Benefits	0
Actives	756
Total	832

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% - 6.10%

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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: 2.21 percent as of June 30, 2020 and 2.16 percent as of June 30, 2021, 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:

Age	Rate		Age	Rate	
	Male	Female		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, 2021**

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:

<u>Age</u>	<u>Rate</u>		<u>Age</u>	<u>Rate</u>	
	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 Rate: It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>
2022	6.10%
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, 2021.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2020	\$ 25,199,520
Changes for the Fiscal Year:	
Service Cost	1,432,106
Interest	575,013
Differences between Expected and Actual Experience	(2,582,156)
Changes in Assumptions	(3,959,692)
Benefit Payments	(1,225,883)
Net Changes	(5,760,612)
 Balance at June 30, 2021	 \$ 19,438,908

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 2.16 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Increase (3.16%)	Current Discount Rate (2.16%)	1% Decrease (1.16%)
OPEB Liability	\$ 18,199,290	19,438,908	20,707,748

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 6.10 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 (5.10 percent decreasing to 3.00 percent) or 1-percentage-point higher (7.10 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, 2021

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

H. Post-Employment Healthcare Benefits (Continued)

Johnson City Schools (Continued)

	1% Increase (7.10% decreasing to 5.00%)	Current Health Care Trend Rate (6.10% decreasing to 4.00%)	1% Decrease (5.10% decreasing to 3.00%)
OPEB Liability	\$ 22,249,188	19,438,908	17,091,550

OPEB Expense

For the fiscal year ended June 30, 2021, the Schools recognized a net OPEB expense after contributions of \$1,206,417.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2021, Johnson City Schools reported the following deferred outflows and deferred inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 2,570,124	(2,281,556)
Changes in Assumptions	2,809,072	(3,654,489)
Total	\$ 5,379,196	(5,936,045)

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:	
2022	\$ 425,181
2023	425,181
2024	427,630
2025	477,920
2026	(340,303)
Thereafter	(1,972,458)

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021, is as follows:

	Net OPEB Liability		Total Net OPEB Liability
	City OPEB	School's OPEB	
Governmental Activities	\$ 20,549,467	19,438,908	39,988,375

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, 2021, is as follows:

	City OPEB	School's OPEB	Total
Deferred Outflows Related to OPEB			
Differences Between Expected and Actual Experience	\$ -	2,570,124	2,570,124
Changes in Assumptions	2,264,031	2,809,072	5,073,103
Total Deferred Outflows Related to OPEB	2,264,031	5,379,196	7,643,227
Deferred Inflows Related to OPEB			
Differences Between Expected and Actual Experience	3,017,013	2,281,556	5,298,569
Changes in Assumptions	2,328,232	3,654,489	5,982,721
Total Deferred Inflows Related to OPEB	\$ 5,345,245	5,936,045	11,281,290

I. Termination Plan Benefits

The City has an involuntary termination plan in accordance with the City Manager's contract. The City Manager has announced his retirement effective December 31, 2021 and that is specifically designated as not covered under the involuntary termination plan. As such, there is no estimated liability for the contract at June 30, 2021.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021, the general liability program had \$1,056,319 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, 2020 to July 1, 2021 policy period, the City received a dividend of \$45,457 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 \$600,000 and an aggregate excess limit of \$1,000,000. The total paid out for workers' compensation during fiscal year 2021 was \$1,212,449 for the City and \$440,675 for the Schools. A reconciliation of claims for the fiscal year ended June 30, 2021 and 2020 are as follows:

	June 30, 2021			June 30, 2020	Variance
	City	Schools	Total		
Claims Incurred	\$ 354,092	115,190	469,282	894,953	(425,671)
Claims Paid	(174,970)	(79,628)	(254,598)	(460,102)	205,504
Claims Ending	<u>\$ 179,122</u>	<u>35,562</u>	<u>214,684</u>	<u>434,851</u>	<u>(220,167)</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, 2021 and 2020 are as follows:

	June 30, 2021			June 30, 2020	Variance
	City	Schools	Total		
Claims Accrued, Beginning	\$ 665,978	480,424	1,146,402	1,541,648	(395,246)
Claims Incurred	12,211,228	12,240,373	24,451,601	23,032,749	1,418,852
Claims Paid	<u>(12,210,794)</u>	<u>(12,256,518)</u>	<u>(24,467,312)</u>	<u>(23,427,995)</u>	<u>(1,039,317)</u>
Claims Accrued, Ending	<u>\$ 666,412</u>	<u>464,279</u>	<u>1,130,691</u>	<u>1,146,402</u>	<u>(15,711)</u>

The above liabilities are reflected in the Internal Service Funds.

There are additional estimated losses at June 30, 2021 for both automobile and general incidents that have been reflected as liabilities in the Internal Service Funds in the amount of \$1,462,625.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021</u>
Local Government Public Improvement Bonds, Series VII-I-1, 2010	12/29/2010	\$ 27,945,000	5.00%	\$ 24,805,000
General Obligation Bonds Series 2019	2/27/2019	275,000	5.00%	145,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	2,161,743	4.00% - 5.00%	940,000
General Obligation Bonds, Series 2020	12/15/2020	14,768,672	4.00% - 5.00%	<u>14,768,672</u> <u>40,658,672</u>
<u>Debt Service Fund:</u>				
The Tennessee Municipal Bond Fund, Series TCSLP 2008	1/9/2009	14,898,315	5.00%	7,034,432
The Tennessee Municipal Bond Fund, 2009 Energy	1/9/2009	5,200,000	5.00%	1,364,000
Qualified School Construction Bonds, Series 2009	12/1/2009	8,160,000	1.52%	2,643,980
The Tennessee Municipal Bond Fund, Series 2014	12/23/2014	2,000,000	2.56%	1,266,995
The Tennessee Municipal Bond Fund, Series 2014	12/17/2014	1,300,000	2.58%	978,000
General Obligation Bonds, Series 2016	4/12/2016	11,205,000	2.00% - 5.00%	9,275,000

**CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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, 2021</u>
General Obligation Improvement and Refunding Bonds, Series 2016A	11/17/2016	20,905,517	3.00% - 5.00%	15,324,365
General Obligation Bonds, Series 2019	2/27/2019	4,805,000	5.00%	4,420,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	18,052,222	4.00% - 5.00%	16,725,881
General Obligation Bonds, Series 2020	12/15/2020	10,055,065	4.00% - 5.00%	<u>10,055,065</u>
				<u>69,087,718</u>
<u>Fleet Management:</u>				
General Obligation Bonds, Series 2020	12/15/2020	1,865,980	4.00% - 5.00%	<u>1,865,980</u>
				<u>1,865,980</u>
Total Governmental Activities General Obligation Bonds Outstanding				<u><u>\$ 111,612,370</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 415,000	744,150	1,159,150
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
2027-2031	10,645,000	2,074,350	12,719,350
2032-2034	7,295,000	442,050	7,737,050
	<u>\$ 24,805,000</u>	<u>5,944,650</u>	<u>30,749,650</u>

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
2022	\$ 70,000	7,250	77,250
2023	75,000	3,750	78,750
	<u>\$ 145,000</u>	<u>11,000</u>	<u>156,000</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 665,000	47,000	712,000
2023	275,000	13,750	288,750
	<u>\$ 940,000</u>	<u>60,750</u>	<u>1,000,750</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
2022	\$ 1,772,849	717,733	2,490,582
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
2027-2031	4,870,000	1,155,750	6,025,750
2032-2033	2,275,001	137,400	2,412,401
	<u>\$ 14,768,672</u>	<u>3,975,458</u>	<u>18,744,130</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 887,061	211,033	1,098,094
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
2027-2029	2,665,007	162,498	2,827,505
	<u>\$ 7,034,432</u>	<u>945,673</u>	<u>7,980,105</u>

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
2022	\$ 433,000	40,920	473,920
2023	454,000	27,930	481,930
2024	477,000	14,310	491,310
	<u>\$ 1,364,000</u>	<u>83,160</u>	<u>1,447,160</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 509,171	123,624	632,795
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
	<u>\$ 2,643,980</u>	<u>628,422</u>	<u>3,272,402</u>

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
2022	\$ 59,000	27,507	86,507
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
2027-2031	352,000	71,832	423,832
2032-2035	316,000	18,618	334,618
	<u>\$ 978,000</u>	<u>210,250</u>	<u>1,188,250</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 129,000	33,790	162,790
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
2027-2030	585,995	32,398	618,393
	<u>\$ 1,266,995</u>	<u>163,554</u>	<u>1,430,549</u>

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
2022	\$ 455,000	382,000	837,000
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
2027-2031	3,075,000	1,126,000	4,201,000
2032-2036	3,735,000	459,600	4,194,600
	<u>\$ 9,275,000</u>	<u>3,314,700</u>	<u>12,589,700</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 968,648	667,262	1,635,910
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
2027-2031	6,445,573	1,483,720	7,929,293
2032-2036	3,450,000	425,200	3,875,200
	<u>\$ 15,324,365</u>	<u>4,732,139</u>	<u>20,056,504</u>

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
2022	\$ 210,000	196,550	406,550
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
2027-2031	1,050,000	594,000	1,644,000
2032-2036	1,300,000	343,000	1,643,000
2037-2039	915,000	74,000	989,000
	<u>\$ 4,420,000</u>	<u>1,883,500</u>	<u>6,303,500</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 590,295	802,087	1,392,382
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
2027-2031	3,911,346	2,898,259	6,809,605
2032-2036	4,994,409	1,817,524	6,811,933
2037-2040	4,860,951	585,196	5,446,147
	<u>\$ 16,725,881</u>	<u>9,033,949</u>	<u>25,759,830</u>

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
2022	\$ 2,539,758	473,361	3,013,119
2023	1,724,157	347,147	2,071,304
2024	1,248,971	273,710	1,522,681
2025	1,313,432	211,660	1,525,092
2026	370,891	146,410	517,301
2027-2031	1,873,856	454,800	2,328,656
2032-2036	444,000	162,640	606,640
2037-2041	540,000	66,400	606,400
	<u>\$ 10,055,065</u>	<u>2,136,128</u>	<u>12,191,193</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 227,795	93,299	321,094
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
2027-2028	596,144	45,074	641,218
	<u>\$ 1,865,980</u>	<u>391,129</u>	<u>2,257,109</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 9,931,577	4,567,566	14,499,143
2023	9,301,347	4,149,146	13,450,493
2024	9,405,661	3,759,487	13,165,148
2025	9,066,566	3,384,153	12,450,719
2026	7,663,935	3,013,499	10,677,434
2027-2031	36,117,923	10,108,983	46,226,906
2032-2036	23,809,410	3,806,032	27,615,442
2037-2041	6,315,951	725,596	7,041,547
	<u>\$ 111,612,370</u>	<u>33,514,462</u>	<u>145,126,832</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Capital Outlay Notes Payable

Capital outlay notes currently outstanding are as follows:

<u>Debt Service Fund:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
The Tennessee Municipal Bond Fund Capital Outlay Note	12/17/2014	\$ 870,000	2.20%	\$ 133,000
The Tennessee Municipal Bond Fund Capital Outlay Note	12/17/2014	500,000	2.20%	<u>76,000</u>
Total Governmental Activities Capital Outlay Notes Outstanding				<u><u>\$ 209,000</u></u>

The Tennessee Municipal Bond Fund Capital Outlay Note, as issued December 17, 2014, debt service requirements to maturity in 2022 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 133,000</u>	<u>1,463</u>	<u>134,463</u>
	<u><u>\$ 133,000</u></u>	<u><u>1,463</u></u>	<u><u>134,463</u></u>

The Tennessee Municipal Bond Fund Capital Outlay Note, as issued December 17, 2014, debt service requirements to maturity in 2022 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 76,000</u>	<u>836</u>	<u>76,836</u>
	<u><u>\$ 76,000</u></u>	<u><u>836</u></u>	<u><u>76,836</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Capital Outlay Notes Payable (Continued)

Total annual debt service requirements to maturity for governmental activities capital outlay notes are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 209,000	2,299	211,299
	\$ 209,000	2,299	211,299

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, 2021
Promissory Note, Hands On	9/21/2017	\$ 500,000	0.00%	\$ 300,000
General Fund:				
Aerospace Park Bonds, Series 2018 Portion Guaranteed by the City	3/29/2018	1,912,500	3.00% - 4.50%	1,715,000
Total Governmental Activities Other Notes Payable Outstanding				\$ 2,015,000

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Other Notes Payable (Continued)

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

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 50,000	-	50,000
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>\$ 300,000</u>	<u>-</u>	<u>300,000</u>

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
2022	\$ 75,000	61,450	136,450
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
2027-2031	485,000	192,937	677,937
2032-2036	570,000	107,063	677,063
2037-2038	255,000	13,956	268,956
	<u>\$ 1,715,000</u>	<u>586,556</u>	<u>2,301,556</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Governmental Activities (Continued)

Other Notes Payable (Continued)

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

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 125,000	61,450	186,450
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
2027-2031	535,000	192,937	727,937
2032-2036	570,000	107,063	677,063
2037-2038	255,000	13,956	268,956
	<u>\$ 2,015,000</u>	<u>586,556</u>	<u>2,601,556</u>

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.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:

<u>Water and Sewer:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
The Tennessee Municipal Bond Fund, Series TCSLP 2008	1/9/2009	\$ 901,685	5.00%	\$ 467,568
General Obligation Bonds, Series 2013	5/30/2013	23,970,000	2.00% - 4.00%	20,025,000
General Obligation Refunding Bonds, Series 2015	2/26/2015	5,745,000	1.50% - 2.00%	865,000
General Obligation Improvement and Refunding Bonds, Series 2016A	11/17/2016	17,289,483	3.00-5.00%	15,755,633
General Obligation Bonds, Series 2019	2/27/2019	12,380,000	5.00%	11,590,000
General Obligation Refunding Bonds, Series 2019B	7/31/2019	17,001,035	4.00% - 5.00%	<u>15,859,119</u>
				<u>64,562,320</u>
<u>City Solid Waste:</u>				
General Obligation Bonds, Series 2019	2/27/2019	1,785,000	5.00%	1,670,000
General Obligation Bonds, Series 2020	12/15/2020	813,283	4.00% - 5.00%	<u>813,283</u>
				<u>2,483,283</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:

<u>Stormwater Management Fund:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
General Obligation Bonds, Series 2013	5/30/2013	5,785,000	2.00% - 4.00%	4,015,000
General Obligation Bonds, Series 2020	12/15/2020	2,442,000	4.00% - 5.00%	<u>2,442,000</u>
				<u>6,457,000</u>
Total Business-Type Activities General Obligation Bonds Outstanding				<u><u>\$ 73,502,603</u></u>

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>
2022	\$ 48,939	23,378	72,317
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
2027-2029	<u>196,993</u>	<u>20,020</u>	<u>217,013</u>
	<u><u>\$ 467,568</u></u>	<u><u>111,179</u></u>	<u><u>578,747</u></u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 645,000	642,662	1,287,662
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
2027-2031	3,920,000	2,525,431	6,445,431
2032-2036	4,670,000	1,840,313	6,510,313
2037-2041	5,505,000	1,016,287	6,521,287
2042-2043	2,500,000	132,125	2,632,125
	<u>\$ 20,025,000</u>	<u>8,520,506</u>	<u>28,545,506</u>

General Obligation Refunding Bonds, Series 2015 as issued February 26, 2015 debt service requirements to maturity in 2022 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 865,000	17,300	882,300
	<u>\$ 865,000</u>	<u>17,300</u>	<u>882,300</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

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
2022	\$ 1,351,352	710,437	2,061,789
2023	1,525,159	642,870	2,168,029
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
2027-2031	7,734,426	953,680	8,688,106
	<u>\$ 15,755,633</u>	<u>3,763,709</u>	<u>19,519,342</u>

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
2022	\$ 425,000	510,250	935,250
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
2027-2031	2,980,000	1,682,750	4,662,750
2032-2036	3,685,000	970,600	4,655,600
2037-2039	2,585,000	209,400	2,794,400
	<u>\$ 11,590,000</u>	<u>5,191,250</u>	<u>16,781,250</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

Business-Type Activities (Continued)

Bonds Payable (Continued)

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
2022	\$ 559,705	760,363	1,320,068
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
2027-2031	3,708,654	2,747,491	6,456,145
2032-2036	4,735,591	1,722,977	6,458,568
2037-2040	4,609,049	554,754	5,163,803
	<u>\$ 15,859,119</u>	<u>8,564,001</u>	<u>24,423,120</u>

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
2022	\$ 60,000	73,500	133,500
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
2027-2031	430,000	242,750	672,750
2032-2036	530,000	140,200	670,200
2037-2039	375,000	30,400	405,400
	<u>\$ 1,670,000</u>	<u>749,100</u>	<u>2,419,100</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 21,597	35,366	56,963
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
2027-2031	180,000	124,500	304,500
2032-2036	225,000	81,800	306,800
2037-2041	270,000	33,400	303,400
	<u>\$ 813,283</u>	<u>403,554</u>	<u>1,216,837</u>

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
2022	\$ 260,000	122,112	382,112
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
2027-2031	1,570,000	334,689	1,904,689
2032-2034	1,070,000	73,067	1,143,067
	<u>\$ 4,015,000</u>	<u>935,118</u>	<u>4,950,118</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 78,000	106,140	184,140
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
2027-2031	540,000	373,200	913,200
2032-2036	666,000	243,960	909,960
2037-2041	810,000	99,600	909,600
	<u>\$ 2,442,000</u>	<u>1,206,810</u>	<u>3,648,810</u>

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
2022	\$ 4,314,593	3,001,508	7,316,101
2023	3,552,824	2,820,785	6,373,609
2024	3,845,508	2,661,891	6,507,399
2025	3,985,607	2,498,570	6,484,177
2026	4,308,358	2,326,379	6,634,737
2027-2031	21,260,073	9,004,511	30,264,584
2032-2036	15,581,591	5,072,917	20,654,508
2037-2041	14,154,049	1,943,841	16,097,890
2042-2043	2,500,000	132,125	2,632,125
	<u>\$ 73,502,603</u>	<u>29,462,527</u>	<u>102,965,130</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:

<u>Water and Sewer:</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
Note Payable - Limestone Cove	3/13/2003	\$ 450,000	4.65%	\$ 325,441
Note Payable - Watauga Flats	4/20/2004	380,000	4.38%	279,650
Note Payable - Limestone Cove	4/20/2005	125,000	4.25%	94,116
Note Payable - ARRA Greggtown	1/24/2010	435,000	3.25%	354,111
				<u>\$ 1,053,318</u>

Note payable for Limestone Cove, as issued March 13, 2003, debt service requirements to maturity in 2041 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,349	14,875	25,224
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
2027-2031	71,696	54,424	126,120
2032-2036	90,371	35,747	126,118
2037-2041	106,492	12,255	118,747
	<u>\$ 325,441</u>	<u>171,664</u>	<u>497,105</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
2022	\$ 8,502	12,066	20,568
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
2027-2031	57,781	45,059	102,840
2032-2036	71,873	30,967	102,840
2037-2041	89,444	13,396	102,840
2042	14,109	244	14,353
	<u>\$ 279,650</u>	<u>146,063</u>	<u>425,713</u>

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
2022	\$ 2,700	3,948	6,648
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
2027-2031	18,190	15,050	33,240
2032-2036	22,484	10,756	33,240
2037-2041	27,808	5,433	33,241
2042-2043	10,923	420	11,343
	<u>\$ 94,116</u>	<u>50,188</u>	<u>144,304</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 Greggtown, as issued January 24, 2010, debt service requirements to maturity in 2048 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 8,623	11,381	20,004
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
2027-2031	54,133	45,887	100,020
2032-2036	63,655	36,365	100,020
2037-2041	74,901	25,119	100,020
2042-2046	88,103	11,917	100,020
2047-2048	27,298	662	27,960
	<u>\$ 354,111</u>	<u>173,949</u>	<u>528,060</u>

Total annual debt service requirements to maturity for business-type activities notes payable are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 30,174	42,270	72,444
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
2027-2031	201,800	160,420	362,220
2032-2036	248,383	113,835	362,218
2037-2041	298,645	56,203	354,848
2042-2046	113,135	12,581	125,716
2047-2048	27,298	662	27,960
	<u>\$ 1,053,318</u>	<u>541,864</u>	<u>1,595,182</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 99,747,916	26,689,717	(14,825,263)	111,612,370	9,931,577
Plus: Premiums	8,433,310	5,199,961	(1,139,165)	12,494,106	-
Net Bonds Payable	<u>108,181,226</u>	<u>31,889,678</u>	<u>(15,964,428)</u>	<u>124,106,476</u>	<u>9,931,577</u>
Capital Outlay Notes Payable	414,000	-	(205,000)	209,000	209,000
Other Notes Payable	2,135,000	-	(120,000)	2,015,000	125,000
OPEB Obligation	51,128,817	-	(11,140,442)	39,988,375	-
Termination Benefits	140,767	-	(140,767)	-	-
Compensated Absences	4,381,203	2,141,431	(1,860,789)	4,661,845	418,969
Net Pension Liability	825,033	10,087,086	(8,839,264)	2,072,855	-
Governmental Activities Long-Term Liabilities	<u>\$ 167,206,046</u>	<u>44,118,195</u>	<u>(38,270,690)</u>	<u>173,053,551</u>	<u>10,684,546</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 74,336,393	3,255,283	(4,089,073)	73,502,603	4,314,593
Plus: Premiums	5,812,352	763,321	(336,020)	6,239,653	-
Net Bonds Payable	<u>80,148,745</u>	<u>4,018,604</u>	<u>(4,425,093)</u>	<u>79,742,256</u>	<u>4,314,593</u>
Notes Payable	1,082,270	-	(28,952)	1,053,318	30,174
Compensated Absences	1,084,593	503,640	(453,093)	1,135,140	74,107
Net Pension Liability	353,907	2,469,618	(2,246,088)	577,437	-
Landfill Postclosure Cost	149,520	-	(37,380)	112,140	37,380
Business-Type Activities Long-Term Liabilities	<u>\$ 82,819,035</u>	<u>6,991,862</u>	<u>(7,190,606)</u>	<u>82,620,291</u>	<u>4,456,254</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).

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Deferred Bond Refunding Costs	\$ (979,581)	(286,288)	124,022	(1,141,847)
Business-Type Activities:				
Deferred Bond Refunding Costs	\$ (712,466)	-	35,623	(676,843)
Deferred Gain on Bond Refunding	742,020	-	(67,454)	674,566
	<u>\$ 29,554</u>	<u>-</u>	<u>(31,831)</u>	<u>(2,277)</u>

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, 2021, the remaining defeased bonds consisted of \$3,125,000 of General Obligation Refunding Bonds, Series 2004A and B, \$19,505,000 of General Obligation Refunding Bonds, Series 2009, \$2,580,000 of Public Facility Refunding Bonds, Series 2006A and 2006B, \$2,460,000 of Public Facility Refunding Bonds, Series 2016, \$37,675,000 of 2010 Build America Bonds, \$3,725,000 of General Obligation Refunding Bonds, Series 2012, and \$3,150,000 of Local Government Public Improvement Bonds, Series V-K-1.

Debt Issues and Advanced Refunding - Current Fiscal Year

The City issued \$29,945,000 in General Obligation Refunding Bonds, Series 2020 dated December 15, 2020, which included proceeds of \$6,300,000 for refunding of certain of the City's debt and \$23,645,000 in new debt. 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, 2025. The proceeds were used to (1) advance refund the City's General Obligation Bonds, Series 2012 dated April 30, 2012, maturing June 1, 2021 through June 1, 2025; and (2) advance refund the City's Local Government Public Improvement Bonds, Series V-K-1 dated March 12, 2009, maturing March 1, 2021 through March 1, 2025. The net proceeds for the refunding, including debt proceeds and premiums on the debt less the cost of issuance totaled \$6,875,700 were used to advance refund the Series 2012 and Series V-K-1 Bonds along with \$64,906 of accrued interest on the refunded debt. The proceeds used to refund the bonds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2012 and Series V-K-1 Bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

K. Long-Term Debt (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$695,593. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The City refunded the Series 2012 and Series V-K-1 Bonds to reduce its total debt service payments over 5 years by \$513,784 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$502,839.

L. Interfund Receivables and Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	General Purpose School Fund	\$ 3,107
General Purpose School Fund	Food Service Fund	747
General Purpose School Fund	General Fund	9,349
Food Service Fund	General Purpose School Fund	31,108
General Purpose School Fund	Freedom Hall	11,045
Fleet Management Fund	General Purpose School Fund	28,310
Educational Facilities Debt Service Fund	General Purpose School Fund	454,466
Total		<u>\$ 538,132</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.

M. Lease Revenue

The City acts as a lessor for various City properties with an initial cost of \$9,101,255 and carrying value of \$3,861,469. The City collects rents on these properties and maintains signed lease agreements with the various tenants. The revenue is reflected in the fund that owns the property. During the fiscal year ended June 30, 2021, the City earned revenue from the leases in the amount of \$435,917. Current year depreciation expense on leased property was \$193,781.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

N. 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	Other Governmental Funds	Total
Fund Balances						
Nonspendable:						
Inventories	\$ 85,520	49,015	-	-	376,011	510,546
Permanent Fund	-	-	-	-	174,679	174,679
Total Nonspendable	85,520	49,015	-	-	550,690	685,225
Restricted for:						
Capital Projects	-	-	-	-	18,497,289	18,497,289
Debt Service	-	-	-	6,136,193	-	6,136,193
Education	-	-	-	-	1,424,249	1,424,249
Food Service	-	-	-	-	1,816,120	1,816,120
Law Enforcement	155,900	-	-	-	1,128,011	1,283,911
Senior Citizens	521,527	-	-	-	221,046	742,573
Special Purposes	16,430,758	-	-	-	593,865	17,024,623
Permanent Fund	-	-	-	-	6,634	6,634
Total Restricted	17,108,185	-	-	6,136,193	23,687,214	46,931,592
Committed to:						
Economic Development	3,830,691	-	-	-	-	3,830,691
Education	-	316,060	-	-	-	316,060
Total Committed	3,830,691	316,060	-	-	-	4,146,751
Assigned to:						
Compensated Absences	4,339,826	72,302	-	-	-	4,412,128
Education	-	9,771,655	-	-	838,088	10,609,743
Transportation Planning	-	-	-	-	98,550	98,550
Law Enforcement	-	-	-	-	2,210	2,210
Special Purposes	-	-	-	-	20,152	20,152
Total Assigned	4,339,826	9,843,957	-	-	959,000	15,142,783
Unassigned	20,073,998	-	-	-	348,227	20,422,225
Total	\$ 45,438,220	10,209,032	-	6,136,193	25,545,131	87,328,576

In addition, the Fleet Management Fund, which is an Internal Service Fund, had a deficit unrestricted net position at June 30, 2021, 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, 2021

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

0. Interfund Transfers

	<u>Transfers In:</u>						Total
	Governmental Activities				Business-Type Activities		
<u>Transfers Out:</u>	General Fund	General Purpose School Fund	Debt Service Fund	Educational Facilities Debt Service Fund	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	
Governmental Activities							
General Fund	\$ -	10,876,736	8,163,353	-	3,200,603	700,249	22,940,941
General Purpose School Fund	1,918	-	973,718	1,678,281	1,181,334	-	3,835,251
Nonmajor Governmental Funds	-	-	-	-	1,317,895	-	1,317,895
Business-Type Activities							
Water and Sewer Fund	700,000	-	-	-	-	-	700,000
Total	<u>\$ 701,918</u>	<u>10,876,736</u>	<u>9,137,071</u>	<u>1,678,281</u>	<u>5,699,832</u>	<u>700,249</u>	<u>28,794,087</u>

Transfers are used to 1) move revenues from the fund with collections authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, or 3) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

P. 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 \$1,757,904 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, 2021, the City paid Waste Management \$3,965,144 for Landfill Services.

Q. 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, 2021

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

R. 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, 2021, for Stormwater Management Fund segment (see Note 1.D. for description of services provided) is presented below.

CONDENSED STATEMENT OF NET POSITION

	<u>Stormwater Management Fund</u>
ASSETS	
Current Assets	\$ 3,824,232
Capital Assets (Net)	14,069,194
Restricted Assets	<u>2,575,870</u>
Total Assets	<u>20,469,296</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	49,220
 LIABILITIES	
Current Liabilities	423,610
Noncurrent Liabilities	<u>6,906,933</u>
Total Liabilities	<u>7,330,543</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>9,562</u>
 NET POSITION	
Net Investment in Capital Assets	9,431,263
Unrestricted	<u>3,747,148</u>
Total Net Position	<u>\$ 13,178,411</u>

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

R. Segment Information (Continued)

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

	Stormwater Management Fund
	Fund
Operating Revenues (Expenses)	
Charges for Services (Net)	\$ 3,150,507
Other Revenue	3,193
Depreciation and Amortization	(338,151)
Other Operating Expenses	(1,259,196)
Operating Income (Loss)	1,556,353
Nonoperating Revenues (Expenses)	
Interest Expense and Commissions	(170,684)
Other State Capital Grant Revenue	30,840
Change in Net Position	1,416,509
Beginning Net Position	11,761,902
Ending Net Position	\$ 13,178,411

CONDENSED STATEMENT OF CASH FLOWS

	Stormwater Management Fund
	Fund
Net Cash Provided by (Used for):	
Operating Activities	\$ 1,769,658
Capital and Related Financing Activities	2,036,197
Investing Activities	(2,575,870)
Net Increase (Decrease)	1,229,985
Beginning Cash and Cash Equivalents	2,416,982
Ending Cash and Cash Equivalents	\$ 3,646,967

CITY OF JOHNSON CITY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

S. 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 \$359,077 to the operations during the fiscal year ended June 30, 2020. 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 \$962,663 to the operations during the fiscal year ended June 30, 2020.

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 2021, 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, 2021

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

S. Joint Ventures (Continued)

The WCEDC fiscal year end presented is June 30, 2021. Audited information as of June 30, 2020 is presented for ACC and EMS. The information does not include the Tri-County Industrial Park. All are presented on the accrual basis.

	ACC	EMS	WCEDC
Operating Revenues	\$ 186,480	10,344,524	2,209,818
Operating Expenses	(1,165,907)	(12,843,486)	(2,211,591)
Other Income (Expense)	982,308	3,451,073	-
Net Income (Loss) Transferred to Net Position	2,881	952,111	(1,773)
Net Position, Beginning	2,134,478	1,401,568	118,821
Net Position, Ending	<u>\$ 2,137,359</u>	<u>2,353,679</u>	<u>117,048</u>
Total Assets	\$ 3,412,499	7,711,054	117,048
Deferred Outflows of Resources	39,807	1,467,514	-
Total Liabilities	(1,269,783)	(5,845,640)	-
Deferred Inflows of Resources	(45,164)	(979,249)	-
Total Net Position	<u>\$ 2,137,359</u>	<u>2,353,679</u>	<u>117,048</u>

T. 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.

U. Other Matters

As discussed in Note 1, the City does have 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, 2021

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

U. Other Matters (Continued)

As a result of the COVID-19 pandemic, the City received several additional new grants during the year ended June 30, 2021 and additional Coronavirus Aid, Relief, and Economic Security (CARES) funding under existing grants. Most of the grants had the funding awarded on current year expenditures, but there were some exceptions. As a part of the new funding, the City received \$1,001,670 in COVID-19 Coronavirus Relief Funds (CRF) that was granted on the previous fiscal year's expenditures and has been reflected on the Schedule of Federal Awards (SEFA) in the current fiscal year ended June 30, 2021, as that is the year of the award. They also received funds from the American Rescue Plan Act (ARPA) in the amount of \$6,707,720 during the fiscal year ended June 30, 2021. These ARPA funds were not yet obligated or expended by the City as of June 30, 2021 and therefore have been recorded as unearned revenue in 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, 2021:

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, 2021

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.

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.

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.

W. Prior Period Adjustments

As a result of adopting GASB 84, *Fiduciary Activities*, beginning net position of the non-major Johnson City School Funds was increased \$1,247,837, which was the fund balance of the combined school activity funds at June 30, 2020. The adoption of GASB 84 had no effect on the change in net position, or the net change in fund balances for the fiscal year ended June 30, 2021. In prior years, the Internal School Fund had no measurement focus. However, due to the implementation of GASB Statement 84, the Internal School Fund adopted the current financial resources measurement focus and the modified accrual basis of accounting.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
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
Interest	14,050,435	14,449,410	14,937,911	15,549,942	16,077,432	16,328,682	16,862,303
Differences between Actual and Expected Experience	(2,942,020)	(1,275,026)	726,843	2,000,093	(3,647,512)	571,451	(383,449)
Change of Assumptions	-	-	-	5,139,700	-	-	-
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)
Net Change in Total Pension Liability	<u>5,779,309</u>	<u>7,128,625</u>	<u>8,558,380</u>	<u>14,866,010</u>	<u>3,696,113</u>	<u>7,868,961</u>	<u>6,522,829</u>
Total Pension Liability - Beginning	<u>188,573,306</u>	<u>194,352,615</u>	<u>201,481,240</u>	<u>210,039,620</u>	<u>224,905,630</u>	<u>228,601,743</u>	<u>236,470,704</u>
Total Pension Liability - Ending (a)	<u>\$ 194,352,615</u>	<u>201,481,240</u>	<u>210,039,620</u>	<u>224,905,630</u>	<u>228,601,743</u>	<u>236,470,704</u>	<u>242,993,533</u>
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
Contributions - Employee	905	98	73	-	-	-	-
Net Investment Income	26,993,796	5,785,524	5,059,315	21,761,952	17,369,712	16,489,136	11,510,495
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)
Administrative Expense	(40,161)	(40,426)	(55,037)	(57,940)	(61,390)	(53,832)	(49,558)
Other	-	-	-	(273)	-	-	-
Net Change in Plan Fiduciary Net Position	<u>25,365,385</u>	<u>3,486,843</u>	<u>1,594,369</u>	<u>17,710,739</u>	<u>12,309,900</u>	<u>11,193,163</u>	<u>5,051,477</u>
Plan Fiduciary Net Position - Beginning	<u>163,631,365</u>	<u>188,996,750</u>	<u>192,483,593</u>	<u>194,077,962</u>	<u>211,788,701</u>	<u>224,098,601</u>	<u>235,291,764</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 188,996,750</u>	<u>192,483,593</u>	<u>194,077,962</u>	<u>211,788,701</u>	<u>224,098,601</u>	<u>235,291,764</u>	<u>240,343,241</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 5,355,865</u>	<u>8,997,647</u>	<u>15,961,658</u>	<u>13,116,929</u>	<u>4,503,142</u>	<u>1,178,940</u>	<u>2,650,292</u>
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%
Covered Payroll	\$ 34,540,670	32,949,533	31,617,050	31,903,589	29,866,192	29,332,872	28,162,076
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.51%	27.31%	50.48%	41.11%	15.08%	4.02%	9.41%

Notes to Schedule

Changes of assumptions: 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>
Actuarially Determined Contribution	\$ 6,600,728	6,445,525	6,184,293	6,240,342	6,173,311	6,063,105	5,777,848	5,492,015
Contributions in relation to the Actuarially Determined Contribution	<u>6,600,728</u>	<u>6,445,525</u>	<u>6,184,293</u>	<u>6,240,342</u>	<u>6,173,311</u>	<u>6,063,105</u>	<u>5,777,848</u>	<u>5,492,015</u>
Contribution Deficiency (Excess)	<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	27,001,059
Contributions as a Percentage of Covered Payroll	19.11%	19.56%	19.56%	19.56%	20.67%	20.67%	20.52%	20.34%

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.

**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 2021 were calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 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>
Proportion of the Net Pension Liability (Asset)	0.837679%	0.854321%	0.885149%	0.910234%	0.903097%	0.951120%	0.957665%
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)
Covered Payroll	\$ 32,878,832	31,981,537	31,952,106	32,175,829	31,623,553	31,892,411	31,873,560
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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.

**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>
Contractually Required Contribution	\$ 2,919,640	2,891,131	2,888,471	2,908,739	2,871,415	3,335,946	3,387,769	3,318,888
Contributions in relation to the Contractually Required Contribution	<u>2,919,640</u>	<u>2,891,131</u>	<u>2,888,471</u>	<u>2,908,739</u>	<u>2,871,415</u>	<u>3,335,946</u>	<u>3,387,769</u>	<u>3,318,888</u>
Contribution Deficiency (Excess)	<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	33,031,524
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.05%

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 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>
Proportion of the Net Pension Liability (Asset)	0.452832%	0.577005%	0.607724%	0.623820%	0.616697%	0.581549%
Proportionate Share of the Net Pension Liability (Asset)	\$ (18,217)	\$ (60,068)	\$ (160,341)	\$ (282,920)	\$ (348,117)	\$ (330,693)
Covered Payroll	\$ 940,871	\$ 2,538,856	\$ 3,989,233	\$ 5,451,440	\$ 6,525,893	\$ 7,338,773
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-1.94%	-2.37%	-4.02%	-5.19%	-5.33%	-4.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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.

**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>
Contractually Required Contribution	\$ 37,635	101,556	159,549	88,899	126,603	146,998	172,631
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>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(129,158)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 940,871	2,538,856	3,989,233	5,451,440	6,525,893	7,338,773	8,410,610
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.00%	2.05%

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 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>
Contractually Required Contribution	\$ 126,567	137,686	162,724
Contributions in relation to the Contractually Required Contribution	<u>126,567</u>	<u>137,686</u>	<u>162,724</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
 Covered Payroll	 6,525,893	 7,338,773	 8,410,610
Contributions as a Percentage of Covered Payroll	1.94%	1.88%	1.93%

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 783,156	786,206	918,964	1,239,276
Interest	791,621	849,199	821,804	584,728
Difference between Expected and Actual Experience	-	(332,984)	-	(3,274,044)
Changes in Assumptions	(467,714)	1,384,675	2,291,710	(2,509,227)
Benefit Payments	<u>(1,321,573)</u>	<u>(1,237,070)</u>	<u>(1,328,655)</u>	<u>(1,420,563)</u>
Net Change in Total OPEB Liability	(214,510)	1,450,026	2,703,823	(5,379,830)
Total OPEB Liability - Beginning	<u>21,989,958</u>	<u>21,775,448</u>	<u>23,225,474</u>	<u>25,929,297</u>
Total OPEB Liability - Ending	<u>\$ 21,775,448</u>	<u>23,225,474</u>	<u>25,929,297</u>	<u>20,549,467</u>
Covered Payroll	\$ 33,000,000	37,400,000	38,900,000	39,600,000
Total OPEB Liability as a Percentage of Covered Payroll	65.99%	62.10%	66.66%	51.89%

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 2.21 percent at June 30, 2020 to 2.16 percent at June 30, 2021.

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 JOHNSON CITY'S OPEB CONTRIBUTIONS
Last Fiscal Year Ended June 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	1,321,573	1,237,070	1,328,655	1,420,563
Contributions in relation to the Actuarially Determined Contribution	<u>1,321,573</u>	<u>1,237,070</u>	<u>1,328,655</u>	<u>1,420,563</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Covered Payroll	33,000,000	37,400,000	38,900,000	39,600,000
Contributions as a Percentage of Covered Payroll	4.00%	3.31%	3.42%	3.59%

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>
Total OPEB Liability				
Service Cost	\$ 816,013	964,295	1,109,117	1,432,106
Interest	572,717	617,749	774,216	575,013
Difference between Expected and Actual Experience	-	4,497,717	-	(2,582,156)
Changes in Assumptions	(366,710)	1,229,811	2,948,852	(3,959,692)
Benefit Payments	<u>(1,106,104)</u>	<u>(1,304,881)</u>	<u>(1,287,995)</u>	<u>(1,225,883)</u>
Net Change in Total OPEB Liability	(84,084)	6,004,691	3,544,190	(5,760,612)
Total OPEB Liability - Beginning	<u>15,734,723</u>	<u>15,650,639</u>	<u>21,655,330</u>	<u>25,199,520</u>
Total OPEB Liability - Ending	<u>\$ 15,650,639</u>	<u>21,655,330</u>	<u>25,199,520</u>	<u>19,438,908</u>
Covered Payroll	\$ 31,900,000	35,716,850	36,699,063	43,000,000
Total OPEB Liability as a Percentage of Covered Payroll	49.06%	60.63%	68.67%	45.21%

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 2.21 percent at June 30, 2020 to 2.16 percent at June 30, 2021.

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 JOHNSON CITY SCHOOLS' OPEB CONTRIBUTIONS
Last Fiscal Year Ended June 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 1,106,104	1,304,881	1,287,995	1,225,883
Contributions in relation to the Actuarially Determined Contribution	<u>1,106,104</u>	<u>1,304,881</u>	<u>1,287,995</u>	<u>1,225,883</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 31,900,000	35,716,850	36,699,063	43,000,000
Contributions as a Percentage of Covered Payroll	3.47%	3.65%	3.51%	2.85%

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.

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ -	-	132,589	132,589
Revenue from Use of Property	-	-	5,000	5,000
Investment Earnings	-	-	71,300	71,300
Miscellaneous	-	-	21,000	21,000
Total Revenues	-	-	229,889	229,889
Expenditures				
Debt Service				
Principal Retirement	6,708,872	6,708,872	6,708,931	(59)
Interest and Fiscal Charges	3,002,709	3,002,709	2,677,061	325,648
Other Fees	-	6,055,630	154,780	5,900,850
Total Debt Service	9,711,581	15,767,211	9,540,772	6,226,439
Total Expenditures	9,711,581	15,767,211	9,540,772	6,226,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,711,581)	(15,767,211)	(9,310,883)	6,456,328
Other Financing Sources (Uses)				
Transfer In	9,711,581	9,711,581	9,137,071	(574,510)
Premium on Bonds-Refunding	-	592,367	592,367	-
Issuance of Refunding Bonds	-	5,463,263	5,528,045	64,782
Payment to Refunded Bonds Escrow Agent	-	-	(6,029,735)	(6,029,735)
Total Other Financing Sources (Uses)	9,711,581	15,767,211	9,227,748	(6,539,463)
Net Change in Fund Balance	-	-	(83,135)	(83,135)
Fund Balance, July 1, 2020	83,135	83,135	83,135	-
Fund Balance, June 30, 2021	<u>\$ 83,135</u>	<u>83,135</u>	<u>-</u>	<u>(83,135)</u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,393,000	2,393,000	2,685,065	292,065
Investment Earnings	4,000	4,000	9,143	5,143
Total Revenues	2,397,000	2,397,000	2,694,208	297,208
Expenditures				
Debt Service				
Principal Retirement	1,500,000	1,500,000	1,500,000	-
Interest and Fiscal Charges	994,738	1,044,738	504,803	539,935
Other Fees	3,000	3,000	122,299	(119,299)
Total Debt Service	2,497,738	2,547,738	2,127,102	420,636
Total Expenditures	2,497,738	2,547,738	2,127,102	420,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,738)	(150,738)	567,106	717,844
Other Financing Sources (Uses)				
Transfer In	1,366,000	1,366,000	1,678,281	312,281
Premium on Bonds-Refunding	-	-	81,008	81,008
Issuance of Refunding Bonds	-	-	768,671	768,671
Payment to Refunded Bonds Escrow Agent	-	-	(845,964)	(845,964)
Total Other Financing Sources (Uses)	1,366,000	1,366,000	1,681,996	315,996
Net Change in Fund Balance	1,265,262	1,215,262	2,249,102	1,033,840
Fund Balance, July 1, 2020	3,887,091	3,887,091	3,887,091	-
Fund Balance, June 30, 2021	\$ 5,152,353	5,102,353	6,136,193	1,033,840

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.

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.

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, 2021**

	Special Revenue Funds	Capital Project Fund	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,250,373	1,499,406	5,872	6,755,651
Accounts Receivable (Net)	25,022	205,294	-	230,316
Notes Receivable	3,860	-	-	3,860
Due from Other Funds	31,108	-	-	31,108
Due from Federal Government	865,584	-	-	865,584
Due from State of Tennessee	3,467,179	714,587	-	4,181,766
Due from Local Governments	1,478	-	-	1,478
Inventories	376,011	-	-	376,011
Restricted Investments	-	17,031,066	175,441	17,206,507
Total Assets	\$ 10,020,615	19,450,353	181,313	29,652,281
LIABILITIES				
Accounts Payable	\$ 981,133	538,386	-	1,519,519
Accrued Payroll Expenditures	1,377,687	-	-	1,377,687
Accrued Expenditures	10,785	-	-	10,785
Due to Other Funds	11,792	-	-	11,792
Retainages Payable	-	414,678	-	414,678
Unearned Revenue	772,689	-	-	772,689
Total Liabilities	3,154,086	953,064	-	4,107,150
FUND BALANCES				
Nonspendable	376,011	-	174,679	550,690
Restricted	5,183,291	18,497,289	6,634	23,687,214
Assigned	1,307,227	-	-	1,307,227
Total Fund Balances	6,866,529	18,497,289	181,313	25,545,131
Total Liabilities and Fund Balances	\$ 10,020,615	19,450,353	181,313	29,652,281

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, 2021

	Special Revenue Funds	Capital Project Fund	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
Revenues				
Federal Government	\$ 12,584,799	-	-	12,584,799
State of Tennessee	1,690,242	190,543	-	1,880,785
Charges for Services	89,060	-	-	89,060
Fines and Forfeitures	192,103	-	-	192,103
Revenue from Use of Property	44,198	-	-	44,198
Investment Earnings	579	102,108	2,170	104,857
Miscellaneous	2,431,504	242,816	-	2,674,320
Total Revenues	17,032,485	535,467	2,170	17,570,122
Expenditures				
Current				
Public Safety	463,600	-	-	463,600
Public Welfare	1,126,648	-	-	1,126,648
Senior Citizens	20,405	-	-	20,405
Scholarships Awarded	-	-	1,000	1,000
Entertainment and Operation	548,386	-	-	548,386
Highway and Transportation Planning	250,853	-	-	250,853
Education	8,915,287	-	-	8,915,287
School Food Service	3,228,209	-	-	3,228,209
Miscellaneous	3,500	-	-	3,500
Capital Outlay	2,248,119	11,554,634	-	13,802,753
Total Expenditures	16,805,007	11,554,634	1,000	28,360,641

(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, 2021

	Special Revenue Funds	Capital Project Fund	Permanent Fund - School Trust Fund	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	227,478	(11,019,167)	1,170	(10,790,519)
Other Financing Sources (Uses)				
Transfers In	2,246,343	3,456,172	-	5,702,515
Transfers Out	(50,601)	(1,267,294)	-	(1,317,895)
Bond Issuance	-	18,530,823	-	18,530,823
Premium on Bond Issuance	-	4,154,490	-	4,154,490
Total Other Financing Sources (Uses)	2,195,742	24,874,191	-	27,069,933
Net Change in Fund Balances	2,423,220	13,855,024	1,170	16,279,414
Fund Balances, July 1, 2020	3,186,721	4,642,265	180,143	8,009,129
Prior Period Adjustment to record Internal School Fund	1,247,837	-	-	1,247,837
Purchase Method Inventory Adjustment	8,751	-	-	8,751
Fund Balance Adjusted	4,443,309	4,642,265	180,143	9,265,717
Fund Balances, June 30, 2021	\$ 6,866,529	18,497,289	181,313	25,545,131

See Independent Auditors' Report.

**CITY OF JOHNSON CITY, TENNESSEE
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2021**

	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	\$ 487,618	3,080,144	-	1,370,244	50,859	18,461	221,462	21,585	5,250,373
Accounts Receivable (Net)	-	24,268	-	-	754	-	-	-	25,022
Notes Receivable	-	-	-	-	-	3,860	-	-	3,860
Due from Other Funds	-	31,108	-	-	-	-	-	-	31,108
Due from Federal Government	-	-	-	-	25,860	839,724	-	-	865,584
Due from State of Tennessee	-	3,153,587	117,155	-	26,448	169,989	-	-	3,467,179
Due from Local Governments	-	-	-	1,478	-	-	-	-	1,478
Inventories	-	376,011	-	-	-	-	-	-	376,011
Total Assets	\$ 487,618	6,665,118	117,155	1,371,722	103,921	1,032,034	221,462	21,585	10,020,615
LIABILITIES									
Accounts Payable	\$ 11,417	497,478	13,018	-	2,910	452,394	416	3,500	981,133
Accrued Payroll Expenditures	5,775	1,364,198	5,587	-	2,127	-	-	-	1,377,687
Accrued Expenditures	10,785	-	-	-	-	-	-	-	10,785
Due to Other Funds	11,045	747	-	-	-	-	-	-	11,792
Unearned Revenue	428,444	-	-	340,385	-	3,860	-	-	772,689
Total Liabilities	467,466	1,862,423	18,605	340,385	5,037	456,254	416	3,500	3,154,086
FUND BALANCES									
Nonspendable	-	376,011	-	-	-	-	-	-	376,011
Restricted	-	3,240,369	-	1,031,337	96,674	575,780	221,046	18,085	5,183,291
Assigned	20,152	1,186,315	98,550	-	2,210	-	-	-	1,307,227
Total Fund Balances	20,152	4,802,695	98,550	1,031,337	98,884	575,780	221,046	18,085	6,866,529
Total Liabilities and Fund Balances	\$ 487,618	6,665,118	117,155	1,371,722	103,921	1,032,034	221,462	21,585	10,020,615

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, 2021

	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	\$ -	11,404,043	203,598	-	137,434	839,724	-	-	12,584,799
State of Tennessee	-	1,487,054	-	-	-	203,188	-	-	1,690,242
Charges for Services	-	89,060	-	-	-	-	-	-	89,060
Fines and Forfeitures	-	-	-	22,248	169,855	-	-	-	192,103
Revenue from Use of Property	44,198	-	-	-	-	-	-	-	44,198
Investment Earnings	-	579	-	-	-	-	-	-	579
Miscellaneous	41,586	1,553,849	-	808,178	-	390	23,241	4,260	2,431,504
Total Revenues	85,784	14,534,585	203,598	830,426	307,289	1,043,302	23,241	4,260	17,032,485
Expenditures									
Current									
Public Safety	-	-	-	107,668	355,932	-	-	-	463,600
Public Welfare	-	-	-	-	-	1,126,648	-	-	1,126,648
Senior Citizens	-	-	-	-	-	-	20,405	-	20,405
Entertainment and Operation	548,386	-	-	-	-	-	-	-	548,386
Highway and Transportation Planning	-	-	250,853	-	-	-	-	-	250,853
Education	-	8,915,287	-	-	-	-	-	-	8,915,287
School Food Service	-	3,228,209	-	-	-	-	-	-	3,228,209
Miscellaneous	-	-	-	-	-	-	-	3,500	3,500
Capital Outlay	-	2,229,635	-	-	18,484	-	-	-	2,248,119
Total Expenditures	548,386	14,373,131	250,853	107,668	374,416	1,126,648	20,405	3,500	16,805,007

(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, 2021

	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	(462,602)	161,454	(47,255)	722,758	(67,127)	(83,346)	2,836	760	227,478
Other Financing Sources (Uses)									
Transfers In	429,783	1,234,618	109,232	-	1,706	471,004	-	-	2,246,343
Transfers Out	-	(50,601)	-	-	-	-	-	-	(50,601)
Total Other Financing Sources (Uses)	429,783	1,184,017	109,232	-	1,706	471,004	-	-	2,195,742
Net Change in Fund Balances	(32,819)	1,345,471	61,977	722,758	(65,421)	387,658	2,836	760	2,423,220
Fund Balances, July 1, 2020	52,971	2,200,636	36,573	308,579	164,305	188,122	218,210	17,325	3,186,721
Prior Period Adjustment to record Internal School Fund	-	1,247,837	-	-	-	-	-	-	1,247,837
Purchase Method Inventory Adjustment	-	8,751	-	-	-	-	-	-	8,751
Fund Balance Adjusted	52,971	3,457,224	36,573	308,579	164,305	188,122	218,210	17,325	4,443,309
Fund Balances, June 30, 2021	\$ 20,152	4,802,695	98,550	1,031,337	98,884	575,780	221,046	18,085	6,866,529

CITY OF JOHNSON CITY, TENNESSEE
COMBINING BALANCE SHEET
SCHOOL FUNDS
June 30, 2021

	School Federal Projects Fund	Special School Projects Fund	School Food Service Fund	Internal School Fund	Total School Funds
ASSETS					
Cash and Cash Equivalents	\$ 3	2,685	1,655,040	1,422,416	3,080,144
Accounts Receivable	-	-	13,653	10,615	24,268
Due from Other Funds	-	-	31,108	-	31,108
Due from State of Tennessee	2,109,361	917,790	126,436	-	3,153,587
Inventories	-	-	376,011	-	376,011
Total Assets	\$ 2,109,364	920,475	2,202,248	1,433,031	6,665,118
LIABILITIES					
Accounts Payable	\$ 314,186	148,553	3,411	31,328	497,478
Accrued Payroll Expenditures	592,276	771,922	-	-	1,364,198
Due to Other Funds	-	-	747	-	747
Total Liabilities	906,462	920,475	4,158	31,328	1,862,423
FUND BALANCES					
Nonspendable	-	-	376,011	-	376,011
Restricted	1,202,902	-	1,816,120	221,347	3,240,369
Assigned	-	-	5,959	1,180,356	1,186,315
Total Fund Balances	1,202,902	-	2,198,090	1,401,703	4,802,695
Total Liabilities and Fund Balances	\$ 2,109,364	920,475	2,202,248	1,433,031	6,665,118

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, 2021

	School Federal Projects Fund	Special School Projects Fund	School Food Service Fund	Internal School Fund	Total School Funds
Revenues					
Federal Government	\$ 8,216,330	-	3,187,713	-	11,404,043
State of Tennessee	-	1,453,946	33,108	-	1,487,054
Charges for Services	-	-	89,060	-	89,060
Investment Earnings	-	-	579	-	579
Miscellaneous	-	-	40,174	1,513,675	1,553,849
Total Revenues	8,216,330	1,453,946	3,350,634	1,513,675	14,534,585
Expenditures					
Current					
Education	6,051,540	1,503,938	-	1,359,809	8,915,287
School Food Service	-	-	3,228,209	-	3,228,209
Capital Outlay	2,183,046	-	46,589	-	2,229,635
Total Expenditures	8,234,586	1,503,938	3,274,798	1,359,809	14,373,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,256)	(49,992)	75,836	153,866	161,454
Other Financing Sources (Uses)					
Transfers In	1,174,722	49,990	3,760	6,146	1,234,618
Transfers Out	-	(44,455)	-	(6,146)	(50,601)
Total Other Financing Sources (Uses)	1,174,722	5,535	3,760	-	1,184,017
Net Change in Fund Balances	1,156,466	(44,457)	79,596	153,866	1,345,471
Fund Balances, July 1, 2020	46,436	44,457	2,109,743	-	2,200,636
Prior Period Adjustment to record					
Internal School Fund	-	-	-	1,247,837	1,247,837
Purchase Method Inventory Adjustment	-	-	8,751	-	8,751
Fund Balance Adjusted	46,436	44,457	2,118,494	1,247,837	3,457,224
Fund Balances, June 30, 2021	\$ 1,202,902	-	2,198,090	1,401,703	4,802,695

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Revenues				
Revenue from Use of Property	\$ 1,242,000	1,242,000	44,198	(1,197,802)
Miscellaneous	188,000	188,000	41,586	(146,414)
Total Revenues	1,430,000	1,430,000	85,784	(1,344,216)
Expenditures				
Entertainment and Operation				
Building Materials	4,000	4,000	1,271	2,729
Fixed Charges	51,840	51,840	11,680	40,160
Personnel Services	516,365	521,865	338,137	183,728
Purchased Services	966,384	966,384	112,250	854,134
Supplies	138,575	138,575	85,048	53,527
Total Entertainment and Operation	1,677,164	1,682,664	548,386	1,134,278
Total Expenditures	1,677,164	1,682,664	548,386	1,134,278
Excess (Deficiency) of Revenues Over (Under) Expenditures	(247,164)	(252,664)	(462,602)	(209,938)
Other Financing Sources (Uses)				
Transfer In	250,000	250,000	429,783	179,783
Total Other Financing Sources (Uses)	250,000	250,000	429,783	179,783
Net Change in Fund Balance	2,836	(2,664)	(32,819)	(30,155)
Fund Balance, July 1, 2020	52,971	52,971	52,971	-
Fund Balance, June 30, 2021	<u>\$ 55,807</u>	<u>50,307</u>	<u>20,152</u>	<u>(30,155)</u>

See Independent Auditors' Report.

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Government	\$ 5,081,173	26,985,728	8,216,330	(18,769,398)
Total Revenues	5,081,173	26,985,728	8,216,330	(18,769,398)
Expenditures				
Education				
Other	-	1,000,188	11,203	988,985
Personnel Services	2,720,547	4,502,376	4,795,281	(292,905)
Purchased Services	-	74,250	90,950	(16,700)
Supplies	514,457	1,896,090	1,154,106	741,984
Total Education	3,235,004	7,472,904	6,051,540	1,421,364
Capital Outlay	64,901	13,600,784	2,183,046	11,417,738
Total Expenditures	3,299,905	21,073,688	8,234,586	12,839,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,781,268	5,912,040	(18,256)	(5,930,296)
Other Financing Sources (Uses)				
Transfer In	26,000	26,000	1,174,722	1,148,722
Total Other Financing Sources (Uses)	26,000	26,000	1,174,722	1,148,722
Net Change in Fund Balance	1,807,268	5,938,040	1,156,466	(4,781,574)
Fund Balance, July 1, 2020	46,436	46,436	46,436	-
Fund Balance, June 30, 2021	\$ 1,853,704	5,984,476	1,202,902	(4,781,574)

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State of Tennessee	\$ 640,810	1,926,934	1,453,946	(472,988)
Total Revenues	640,810	1,926,934	1,453,946	(472,988)
Expenditures				
Education				
Other	-	-	20,415	(20,415)
Personnel Services	391,362	1,336,039	1,305,613	30,426
Purchased Services	800	548	105,670	(105,122)
Supplies	-	-	72,240	(72,240)
Total Education	392,162	1,336,587	1,503,938	(167,351)
Total Expenditures	392,162	1,336,587	1,503,938	(167,351)
Excess (Deficiency) of Revenues Over (Under) Expenditures	248,648	590,347	(49,992)	(640,339)
Other Financing Sources (Uses)				
Transfer In	51,979	51,979	49,990	(1,989)
Transfer Out	-	-	(44,455)	(44,455)
Total Other Financing Sources (Uses)	51,979	51,979	5,535	(46,444)
Net Change in Fund Balance	300,627	642,326	(44,457)	(686,783)
Fund Balance, July 1, 2020	44,457	44,457	44,457	-
Fund Balance, June 30, 2021	\$ 345,084	686,783	-	(686,783)

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Government	\$ 2,899,138	2,837,138	3,187,713	350,575
State of Tennessee	31,550	31,550	33,108	1,558
Charges for Services	670,862	93,862	89,060	(4,802)
Investment Earnings	3,000	3,000	579	(2,421)
Miscellaneous	17,000	17,000	40,174	23,174
Total Revenues	3,621,550	2,982,550	3,350,634	368,084
Expenditures				
School Food Service				
Other	60,000	156,000	149,539	6,461
Personnel Services	1,773,612	1,568,612	1,415,807	152,805
Purchased Services	357,750	412,750	397,172	15,578
Supplies	1,483,638	1,312,638	1,265,691	46,947
Total School Food Service	3,675,000	3,450,000	3,228,209	221,791
Capital Outlay	75,000	75,000	46,589	28,411
Total Expenditures	3,750,000	3,525,000	3,274,798	250,202
Other Financing Sources (Uses)				
Transfer In	-	-	3,760	3,760
Total Other Financing Sources (Uses)	-	-	3,760	3,760
Net Change in Fund Balance	(128,450)	(542,450)	79,596	622,046
Fund Balance, July 1, 2020	2,109,743	2,109,743	2,109,743	-
Purchase Method Inventory Adjustment	-	-	8,751	8,751
Fund Balance Adjusted	2,109,743	2,109,743	2,118,494	8,751
Fund Balance, June 30, 2021	\$ 1,981,293	1,567,293	2,198,090	630,797

See Independent Auditors' Report.

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Government	\$ 357,916	357,916	203,598	(154,318)
Total Revenues	<u>357,916</u>	<u>357,916</u>	<u>203,598</u>	<u>(154,318)</u>
Expenditures				
Highway and Transportation Planning				
Fixed Charges	10,120	10,120	10,924	(804)
Personnel Services	186,307	189,907	189,431	476
Purchased Services	227,300	227,300	48,206	179,094
Supplies	4,400	4,400	2,292	2,108
Total Highway and Transportation Planning	<u>428,127</u>	<u>431,727</u>	<u>250,853</u>	<u>180,874</u>
Total Expenditures	<u>428,127</u>	<u>431,727</u>	<u>250,853</u>	<u>180,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70,211)</u>	<u>(73,811)</u>	<u>(47,255)</u>	<u>26,556</u>
Other Financing Sources (Uses)				
Transfer In	<u>70,500</u>	<u>70,500</u>	<u>109,232</u>	<u>38,732</u>
Total Other Financing Sources (Uses)	<u>70,500</u>	<u>70,500</u>	<u>109,232</u>	<u>38,732</u>
Net Change in Fund Balance	289	(3,311)	61,977	65,288
Fund Balance, July 1, 2020	<u>36,573</u>	<u>36,573</u>	<u>36,573</u>	<u>-</u>
Fund Balance, June 30, 2021	<u>\$ 36,862</u>	<u>33,262</u>	<u>98,550</u>	<u>65,288</u>

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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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Revenues				
Fines and Forfeitures	\$ 30,000	30,000	22,248	(7,752)
Miscellaneous	85,000	85,000	808,178	723,178
Total Revenues	115,000	115,000	830,426	715,426
Expenditures				
Public Safety				
Other	35,000	35,000	54,930	(19,930)
Purchased Services	15,000	15,000	28,335	(13,335)
Supplies	65,000	65,000	24,403	40,597
Total Public Safety	115,000	115,000	107,668	7,332
Total Expenditures	115,000	115,000	107,668	7,332
Net Change in Fund Balance	-	-	722,758	722,758
Fund Balance, July 1, 2020	308,579	308,579	308,579	-
Fund Balance, June 30, 2021	<u>\$ 308,579</u>	<u>308,579</u>	<u>1,031,337</u>	<u>722,758</u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Government	\$ 183,196	184,086	137,434	(46,652)
Fines and Forfeitures	260,000	260,000	169,855	(90,145)
Total Revenues	443,196	444,086	307,289	(136,797)
Expenditures				
Public Safety				
Building Materials	300	300	40	260
Fixed Charges	198,332	198,332	207,033	(8,701)
Personnel Services	86,569	87,459	94,635	(7,176)
Purchased Services	52,729	52,729	40,275	12,454
Supplies	78,114	78,114	13,949	64,165
Total Public Safety	416,044	416,934	355,932	61,002
Capital Outlay	18,484	18,484	18,484	-
Total Expenditures	434,528	435,418	374,416	61,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,668	8,668	(67,127)	(75,795)
Other Financing Sources (Uses)				
Transfer In	-	-	1,706	1,706
Total Other Financing Sources (Uses)	-	-	1,706	1,706
Net Change in Fund Balance	8,668	8,668	(65,421)	(74,089)
Fund Balance, July 1, 2020	164,305	164,305	164,305	-
Fund Balance, June 30, 2021	\$ 172,973	172,973	98,884	(74,089)

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Revenues				
Federal Government	\$ 533,024	533,024	839,724	306,700
State of Tennessee	228,522	228,522	203,188	(25,334)
Miscellaneous	300,000	300,000	390	(299,610)
Total Revenues	1,061,546	1,061,546	1,043,302	(18,244)
Expenditures				
Public Welfare				
Other	489,000	489,000	239,611	249,389
Purchased Services	397,250	397,250	695,099	(297,849)
Special Appropriations	217,272	217,272	191,938	25,334
Total Public Welfare	1,103,522	1,103,522	1,126,648	(23,126)
Total Expenditures	1,103,522	1,103,522	1,126,648	(23,126)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,976)	(41,976)	(83,346)	(41,370)
Other Financing Sources (Uses)				
Transfer In	-	-	471,004	471,004
Total Other Financing Sources (Uses)	-	-	471,004	471,004
Net Change in Fund Balance	(41,976)	(41,976)	387,658	429,634
Fund Balance, July 1, 2020	188,122	188,122	188,122	-
Fund Balance, June 30, 2021	\$ 146,146	146,146	575,780	429,634

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Government	\$ 310,000	310,000	-	(310,000)
State of Tennessee	200,000	200,000	190,543	(9,457)
Investment Earnings	-	-	102,108	102,108
Miscellaneous	125,000	125,000	242,816	117,816
Total Revenues	635,000	635,000	535,467	(99,533)
Expenditures				
Capital Outlay	12,963,163	25,776,953	11,554,634	14,222,319
Total Expenditures	12,963,163	25,776,953	11,554,634	14,222,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,328,163)	(25,141,953)	(11,019,167)	14,122,786
Other Financing Sources (Uses)				
Transfer In	1,819,088	1,857,878	3,456,172	1,598,294
Transfer Out	-	-	(1,267,294)	(1,267,294)
Bond Issuance	21,460,000	21,460,000	18,530,823	(2,929,177)
Premium on Bond Issuance	-	-	4,154,490	4,154,490
Total Other Financing Sources (Uses)	23,279,088	23,317,878	24,874,191	1,556,313
Net Change in Fund Balance	10,950,925	(1,824,075)	13,855,024	15,679,099
Fund Balance, July 1, 2020	4,642,265	4,642,265	4,642,265	-
Fund Balance, June 30, 2021	\$ 15,593,190	2,818,190	18,497,289	15,679,099

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, 2021

	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	\$ 2,755,700	7,198	3,646,967	805,676	7,215,541
Investments	-	-	-	305,687	305,687
Accounts Receivable (Net)	62,396	70,451	177,265	-	310,112
Due from Federal Government	-	791,195	-	-	791,195
Due from State of Tennessee	-	254,910	-	-	254,910
Total Current Assets	2,818,096	1,123,754	3,824,232	1,111,363	8,877,445
Capital Assets					
Land	-	205,990	4,752,512	-	4,958,502
Buildings and Improvements	179,207	2,930,484	9,775,327	-	12,885,018
Equipment and Vehicles	4,439,355	7,718,076	1,584,383	-	13,741,814
Less: Accumulated Depreciation	(2,214,914)	(4,782,069)	(2,712,200)	-	(9,709,183)
Construction in Progress	-	-	669,172	-	669,172
Net Capital Assets	2,403,648	6,072,481	14,069,194	-	22,545,323
Restricted Assets					
Investments	-	-	2,575,870	-	2,575,870
Total Restricted Assets	-	-	2,575,870	-	2,575,870
Total Assets	5,221,744	7,196,235	20,469,296	1,111,363	33,998,638
DEFERRED OUTFLOWS OF RESOURCES					
Pension Contributions After Measurement Date	72,935	170,411	36,128	-	279,474
Pension Changes in Experience	3,664	8,085	2,392	-	14,141
Pension Changes in Investment Earnings (Net)	33,078	53,372	10,700	-	97,150
Total Deferred Outflows of Resources	109,677	231,868	49,220	-	390,765
LIABILITIES					
Current Liabilities					
Accounts Payable	70,171	16,216	14,085	2,280	102,752
Accrued Payroll Expenses	26,608	79,592	14,274	-	120,474
Accrued Expenses	662	-	-	-	662
Accrued Interest Payable	-	-	45,556	-	45,556
Unearned Revenue	-	1,080	-	-	1,080
Customer Deposits	26,456	-	10,891	-	37,347
Compensated Absences - Current Portion	3,575	7,626	804	-	12,005
Notes and Bonds Payable - Current Portion	-	-	338,000	-	338,000
Total Current Liabilities	127,472	104,514	423,610	2,280	657,876

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2021

	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	82,619	127,506	18,619	-	228,744
Net Pension Liability	46,426	159,068	12,513	-	218,007
Notes and Bonds Payable (Net)	-	-	6,875,801	-	6,875,801
Total Noncurrent Liabilities	<u>129,045</u>	<u>286,574</u>	<u>6,906,933</u>	<u>-</u>	<u>7,322,552</u>
Total Liabilities	<u>256,517</u>	<u>391,088</u>	<u>7,330,543</u>	<u>2,280</u>	<u>7,980,428</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Changes in Experience	15,184	36,590	9,562	-	61,336
Total Deferred Inflows of Resources	<u>15,184</u>	<u>36,590</u>	<u>9,562</u>	<u>-</u>	<u>61,336</u>
NET POSITION					
Net Investment in Capital Assets	2,403,648	6,072,481	9,431,263	-	17,907,392
Unrestricted	2,656,072	927,944	3,747,148	1,109,083	8,440,247
Total Net Position	<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>

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, 2021

	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)	\$ 3,526,239	278,097	3,150,507	-	6,954,843
Other Revenue	-	29,743	3,193	-	32,936
Total Operating Revenues	<u>3,526,239</u>	<u>307,840</u>	<u>3,153,700</u>	<u>-</u>	<u>6,987,779</u>
Operating Expenses					
Administration	328,064	-	220,567	-	548,631
Personnel Services	923,730	2,888,138	501,852	-	4,313,720
Contractual Services	777,878	116,896	205,345	2,020	1,102,139
Materials and Supplies	116,346	161,045	109,238	357	386,986
Repairs and Maintenance	587,804	394,591	193,402	-	1,175,797
Other Operating Expenses	7,566	82,485	28,792	19,359	138,202
Depreciation and Amortization	409,330	571,455	338,151	-	1,318,936
Total Operating Expenses	<u>3,150,718</u>	<u>4,214,610</u>	<u>1,597,347</u>	<u>21,736</u>	<u>8,984,411</u>
Operating Income (Loss)	<u>375,521</u>	<u>(3,906,770)</u>	<u>1,556,353</u>	<u>(21,736)</u>	<u>(1,996,632)</u>
Nonoperating Revenues (Expenses)					
Investment Income	-	-	-	1,252	1,252
Operating Grants	-	3,116,706	-	-	3,116,706
Interest Expenses and Commissions	-	-	(170,684)	-	(170,684)
Sale of Real Estate and Other Equipment	-	5,501	-	-	5,501
Gain (Loss) on Sale of Capital Assets	(11,792)	-	-	-	(11,792)
Total Nonoperating Revenues (Expenses)	<u>(11,792)</u>	<u>3,122,207</u>	<u>(170,684)</u>	<u>1,252</u>	<u>2,940,983</u>
Income (Loss) Before Transfers and Capital Contributions	<u>363,729</u>	<u>(784,563)</u>	<u>1,385,669</u>	<u>(20,484)</u>	<u>944,351</u>
Transfers and Capital Contributions					
Transfers In	-	700,249	-	-	700,249
Federal Capital Grant Revenue	-	916,711	-	-	916,711
State Capital Grant Revenue	-	722,400	30,840	-	753,240
Total Transfers and Capital Contributions	<u>-</u>	<u>2,339,360</u>	<u>30,840</u>	<u>-</u>	<u>2,370,200</u>
Change in Net Position	363,729	1,554,797	1,416,509	(20,484)	3,314,551
Net Position, July 1, 2020	<u>4,695,991</u>	<u>5,445,628</u>	<u>11,761,902</u>	<u>1,129,567</u>	<u>23,033,088</u>
Net Position, June 30, 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>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	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	\$ 3,536,124	240,371	3,117,137	-	6,893,632
Payments to Employees	(956,409)	(2,916,690)	(511,682)	-	(4,384,781)
Payments to Suppliers	(1,011,289)	(376,046)	(450,575)	(19,902)	(1,857,812)
Payments for Interfund Services Used	(802,818)	(378,506)	(385,222)	-	(1,566,546)
Net Cash Provided by (Used for) Operating Activities	765,608	(3,430,871)	1,769,658	(19,902)	(915,507)
Cash Flows from Noncapital Financing Activities					
Transfers from Other Funds	-	700,249	-	-	700,249
Operating Grants Received	-	2,715,654	-	-	2,715,654
Net Cash Provided by (Used for) Noncapital Financing Activities	-	3,415,903	-	-	3,415,903
Cash Flows from Capital and Related Financing Activities					
Proceeds from Bonds Issued	-	-	2,442,000	-	2,442,000
Purchase of Capital Assets	-	(1,547,061)	(589,999)	-	(2,137,060)
Capital Grants Received	-	1,552,742	30,840	-	1,583,582
Principal Paid on Capital Debt	-	-	(250,000)	-	(250,000)
Bond Premium	-	-	569,245	-	569,245
Interest Paid on Capital Debt	-	-	(165,889)	-	(165,889)
Proceeds from Sale of Capital Assets	-	13,365	-	-	13,365
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	19,046	2,036,197	-	2,055,243
Cash Flows from Investing Activities					
Interest and Related Income/Expenses on Investments	-	-	-	1,252	1,252
Purchase of Investments	-	-	(2,575,870)	(437)	(2,576,307)
Net Cash Provided by (Used for) Investing Activities	-	-	(2,575,870)	815	(2,575,055)
Net Increase (Decrease) in Cash and Cash Equivalents	765,608	4,078	1,229,985	(19,087)	1,980,584
Cash and Cash Equivalents, July 1, 2020	1,990,092	3,120	2,416,982	824,763	5,234,957
Cash and Cash Equivalents, June 30, 2021	<u>\$ 2,755,700</u>	<u>7,198</u>	<u>3,646,967</u>	<u>805,676</u>	<u>7,215,541</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	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)	\$ 375,521	(3,906,770)	1,556,353	(21,736)	(1,996,632)
Adjustments:					
Depreciation and Amortization	409,330	571,455	338,151	-	1,318,936
(Increase) Decrease in Deferred Outflows Related to Pensions	(6,578)	(9,891)	8,692	-	(7,777)
Increase (Decrease) in Deferred Inflows Related to Pensions	(30,979)	(82,085)	(23,048)	-	(136,112)
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	7,457	(67,498)	(36,710)	-	(96,751)
Increase (Decrease) in Accounts Payable and Accrued Expenses	3,547	474	(78,453)	1,834	(72,598)
Increase (Decrease) in Accrued Payroll Expenses	5,726	11,061	4,020	-	20,807
Increase (Decrease) in Other Payables	4	-	-	-	4
Increase (Decrease) in Net Pension Liability	18,584	47,646	4,957	-	71,187
Increase (Decrease) in Compensated Absences	(19,432)	4,717	(4,451)	-	(19,166)
Increase (Decrease) in Customer Deposits	2,428	-	147	-	2,575
Increase (Decrease) in Unearned Revenue	-	20	-	-	20
Net Cash Provided by (Used for) Operating Activities	<u>\$ 765,608</u>	<u>(3,430,871)</u>	<u>1,769,658</u>	<u>(19,902)</u>	<u>(915,507)</u>

Non-Cash Capital and Related Financing Activities

Stormwater Management Fund

Amortization of Bond Premium totaling \$29,753 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, 2021

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 12,563,758	-	12,563,758
Accounts Receivable (Net)	487,214	1,418	488,632
Due from Other Funds	-	28,310	28,310
Inventories	-	455,809	455,809
Total Current Assets	<u>13,050,972</u>	<u>485,537</u>	<u>13,536,509</u>
Capital Assets			
Buildings and Improvements	-	311,001	311,001
Equipment and Vehicles	-	3,532,969	3,532,969
Less: Accumulated Depreciation	-	(1,027,461)	(1,027,461)
Net Capital Assets	<u>-</u>	<u>2,816,509</u>	<u>2,816,509</u>
Total Assets	<u>13,050,972</u>	<u>3,302,046</u>	<u>16,353,018</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Contributions After Measurement Date	30,811	180,866	211,677
Pension Changes in Experience	1,338	8,551	9,889
Pension Changes in Investment Earnings (Net)	11,915	50,750	62,665
Total Deferred Outflows of Resources	<u>44,064</u>	<u>240,167</u>	<u>284,231</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	545,126	293,683	838,809
Accrued Payroll Expenses	8,257	56,916	65,173
Accrued Expenses	6,840,456	-	6,840,456
Accrued Interest Payable	-	31,100	31,100
Compensated Absences - Current Portion	670	15,092	15,762
Notes and Bonds Payable - Current Portion	-	227,795	227,795
Total Current Liabilities	<u>7,394,509</u>	<u>624,586</u>	<u>8,019,095</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
LIABILITIES (CONTINUED)			
Noncurrent Liabilities			
Notes and Bonds Payable (Net)	-	2,000,978	2,000,978
Compensated Absences Payable	16,037	181,815	197,852
Net Pension Liability	10,722	108,588	119,310
Total Noncurrent Liabilities	<u>26,759</u>	<u>2,291,381</u>	<u>2,318,140</u>
Total Liabilities	<u>7,421,268</u>	<u>2,915,967</u>	<u>10,337,235</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Changes in Experience	<u>6,013</u>	<u>40,223</u>	<u>46,236</u>
Total Deferred Inflows of Resources	<u>6,013</u>	<u>40,223</u>	<u>46,236</u>
NET POSITION			
Net Investment in Capital Assets	-	587,736	587,736
Unrestricted	<u>5,667,755</u>	<u>(1,713)</u>	<u>5,666,042</u>
Total Net Position	<u>\$ 5,667,755</u>	<u>586,023</u>	<u>6,253,778</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, 2021

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
Operating Revenues			
Charges for Services (Net)	\$ 25,303,639	6,708,295	32,011,934
Other Revenue	1,990,798	15,549	2,006,347
Total Operating Revenues	<u>27,294,437</u>	<u>6,723,844</u>	<u>34,018,281</u>
Operating Expenses			
Personnel Services	235,164	2,106,262	2,341,426
Contractual Services	27,786,606	103,765	27,890,371
Materials and Supplies	-	34,006	34,006
Repairs and Maintenance	-	4,099,019	4,099,019
Other Operating Expenses	-	156,898	156,898
Depreciation and Amortization	-	492,135	492,135
Total Operating Expenses	<u>28,021,770</u>	<u>6,992,085</u>	<u>35,013,855</u>
Operating Income (Loss)	<u>(727,333)</u>	<u>(268,241)</u>	<u>(995,574)</u>
Nonoperating Revenues (Expenses)			
Investment Income	23,902	-	23,902
Interest Expenses and Commissions	-	(50,086)	(50,086)
Gain (Loss) on Sale of Capital Assets	-	(288,900)	(288,900)
Total Nonoperating Revenues (Expenses)	<u>23,902</u>	<u>(338,986)</u>	<u>(315,084)</u>
Change in Net Position	(703,431)	(607,227)	(1,310,658)
Net Position, July 1, 2020	<u>6,371,186</u>	<u>1,193,250</u>	<u>7,564,436</u>
Net Position, June 30, 2021	<u>\$ 5,667,755</u>	<u>586,023</u>	<u>6,253,778</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, 2021

	Insurance Fund	Fleet Management Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ -	26,707	26,707
Receipts from Interfund Services Provided	27,294,437	6,679,744	33,974,181
Payments to Employees	(240,599)	(2,116,440)	(2,357,039)
Payments to Suppliers	(27,143,419)	(4,558,453)	(31,701,872)
Payments for Interfund Services Used	-	(11,862)	(11,862)
Net Cash Provided by (Used for) Operating Activities	(89,581)	19,696	(69,885)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(2,229,483)	(2,229,483)
Proceeds from Bonds Issued	-	1,865,980	1,865,980
Bond Issue Costs	-	(8,592)	(8,592)
Bond Premium	-	372,095	372,095
Interest Paid on Long-Term Debt	-	(19,696)	(19,696)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(19,696)	(19,696)
Cash Flows from Investing Activities			
Interest Received	23,902	-	23,902
Net Cash Provided by (Used for) Investing Activities	23,902	-	23,902
Net Increase (Decrease) in Cash and Cash Equivalents	(65,679)	-	(65,679)
Cash and Cash Equivalents, July 1, 2020	12,629,437	-	12,629,437
Cash and Cash Equivalents, June 30, 2021	\$ 12,563,758	-	12,563,758

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2021

	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)	\$ (727,333)	(268,241)	(995,574)
Adjustments:			
Depreciation and Amortization	-	492,135	492,135
(Increase) Decrease in Deferred Pension Outflows	(5,477)	(9,605)	(15,082)
Increase (Decrease) in Deferred Pension Inflows	(12,459)	(90,653)	(103,112)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(64,490)	(680)	(65,170)
(Increase) Decrease in Due from Other Funds	14,729	(16,713)	(1,984)
(Increase) Decrease in Inventories	-	(51,819)	(51,819)
Increase (Decrease) in Accounts Payable	155,507	(124,808)	30,699
Increase (Decrease) in Accrued Payroll Expenses	1,374	8,364	9,738
Increase (Decrease) in Compensated Absences	1,207	28,508	29,715
Increase (Decrease) in Net Pension Liability	9,920	53,208	63,128
Increase (Decrease) in Other Liabilities	537,441	-	537,441
Net Cash Provided by (Used for) Operating Activities	<u>\$ (89,581)</u>	<u>19,696</u>	<u>(69,885)</u>

Non-Cash Capital and Related Financing Activities

Fleet Management Fund

- Amortization of Bond Premium totaling \$9,302 included in interest expense on the Combining Statement of Revenues, Expenses, and Changes in Net Position.
- Loss on Disposal of capital assets totaling \$288,900 shown on the 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, 2021

Governmental Funds Capital Assets	2021	2020
Land	\$ 30,486,581	\$ 30,486,581
Buildings and Improvements	276,800,469	265,107,159
Equipment and Vehicles	49,173,335	48,054,296
Infrastructure	187,561,942	186,666,871
Intellectual Property	5,500	5,500
Artwork	265,150	265,150
Construction in Progress	11,585,439	14,573,936
Total Governmental Funds Capital Assets	\$ 555,878,416	\$ 545,159,493
Investments in Governmental Funds Capital Assets by Source		
General Fund	\$ 300,404,202	\$ 298,126,147
General Purpose School Fund	222,266,386	210,858,346
Special Revenue Funds	19,849,422	19,828,097
Capital Project Fund	1,772,967	1,772,967
Construction in Progress	11,585,439	14,573,936
Total Investments in Governmental Funds Capital Assets by Source	\$ 555,878,416	\$ 545,159,493

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, 2021

Function and Activity	Land	Buildings and Improvements	Equipment and Vehicles	Infrastructure	Intellectual Property	Artwork	Construction in Progress	Total
General Government:								
General Administration	\$ 6,988,956	19,952,896	1,783,712	1,309,789	-	-	-	30,035,353
Information Technology	-	-	2,460,002	-	-	-	1,531,887	3,991,889
Total General Government	<u>6,988,956</u>	<u>19,952,896</u>	<u>4,243,714</u>	<u>1,309,789</u>	<u>-</u>	<u>-</u>	<u>1,531,887</u>	<u>34,027,242</u>
Education:								
General Operations	9,129,710	205,319,969	5,745,463	2,301,109	5,500	-	4,392,094	226,893,845
Food Service	-	-	2,729,955	-	-	-	-	2,729,955
Student Transit	-	-	5,365,283	-	-	-	-	5,365,283
Total Education	<u>9,129,710</u>	<u>205,319,969</u>	<u>13,840,701</u>	<u>2,301,109</u>	<u>5,500</u>	<u>-</u>	<u>4,392,094</u>	<u>234,989,083</u>
Parks, Recreation, Culture and Leisure	<u>5,843,892</u>	<u>36,105,959</u>	<u>5,353,948</u>	<u>6,432,794</u>	<u>-</u>	<u>-</u>	<u>1,867,148</u>	<u>55,603,741</u>
Public Works:								
Public Services	6,363,170	831,815	10,466,029	177,518,250	-	265,150	3,794,310	199,238,724
Recycling	-	462,980	-	-	-	-	-	462,980
Total Public Works	<u>6,363,170</u>	<u>1,294,795</u>	<u>10,466,029</u>	<u>177,518,250</u>	<u>-</u>	<u>265,150</u>	<u>3,794,310</u>	<u>199,701,704</u>
Public Safety:								
Police	-	1,521,026	7,193,483	-	-	-	-	8,714,509
Fire	-	5,596,969	7,964,049	-	-	-	-	13,561,018
Total Public Safety	<u>-</u>	<u>7,117,995</u>	<u>15,157,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,275,527</u>
City Service:								
Library	2,160,853	7,008,855	-	-	-	-	-	9,169,708
Metropolitan Transportation Planning	-	-	111,411	-	-	-	-	111,411
Total City Service	<u>2,160,853</u>	<u>7,008,855</u>	<u>111,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,281,119</u>
Total Governmental Funds								
Capital Assets	<u>\$ 30,486,581</u>	<u>276,800,469</u>	<u>49,173,335</u>	<u>187,561,942</u>	<u>5,500</u>	<u>265,150</u>	<u>11,585,439</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 OF CHANGES BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended June 30, 2021

Function and Activity	Governmental Funds Capital Assets June 30, 2020	Additions	Deletions	Transfers and Adjustments	Governmental Funds Capital Assets June 30, 2021
General Government:					
General Administration	\$ 29,962,267	94,128	(21,042)	-	30,035,353
Information Technology	2,403,390	1,588,499	-	-	3,991,889
Total General Government	32,365,657	1,682,627	(21,042)	-	34,027,242
Education:					
General Operations	220,316,044	6,577,801	-	-	226,893,845
Food Service	2,729,955	-	-	-	2,729,955
Student Transit	5,377,004	808,088	(819,809)	-	5,365,283
Total Education	228,423,003	7,385,889	(819,809)	-	234,989,083
Parks, Recreation, Culture and Leisure	54,584,640	1,034,634	(15,533)	-	55,603,741
Public Works:					
Public Services	198,422,759	871,138	(55,173)	-	199,238,724
Recycling	462,980	-	-	-	462,980
Total Public Works	198,885,739	871,138	(55,173)	-	199,701,704
Public Safety:					
Police	8,448,034	710,534	(458,598)	14,539	8,714,509
Fire	13,171,301	459,443	(69,726)	-	13,561,018
Total Public Safety	21,619,335	1,169,977	(528,324)	14,539	22,275,527
City Service:					
Library	9,169,708	-	-	-	9,169,708
Metropolitan Transportation Planning	111,411	-	-	-	111,411
Total City Service	9,281,119	-	-	-	9,281,119
Total Governmental Funds					
Capital Assets	\$ 545,159,493	12,144,265	(1,439,881)	14,539	555,878,416

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, 2021

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	\$ 891,231
National School Lunch Program	10.555	N/A	N/A	1,914,114
Child Nutrition Cluster Total				<u>2,805,345</u>
National School Snack Program	10.500	N/A	N/A	64,692
Pass-through State Department of Agriculture through the Northeast Tennessee Cooperative:				
National School Lunch Program (Commodities - Noncash Assistance)	10.565	N/A	N/A	350,788
Total U.S. Department of Agriculture				<u>3,220,825</u>
Federal Emergency Management Assistance:				
Pass-through Program from State of Tennessee				
Department of Tennessee Emergency Management Assistance:				
Public Assistance FEMA	97.036	FEMA-4514-DR-TN	#34101-36421	40,631
Total Federal Emergency Management Assistance				<u>40,631</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-2019-HOOT-21	N/A	80,549
Total U.S. Department of Health and Human Service				<u>80,549</u>
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grant	14.218	B-MC-47-0008	N/A	563,043
Community Development CARES-CV	14.218	B-MC-47-0008 (CARES-CV)	N/A	276,681
Total U.S. Department of Housing and Urban Development				<u>839,724</u>

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**CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021**

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	2017-DJ-BX-0750	N/A	9,984
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0589	N/A	7,000
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>16,984</u>
 Bullet Proof Vest Program				
Bullet Proof Vest	16.607	2000-BU-BX-01007843	N/A	10,640
Total Bullet Proof Vest Program				<u>10,640</u>
 Personal Protective Supplies & Response Program				
Personal Protective Supplies	16.034	2020-VD-BX-1591	N/A	2,565
Total Personal Protective Supplies & Response Program				<u>2,565</u>
Pass-through State Department of Justice:				
Criminal Justice Program				
JAG-VOCA	16.575	N/A	N/A	75,008
Criminal Justice Program				<u>75,008</u>
 Project Safe Neighborhood				
Project Safe Neighborhood East	16.609	#2018-GP-BX-0074	N/A	8,500
Total Project Safe Neighborhood				<u>8,500</u>
Total U.S. Department of Justice				<u>113,697</u>
U.S. Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants #TN-2020-016-01 (5307 CARES Operating)	20.507	N/A	N/A	2,858,642
Federal Transit Formula Grants #TN-2020-016-02 (5307 CARES Operating)	20.507	N/A	N/A	250,808
Federal Transit Formula Grants #TN-2020-016-01 (5307 (CARES Capital Demand Response)	20.507	N/A	N/A	116,973
Federal Transit Formula Grants #TN-2020-016-01 (5307 CARES Capital)	20.507	N/A	N/A	8,253
Federal Transit Formula Grants #TN-90-2017-008-00 (Section 5307-Capital)	20.507	N/A	N/A	2,699
Federal Transit Formula Grants #TN-90-2017-047-00 (Section 5307-Capital)	20.507	N/A	N/A	11,486
Federal Transit Formula Grants #TN-90-2018-046-00 (Section 5307-Capital)	20.507	N/A	N/A	31,173
Federal Transit Formula Grants #TN-90-2018-050-00 (Section 5310-Capital)	20.507	N/A	N/A	237,830
Federal Transit Formula Grants #TN-90-2016-028-00 (Section 5339-Capital)	20.507	N/A	N/A	145,701
Federal Transit Formula Grants #TN-90-2020-031-00 (Section 5339-Capital)	20.507	N/A	N/A	4,321
Federal Transit Formula Grants #TN-90-2018-007-00 (Section 5339b-Capital)	20.507	N/A	N/A	544,037
Total Federal Transit Cluster				<u>4,211,923</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	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	199,658
Total Highway Planning and Construction Cluster				<u>199,658</u>
New Freedom New Freedom #TN-57-X008-01 (Operating)	20.521	N/A	N/A	64,626
Total New Freedom				<u>64,626</u>
Alcohol Open Container Requirements Program Alcohol Open Container Requirements - Safer Streets VII	20.607	N/A	Z20THS122	8,160
Alcohol Open Container Requirements - Safer Streets VII	20.607	N/A	Z21THS143	15,577
Total Alcohol Open Container Requirements Program				<u>23,737</u>
Total U.S. Department of Transportation				<u>4,499,944</u>
Appalachian Regional Commission: Pass-through State of Tennessee Appalachian Regional Commission Water and Sewer Improvements 2018 Johnson City Downtown Water and Sewer Improvements Project	23.003	#12584	TN-19276	377,010
Total Appalachian Regional Commission				<u>377,010</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	2,327,810 {1}
Total CWSRF Cluster: Total U.S. Environmental Protection Agency				<u>2,327,810</u>
U.S. Department of the Treasury: Pass-through State of Tennessee Department of Finance and Administration COVID19-Coronavirus Relief Fund (CRF)	21.019	N/A	N/A	1,001,670 {2}
LEA Reopening and Programmatic Supports Grant (CRF)	21.019	N/A	SLT0039	100,000
Remote Learning Technology Grant	21.019	N/A	SLT0039	235,545
Total U.S. Department of the Treasury				<u>1,337,215</u>

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(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

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	H027A200052	1,511,350
Special Education - Grants to States (IDEA-tech initiative)	84.027	N/A	H027A200052	5,332
Special Education - Grants to States (IDEA-discretionary)	84.027	N/A	H027A200052	4,251
Preschool Incentive Project	84.173	N/A	H173A200095	56,658
Total Special Education Cluster (IDEA)				<u>1,577,591</u>
Title I Grants to Local Educational Agencies	84.010	N/A	S010A200042	1,817,743
Title I-D	84.010	N/A	S010A200042	25,808
Career and Technical Education - Carl Perkins	84.048	N/A	V048A210042	133,593
Title IV Student Support and Academic Enrichment	84.424	N/A	S424A200044	141,832
Education for Homeless Children and Youth	84.196	N/A	S196A200044	81,300
21st Century Community Learning Center	84.287C	N/A	S287C190043	93,376
21st Century Community Learning Center	84.287C	N/A	S287C190043	68,815
Title II, Part A, Improving Teacher Quality State Grants	84.367A	N/A	S367A200040	283,475
Title III, Immigrant and English Language Acquisition State Grants	84.365A	N/A	S365A200042	51,310
Elementary and Secondary School Emergency Relief	84.425D	ESSER 1	245D2000047	1,513,401
Elementary and Secondary School Emergency Relief	84.425D	ESSER 2	245D2100047	2,134,769
Elementary and Secondary School Emergency Relief	84.425D	ESSER 3	245D2100047	205,882
Connectivity Grant	84.425R	N/A	N/A	56,250
Total U.S. Department of Education				<u>8,185,145</u>
U.S. Department of Health and Human Services				
Pass-through State of Tennessee Department of Education				
Temporary Assistance for Needy Families - Learning Camps	93.558	N/A	N/A	242,561
Total U.S. Department of Health and Human Services				<u>242,561</u>
Total Expenditures of Federal Awards				<u>\$ 21,265,111</u>

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CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021. 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, 2021. 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} Funds expended to file for draw on the loan. There were no draws on the loan as of June 30, 2021.

{2} Funds were expended in the prior fiscal year ended June 30, 2020, but the claim for these funds was filed in the fiscal year ended June 30, 2021.

**SCHEDULE OF EXPENDITURES
OF STATE AWARDS**

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2021

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	\$ 961,579
Total Tennessee Department of Corrections			<u>961,579</u>
Tennessee Commission on Aging: Pass-through First Tennessee Development District: Senior Center Operations	N/A	JOCITY-2019-HOOT-20	20,000
Total Tennessee Commission on Aging			<u>20,000</u>
Tennessee Department of Environment and Conservation: School Buses	N/A	N/A	234,375
Total Tennessee Department of Environment and Conservation			<u>234,375</u>
Tennessee Department of Emergency Management Assistance: State portion under FEMA 4514-DR-TN	N/A	N/A	13,544
Total Tennessee Department of Emergency Management Assistance			<u>13,544</u>
Tennessee Department of Finance and Administration: Governor's State Appropriation	N/A	N/A	1,503,688
Total Tennessee Department of Finance and Administration			<u>1,503,688</u>
Tennessee Department of Transportation: Highway Planning and Construction	Z-19MPO006	N/A	3,941
Improve Act Capital Grant	90IMPV-S3-005	N/A	155,735
New Freedom Operating	905317-S3-011	N/A	32,313
Transit State Capital Grant	905310-S3-003	ZZ-19-EMSP-04-00	29,728
Transit State Capital Grant	905339-S3-006	GG-20-65078-01	258,641
Transit State Capital Grant	905339-S3-008	GG-21-69540-00	540
Transit State Capital Grant	905339-S3-007	GG-20-67176-00	13,568
Transit State Capital Grant	905307-S3-022	Z-22-5307-02	1,431
Transit State Capital Grant	905307-S3-018	Z-19-5307-05	2,465
Total Tennessee Department of Transportation			<u>498,362</u>

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(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2021

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	203,188
Total Tennessee Housing Development Agency			<u>203,188</u>
Tennessee Department of Environment and Conservation:			
Carver Splash Pad	N/A	N/A	190,543
Total Tennessee Department of Environment and Conservation			<u>190,543</u>
Tennessee Department of Education:			
Lottery Pre-K	N/A	N/A	327,976
Family Resources	N/A	N/A	29,612
Safe Schools	GG-03009623	N/A	99,090
Coordinated School Health	N/A	N/A	100,000
CTE Middle School STEM	N/A	N/A	10,000
813	N/A	N/A	539,894
Learning Camp Transportation	N/A	N/A	104,813
Total Tennessee Department of Education			<u>1,211,385</u>
Total Expenditures of State Awards			<u>\$ 3,323,932</u>

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS
For the Fiscal Year Ended June 30, 2021

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	Police Grant and Technology	Community Development	Capital Project Fund	Mass Transit	
<u>Transfers Out:</u>											
General Fund	\$ -	\$ 8,163,353	\$ -	\$ 10,876,736	\$ 109,232	\$ 429,783	\$ -	\$ 1,706	\$ 471,004	\$ 2,188,878	\$ 700,249
General Purpose School Fund	-	-	-	-	-	-	2,683	-	-	-	-
Special Revenue Funds:											
General Purpose School	1,918	973,718	1,678,281	-	-	-	1,181,334	-	-	-	-
School Federal & Special Projects	-	-	-	-	-	-	47,918	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	1,267,294	-
Enterprise Funds:											
Water and Sewer	700,000	-	-	-	-	-	-	-	-	-	-
Totals	\$ 701,918	\$ 9,137,071	\$ 1,678,281	\$ 10,876,736	\$ 109,232	\$ 429,783	\$ 1,231,935	\$ 1,706	\$ 471,004	\$ 3,456,172	\$ 700,249

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, 2021

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 14,246,170	\$ 7,569,074	\$ 21,815,244
2023	12,854,171	6,969,931	19,824,102
2024	13,251,169	6,421,378	19,672,547
2025	13,052,173	5,882,723	18,934,896
2026	11,972,293	5,339,878	17,312,171
2027	11,245,003	4,740,523	15,985,526
2028	11,683,000	4,288,364	15,971,364
2029	11,751,000	3,822,729	15,573,729
2030	11,154,995	3,357,716	14,512,711
2031	11,543,998	2,904,162	14,448,160
2032	9,101,000	2,456,549	11,557,549
2033	9,473,001	2,106,798	11,579,799
2034	8,610,000	1,742,388	10,352,388
2035	6,037,000	1,412,502	7,449,502
2036	6,170,000	1,160,712	7,330,712
2037	4,795,000	921,412	5,716,412
2038	4,965,000	737,300	5,702,300
2039	5,150,000	545,263	5,695,263
2040	4,010,000	321,962	4,331,962
2041	1,550,000	143,500	1,693,500
2042	1,225,000	87,500	1,312,500
2043	1,275,000	44,625	1,319,625
Totals	<u>\$ 185,114,973</u>	<u>\$ 62,976,989</u>	<u>\$ 248,091,962</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, 2021

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 364,174	\$ 106,019	\$ 470,193
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>\$ 3,277,318</u>	<u>\$ 1,130,719</u>	<u>\$ 4,408,037</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, 2021

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2020	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2021
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	\$ 25,205,000	\$ -	\$ 400,000	\$ 24,805,000
General Obligation Refunding Bonds, Series 2012	3,635,000	2.00% - 5.00%	4/30/2012	6/1/2023	1,255,000	-	1,255,000	-
General Obligation Bonds, Series 2019	275,000	5.00%	2/27/2019	6/1/2023	210,000	-	65,000	145,000
General Obligation Refunding Bonds, Series 2019B	2,161,743	4.00% - 5.00%	7/31/2019	6/1/2023	1,565,000	-	625,000	940,000
General Obligation Bonds, Series 2020	14,768,672	4.00% - 5.00%	12/15/2020	3/1/2033	-	<u>14,768,672</u>	-	<u>14,768,672</u>
Total Bonds Payable Through Educational Facilities Debt Service Fund					<u>28,235,000</u>	<u>14,768,672</u>	<u>2,345,000</u>	<u>40,658,672</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	7,879,764	-	845,332	7,034,432
Local Government Public Improvement Bonds, Series V-K-1	26,645,000	2.50% - 5.00%	3/12/2009	6/30/2025	4,570,000	-	4,570,000	-
Qualified School Construction Bonds, Series 2009	8,160,000	1.52%	12/1/2009	9/1/2026	3,153,151	-	509,171	2,643,980

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2021

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2020	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2021
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	1,776,000	-	412,000	1,364,000
General Obligation Refunding Bonds, Series 2012	10,797,974	2.00% - 5.00%	4/30/2012	6/1/2025	3,819,674	-	3,819,674	-
The Tennessee Municipal Bond Fund, Series 2014	2,000,000	2.56%	12/23/2014	11/1/2029	1,392,995	-	126,000	1,266,995
The Tennessee Municipal Bond Fund, Series 2014	1,300,000	2.58%	12/17/2014	11/1/2034	1,035,000	-	57,000	978,000
General Obligation Bonds, Series 2016	11,205,000	2.00% - 5.00%	4/12/2016	6/1/2036	9,710,000	-	435,000	9,275,000
General Obligation Improvement and Refunding Bonds, Series 2016A	20,905,517	3.00% - 5.00%	11/17/2016	6/1/2036	16,245,156	-	920,791	15,324,365
General Obligation Bonds, Series 2019	4,805,000	5.00%	2/27/2019	6/1/2039	4,615,000	-	195,000	4,420,000
General Obligation Refunding Bonds, Series 2019B	18,052,222	4.00% - 5.00%	7/31/2019	6/30/2040	17,316,176	-	590,295	16,725,881
General Obligation Bonds, Series 2020	12,186,553	4.00% - 5.00%	12/15/2020	3/1/2041	-	10,055,065	-	10,055,065
Total Bonds Payable Through Debt Service Fund					<u>71,556,929</u>	<u>10,055,065</u>	<u>12,480,263</u>	<u>69,087,718</u>
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	-	1,865,980
Total Bonds Payable Through Fleet Management Fund					<u>-</u>	<u>1,865,980</u>	<u>-</u>	<u>1,865,980</u>
Total Governmental Activities General Obligation Bonds Outstanding								<u>\$ 111,612,370</u>

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2021

	<u>Original Amount Issued</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding July 1, 2020</u>	<u>Issued During Period</u>	<u>Paid / Refunded During Period</u>	<u>Outstanding June 30, 2021</u>
GOVERNMENTAL ACTIVITIES (CONTINUED):								
<u>CAPITAL OUTLAY NOTES PAYABLE:</u>								
Payable Through Debt Service Fund:								
The Tennessee Municipal Bond Fund Capital Outlay Note	\$ 870,000	2.20%	12/17/2014	12/1/2021	\$ 263,000	\$ -	\$ 130,000	\$ 133,000
The Tennessee Municipal Bond Fund Capital Outlay Note	500,000	2.20%	12/17/2014	12/1/2021	<u>151,000</u>	<u>-</u>	<u>75,000</u>	<u>76,000</u>
Total Capital Outlay Notes Payable Through Debt Service Fund					<u>414,000</u>	<u>-</u>	<u>205,000</u>	<u>209,000</u>
Total Governmental Activities Capital Outlay Notes Outstanding								<u>\$ 209,000</u>
<u>OTHER NOTES PAYABLE:</u>								
Payable Through Debt Service Fund:								
Promissory Note Hands On	\$ 500,000	0.00%	9/21/2017	9/21/2026	\$ 350,000	\$ -	\$ 50,000	\$ 300,000
Total Other Notes Payable Through Debt Service Fund					<u>350,000</u>	<u>-</u>	<u>50,000</u>	<u>300,000</u>
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	<u>1,785,000</u>	<u>-</u>	<u>70,000</u>	<u>1,715,000</u>
Total Other Notes Payable Through General Fund					<u>1,785,000</u>	<u>-</u>	<u>70,000</u>	<u>1,715,000</u>
Total Governmental Activities Other Notes Outstanding								<u>\$ 2,015,000</u>

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2021

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2020	Issued During Period	Paid / Refunded During Period	Outstanding June 30, 2021
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	\$ 514,235	\$ -	\$ 46,667	\$ 467,568
General Obligation Bonds, Series 2013	23,970,000	2.00% - 4.00%	5/30/2013	6/1/2043	20,645,000	-	620,000	20,025,000
General Obligation Refunding Bonds, Series 2015	5,745,000	1.50% - 2.00%	2/26/2015	6/1/2022	1,710,000	-	845,000	865,000
General Obligation Improvement and Refunding Bonds, Series 2016A	17,289,483	3.00-5.00%	11/17/2016	6/1/2036	17,054,843	-	1,299,210	15,755,633
General Obligation Bonds, Series 2019	12,380,000	5.00%	2/27/2019	6/1/2039	11,995,000	-	405,000	11,590,000
General Obligation Refunding Bonds, Series 2019B	17,001,035	4.00%-5.00%	7/31/2019	6/1/2040	16,417,009	-	557,890	15,859,119
Total Bonds Payable Through Water and Sewer Fund					<u>68,336,087</u>	<u>-</u>	<u>3,773,767</u>	<u>64,562,320</u>
Payable Through City Solid Waste Fund:								
General Obligation Refunding Bonds, Series 2012	17,026	2.00% - 5.00%	4/30/2012	6/1/2025	5,306	-	5,306	-
General Obligation Bonds, Series 2019	1,785,000	5.00%	2/27/2019	6/1/2039	1,730,000	-	60,000	1,670,000
General Obligation Bonds, Series 2020	813,283	4.00% - 5.00%	12/15/2020	3/1/2041	-	813,283	-	813,283
Total Bonds Payable Through City Solid Waste Fund					<u>1,735,306</u>	<u>813,283</u>	<u>65,306</u>	<u>2,483,283</u>

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2021

	<u>Original Amount Issued</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding July 1, 2020</u>	<u>Issued During Period</u>	<u>Paid / Refunded During Period</u>	<u>Outstanding June 30, 2021</u>
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	4,265,000	-	250,000	4,015,000
General Obligation Bonds, Series 2020	2,442,000	4.00% - 5.00%	12/15/2020	3/1/2041	-	2,442,000	-	2,442,000
Total Bonds Payable Through Stormwater Management Fund					<u>4,265,000</u>	<u>2,442,000</u>	<u>250,000</u>	<u>6,457,000</u>
Total Business-Type Activities Bonds Outstanding								<u>\$ 73,502,603</u>
<u>NOTES PAYABLE:</u>								
Payable Through Water and Sewer Fund:								
Limestone Cove	\$ 450,000	4.65%	3/13/2003	3/13/2041	\$ 335,321	\$ -	\$ 9,880	\$ 325,441
Watauga Flats	380,000	4.38%	4/20/2004	4/20/2042	287,788	-	8,138	279,650
Limestone Cove	125,000	4.25%	4/20/2005	4/20/2043	96,703	-	2,587	94,116
ARRA Greggton	435,000	3.25%	1/24/2010	1/14/2048	<u>362,458</u>	<u>-</u>	<u>8,347</u>	<u>354,111</u>
Total Notes Payable Through Water and Sewer Fund					<u>1,082,270</u>	<u>-</u>	<u>28,952</u>	<u>1,053,318</u>
Total Business-Type Activities Notes Outstanding								<u>\$ 1,053,318</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
LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VII-I-1, 2010
ISSUED DECEMBER 29, 2010
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 415,000	744,150	1,159,150
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>\$ 24,805,000</u>	<u>5,944,650</u>	<u>30,749,650</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 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 70,000	7,250	77,250
2023	75,000	3,750	78,750
	\$ 145,000	11,000	156,000

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
GENERAL OBLIGATION BONDS, SERIES 2019B
ISSUED JULY 31, 2019
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 665,000	47,000	712,000
2023	275,000	13,750	288,750
	\$ 940,000	60,750	1,000,750

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 2020
ISSUED December 15, 2020
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 1,772,849	717,733	2,490,582
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	46,400	1,206,401
	<u>\$ 14,768,672</u>	<u>3,975,458</u>	<u>18,744,130</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
TENNESSEE MUNICIPAL BOND FUND, SERIES TCSLP 2008
ISSUED JANUARY 9, 2009
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 887,061	211,033	1,098,094
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	932,101	27,962	960,063
	<u>\$ 7,034,432</u>	<u>945,673</u>	<u>7,980,105</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
TENNESSEE MUNICIPAL BOND FUND, 2009 ENERGY
ISSUED JANUARY 9, 2009
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 433,000	40,920	473,920
2023	454,000	27,930	481,930
2024	477,000	14,310	491,310
	\$ 1,364,000	83,160	1,447,160

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
QUALIFIED SCHOOL CONSTRUCTION BONDS, SERIES 2009
ISSUED DECEMBER 1, 2009
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 509,171	123,624	632,795
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
	<u>\$ 2,643,980</u>	<u>628,422</u>	<u>3,272,402</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
TENNESSEE MUNICIPAL BOND FUND, SERIES 2014
ISSUED DECEMBER 17, 2014
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 59,000	27,507	86,507
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
	<u>\$ 978,000</u>	<u>210,250</u>	<u>1,188,250</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
TENNESSEE MUNICIPAL BOND FUND, SERIES 2014
ISSUED DECEMBER 23, 2014
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 129,000	33,790	162,790
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	132,995	1,868	134,863
	<u>\$ 1,266,995</u>	<u>163,554</u>	<u>1,430,549</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 2016
ISSUED APRIL 12, 2016
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 455,000	382,000	837,000
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>\$ 9,275,000</u>	<u>3,314,700</u>	<u>12,589,700</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 IMPROVEMENT AND REFUNDING BONDS, SERIES 2016A
ISSUED NOVEMBER 17, 2016
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 968,648	667,262	1,635,910
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
	<u>\$ 15,324,365</u>	<u>4,732,139</u>	<u>20,056,504</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 2019
ISSUED FEBRUARY 27, 2019
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 210,000	196,550	406,550
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>\$ 4,420,000</u>	<u>1,883,500</u>	<u>6,303,500</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 2019B
ISSUED JULY 31, 2019
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 590,295	802,087	1,392,382
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>\$ 16,725,881</u>	<u>9,033,949</u>	<u>25,759,830</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 2,539,758	473,361	3,013,119
2023	1,724,157	347,147	2,071,304
2024	1,248,971	273,710	1,522,681
2025	1,313,432	211,660	1,525,092
2026	370,891	146,410	517,301
2027	383,198	128,310	511,508
2028	407,658	109,610	517,268
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>\$ 10,055,065</u>	<u>2,136,128</u>	<u>12,191,193</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 227,795	93,299	321,094
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
	\$ 1,865,980	391,129	2,257,109

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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 9,931,577	4,567,566	14,499,143
2023	9,301,347	4,149,146	13,450,493
2024	9,405,661	3,759,487	13,165,148
2025	9,066,566	3,384,153	12,450,719
2026	7,663,935	3,013,499	10,677,434
2027	7,299,638	2,604,308	9,903,946
2028	7,574,291	2,310,579	9,884,870
2029	7,490,467	2,014,171	9,504,638
2030	6,799,371	1,724,943	8,524,314
2031	6,954,156	1,454,982	8,409,138
2032	6,096,408	1,191,798	7,288,206
2033	6,343,606	963,260	7,306,866
2034	5,358,802	725,245	6,084,047
2035	2,986,132	526,780	3,512,912
2036	3,024,462	398,949	3,423,411
2037	1,537,092	277,966	1,815,058
2038	1,597,290	216,478	1,813,768
2039	1,657,486	152,581	1,810,067
2040	1,408,083	73,931	1,482,014
2041	116,000	4,640	120,640
	<u>\$ 111,612,370</u>	<u>33,514,462</u>	<u>145,126,832</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, CAPITAL OUTLAY NOTE
ISSUED DECEMBER 17, 2014
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 133,000	1,463	134,463
	\$ 133,000	1,463	134,463

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
TENNESSEE MUNICIPAL BOND FUND, CAPITAL OUTLAY NOTE
ISSUED DECEMBER 17, 2014
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 76,000	836	76,836
	\$ 76,000	836	76,836

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
CAPITAL OUTLAY NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES
ANNUAL DEBT SERVICE REQUIREMENTS - ALL GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	209,000	2,299	211,299
	\$ 209,000	2,299	211,299

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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 50,000	-	50,000
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>\$ 300,000</u>	<u>-</u>	<u>300,000</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
AEROSPACE PARK BONDS, SERIES 2018
ISSUED MARCH 29, 2018
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 75,000	61,450	136,450
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>\$ 1,715,000</u>	<u>586,556</u>	<u>2,301,556</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 125,000	61,450	186,450
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>\$ 2,015,000</u>	<u>586,556</u>	<u>2,601,556</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 48,939	23,378	72,317
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>\$ 467,568</u>	<u>111,179</u>	<u>578,747</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 645,000	642,662	1,287,662
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>\$ 20,025,000</u>	<u>8,520,506</u>	<u>28,545,506</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 REFUNDING BONDS, SERIES 2015
ISSUED FEBRUARY 26, 2015
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 865,000	17,300	882,300
	\$ 865,000	17,300	882,300

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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 1,351,352	710,437	2,061,789
2023	1,525,159	642,870	2,168,029
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	1,694,621	67,785	1,762,406
	<u>\$ 15,755,633</u>	<u>3,763,709</u>	<u>19,519,342</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 425,000	510,250	935,250
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>\$ 11,590,000</u>	<u>5,191,250</u>	<u>16,781,250</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 559,705	760,363	1,320,068
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	1,228,917	61,439	1,290,356
	<u>\$ 15,859,119</u>	<u>8,564,001</u>	<u>24,423,120</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 60,000	73,500	133,500
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>\$ 1,670,000</u>	<u>749,100</u>	<u>2,419,100</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 21,597	35,366	56,963
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
	\$ 813,283	403,554	1,216,837

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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 260,000	122,112	382,112
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>\$ 4,015,000</u>	<u>935,118</u>	<u>4,950,118</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 78,000	106,140	184,140
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>\$ 2,442,000</u>	<u>1,206,810</u>	<u>3,648,810</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 4,314,593	3,001,508	7,316,101
2023	3,552,824	2,820,785	6,373,609
2024	3,845,508	2,661,891	6,507,399
2025	3,985,607	2,498,570	6,484,177
2026	4,308,358	2,326,379	6,634,737
2027	3,945,364	2,136,215	6,081,579
2028	4,108,709	1,977,785	6,086,494
2029	4,260,533	1,808,558	6,069,091
2030	4,355,624	1,632,773	5,988,397
2031	4,589,843	1,449,180	6,039,023
2032	3,004,592	1,264,751	4,269,343
2033	3,129,395	1,143,538	4,272,933
2034	3,251,198	1,017,143	4,268,341
2035	3,050,868	885,722	3,936,590
2036	3,145,538	761,763	3,907,301
2037	3,257,908	643,446	3,901,354
2038	3,367,710	520,822	3,888,532
2039	3,492,514	392,682	3,885,196
2040	2,601,917	248,031	2,849,948
2041	1,434,000	138,860	1,572,860
2042	1,225,000	87,500	1,312,500
2043	1,275,000	44,625	1,319,625
	<u>\$ 73,502,603</u>	<u>29,462,527</u>	<u>102,965,130</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAYED FROM ENTERPRISE FUNDS
LIMESTONE COVE
ISSUED MARCH 13, 2003
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 10,349	14,875	25,224
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>\$ 325,441</u>	<u>171,664</u>	<u>497,105</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF NOTE PRINCIPAL AND INTEREST REQUIREMENTS
NOTES TO BE REPAYED FROM ENTERPRISE FUNDS
WATAUGA FLATS
ISSUED APRIL 20, 2004
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 8,502	12,066	20,568
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
	\$ 279,650	146,063	425,713

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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 2,700	3,948	6,648
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>\$ 94,116</u>	<u>50,188</u>	<u>144,304</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 8,623	11,381	20,004
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>\$ 354,111</u>	<u>173,949</u>	<u>528,060</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, 2021

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 30,174	42,270	72,444
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>\$ 1,053,318</u>	<u>541,864</u>	<u>1,595,182</u>

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF UNCOLLECTED DELINQUENT TAXES
June 30, 2021

Tax Year	Uncollected Delinquent Taxes June 30, 2021
2020	595,085
2019	226,067
2018	92,890
2017	71,634
2016	66,635
2015	81,589
2014	139,820
2013	27,042
2012	44,452
2011	40,318
2010	28,839
Total	\$1,414,370

Uncollected Delinquent Taxes Filed in Chancery Court:

As of April 1, 2021, the above delinquent real property taxes for 2010 through 2019 have been filed by the Delinquent Tax Attorney in Washington County Chancery Court.

As of April 1, 2021, the above delinquent personal property taxes for 2010 through 2020 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, 2021

<u>Water Rates:</u>	<u>Inside City</u>	<u>Outside City</u>
Base	\$5.35	\$9.84
0 - 20,000 Gallons Used	\$4.18 / 1,000 gal.	\$7.69 / 1,000 gal.
20,001 - 190,000 Gallons Used	\$3.34 / 1,000 gal.	\$6.15 / 1,000 gal.
190,000 - 490,000 Gallons Used	\$3.01 / 1,000 gal.	\$5.54 / 1,000 gal.
Over 490,000 Gallons Used	\$2.72 / 1,000 gal.	\$5.01 / 1,000 gal.
<u>Sewer Rates:</u>	<u>Inside City</u>	<u>Outside City</u>
Base	\$6.65	\$12.24
0 - 20,000 Gallons Used	\$6.68 / 1,000 gal.	\$12.29 / 1,000 gal.
20,001 - 190,000 Gallons Used	\$6.68 / 1,000 gal.	\$12.29 / 1,000 gal.
190,000 - 490,000 Gallons Used	\$6.68 / 1,000 gal.	\$12.29 / 1,000 gal.
Over 490,000 Gallons Used	\$6.68 / 1,000 gal.	\$12.29 / 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	28,600	17,911
Sewer	25,049	4,742
Solid Waste ⁵	19,308	12,959
<u>Unaccounted for Water⁶:</u>	<u>Million Gallons</u>	<u>% of Total Gallons</u>
Water supplied	5,371	100.00%
Billed metered water	3,253	60.57%
Non-revenue water	2,118	39.43%

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 UNACCOUNTED FOR WATER – AWWA METHOD REPORTING WORKSHEET AND
PERFORMANCE INDICATORS
June 30, 2021

AWWA Free Water Audit Software: Reporting Worksheet				WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.
<div style="display: flex; justify-content: space-between;"> ? Click to access definition Water Audit Report for: <u>City of Johnson City Water & Sewer Services (0000331)</u> </div> <div style="display: flex; justify-content: space-between;"> + Click to add a comment Reporting Year: <u>2021</u> <u>7/2020 - 6/2021</u> </div>				
<p>Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades</p> <p style="text-align: center;">All volumes to be entered as: MILLION GALLONS (US) PER YEAR</p> <p>To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds <u>all</u> criteria for that grade and all grades below it.</p>				
WATER SUPPLIED		<----- Enter grading in column 'E' and 'J' ----->		Master Meter and Supply Error Adjustments
Volume from own sources:	+ ? 9	5,432.546	MG/Yr	+ ? 4 1.21% <input checked="" type="radio"/> <input type="radio"/>
Water imported:	+ ? 8	6.253	MG/Yr	+ ? 2 0.00% <input checked="" type="radio"/> <input type="radio"/>
Water exported:	+ ? 7	2.393	MG/Yr	+ ? 3 0.00% <input checked="" type="radio"/> <input type="radio"/>
WATER SUPPLIED:		5,371.458	MG/Yr	Enter negative % or value for under-registration Enter positive % or value for over-registration
AUTHORIZED CONSUMPTION				Click here: ? for help using option buttons below
Billed metered:	+ ? 7	3,253.460	MG/Yr	Pcnt: 1.25% <input checked="" type="radio"/> <input type="radio"/> Value: MG/Yr
Billed unmetered:	+ ? 10	0.000	MG/Yr	Use buttons to select percentage of water supplied OR value
Unbilled metered:	+ ? 10	0.169	MG/Yr	
Unbilled unmetered:	+ ? 5	67.143	MG/Yr	Pcnt: 0.25% <input checked="" type="radio"/> <input type="radio"/> Value: MG/Yr
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed				
AUTHORIZED CONSUMPTION:		3,320.772	MG/Yr	Pcnt: 1.50% <input checked="" type="radio"/> <input type="radio"/> 41.760 MG/Yr
WATER LOSSES (Water Supplied - Authorized Consumption)		2,050.686	MG/Yr	Pcnt: 0.25% <input checked="" type="radio"/> <input type="radio"/> Value: MG/Yr
Apparent Losses				1.50% <input checked="" type="radio"/> <input type="radio"/> 41.760 MG/Yr
Unauthorized consumption:	+ ?	13.429	MG/Yr	0.25% <input checked="" type="radio"/> <input type="radio"/>
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	+ ? 6	49.548	MG/Yr	
Systematic data handling errors:	+ ? 5	8.134	MG/Yr	
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed				
Apparent Losses:		71.110	MG/Yr	
Real Losses (Current Annual Real Losses or CARL)				
Real Losses = Water Losses - Apparent Losses:		1,979.576	MG/Yr	
WATER LOSSES:		2,050.686	MG/Yr	
NON-REVENUE WATER				
NON-REVENUE WATER:		2,117.998	MG/Yr	
= Water Losses + Unbilled Metered + Unbilled Unmetered				
SYSTEM DATA				
Length of mains:	+ ? 9	946.4	miles	
Number of active AND inactive service connections:	+ ? 8	49,143		
Service connection density:	? 47		conn./mile main	
Are customer meters typically located at the curbstop or property line?		Yes		(length of service line, beyond the property boundary, that is the responsibility of the utility)
Average length of customer service line:	+ ?	0.0	ft	
Average length of customer service line has been set to zero and a data grading score of 10 has been applied				
Average operating pressure:	+ ? 8	105.7	psi	
COST DATA				
Total annual cost of operating water system:	+ ? 10	\$18,421,242	\$/Year	
Customer retail unit cost (applied to Apparent Losses):	+ ? 10	\$11.40	\$/1000 gallons (US)	
Variable production cost (applied to Real Losses):	+ ? 10	\$343.33	\$/Million gallons	<input type="checkbox"/> Use Customer Retail Unit Cost to value real losses
WATER AUDIT DATA VALIDITY SCORE:				
*** YOUR SCORE IS: 84 out of 100 ***				
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score				
PRIORITY AREAS FOR ATTENTION:				
Based on the information provided, audit accuracy can be improved by addressing the following components:				
1: Volume from own sources				
2: Billed metered				
3: Customer metering inaccuracies				

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER – AWWA METHOD REPORTING WORKSHEET AND
PERFORMANCE INDICATORS
June 30, 2021

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014. All Rights Reserved.
Water Audit Report for: <input style="width: 60%;" type="text" value="City of Johnson City Water & Sewer Services (0000331)"/>		
Reporting Year: <input style="width: 15%;" type="text" value="2021"/> <input style="width: 45%;" type="text" value="7/2020 - 6/2021"/>		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 84 out of 100 ***		
System Attributes:		
	Apparent Losses:	<input style="width: 100px;" type="text" value="71.110"/> MG/Yr
	+ Real Losses:	<input style="width: 100px;" type="text" value="1,979.576"/> MG/Yr
	= Water Losses:	<input style="width: 100px;" type="text" value="2,050.686"/> MG/Yr
	? Unavoidable Annual Real Losses (UARL):	<input style="width: 100px;" type="text" value="453.00"/> MG/Yr
	Annual cost of Apparent Losses:	<input style="width: 100px;" type="text" value="\$810,653"/>
	Annual cost of Real Losses:	<input style="width: 100px;" type="text" value="\$679,648"/> Valued at Variable Production Cost
		Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	{	Non-revenue water as percent by volume of Water Supplied: <input style="width: 100px;" type="text" value="39.4%"/>
		Non-revenue water as percent by cost of operating system: <input style="width: 100px;" type="text" value="8.2%"/> Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day: <input style="width: 100px;" type="text" value="4.41"/> gallons/connection/day
		Real Losses per service connection per day: <input style="width: 100px;" type="text" value="122.86"/> gallons/connection/day
		Real Losses per length of main per day*: <input style="width: 100px;" type="text" value="N/A"/>
		Real Losses per service connection per day per psi pressure: <input style="width: 100px;" type="text" value="1.16"/> gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL): <input style="width: 100px;" type="text" value="1,979.58"/> million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]: <input style="width: 100px;" type="text" value="4.37"/>

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

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, 2020	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Net Receivable Balance June 30, 2021
2021	\$ -	\$ -	\$ 36,758,180	\$ -	\$ -	\$ 36,758,180
2020	36,179,351	36,168,650	(36,179,351)	(94,197)	35,479,368	595,085
2019	767,675			14,464	556,072	226,067
2018	259,664			18,689	185,463	92,890
2017	93,068			(8,481)	12,954	71,634
2016	67,349			(291)	423	66,635
2015	81,999			(135)	275	81,589
2014	139,925			(99)	6	139,820
2013	27,653			(39)	572	27,042
2012	45,005			(36)	517	44,452
2011	40,350			(32)	-	40,318
2010	29,179			(340)	-	28,839
Totals	<u>\$ 37,731,217</u>	<u>\$ 36,168,650</u>	<u>\$ 578,829</u>	<u>\$ (70,497)</u>	<u>\$ 36,235,650</u>	<u>\$ 38,172,550</u>

Source: City of Johnson City Finance Department

Notes: All uncollected real property taxes for years 2019 and prior, and all uncollected personal property taxes for years 2020 and prior, have been turned over to the County Clerk and Master for collection. Balance Sheet also includes Penalty and Interest Receivable of \$31,248, as well as the 2010 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>	256
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	263
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>	267
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>	272
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>	275
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)

	<u>2012</u>	<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>
Governmental Activities										
Net investment in capital assets	\$ 141,450,516	\$ 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
Restricted	194,541	190,041	184,226	179,906	178,170	176,435	176,874	177,879	180,143	14,479,366
Unrestricted	<u>42,572,808</u>	<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>
Total Governmental Activities Net Position	<u>\$ 184,217,865</u>	<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>
Business-Type Activities										
Net investment in capital assets	\$ 229,640,982	\$ 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
Unrestricted	<u>40,260,473</u>	<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>
Total Business-Type Activities Net Position	<u>\$ 269,901,455</u>	<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>
Primary Government										
Net investment in capital assets	\$ 371,091,498	\$ 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
Restricted	194,541	190,041	184,226	179,906	178,170	176,435	176,874	177,879	4,150,369	14,479,366
Unrestricted	<u>82,833,281</u>	<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>
Total Primary Government Net Position	<u>\$ 454,119,320</u>	<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>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 9,782,991	\$ 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
Public Safety	30,769,395	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
Public Works	12,036,441	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
Parks, Recreation, Culture, Leisure	11,407,275	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
City Services	2,299,905	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
Education	64,996,820	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
Interest on Long-Term Debt	6,562,354	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
Total Governmental Activities	137,855,181	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
Business-Type Activities:										
Water and Sewer	25,926,353	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
City Solid Waste	8,403,638	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
Regional Solid Waste	2,182,604	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
Johnson City Power Board	176,494,179	182,309,204	187,412,031	187,141,320	177,636,443	330,100,133	-	-	-	-
Public Building Authority	1,864,558	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
Mass Transit	4,020,869	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
Stormwater Management	1,066,427	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
Golf Courses	1,286,000	1,191,088	1,181,532	1,105,750	1,131,202	1,366,224	1,118,089	-	-	-
Total Business-Type Activities	221,244,628	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
Total Expenses	\$ 359,099,809	\$ 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
Program Revenues										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 2,380,508	\$ 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
City Services	2,235,809	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
Education	2,582,695	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
Other Activities	2,208,010	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
Operating Grants and Contributions	39,773,105	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
Capital Grants and Contributions	261,616	537,527	4,504,724	2,769,030	2,333,757	5,825,912	12,769,039	1,506,284	390,647	111,000
Total Governmental Activities	49,441,743	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
Business-Type Activities:										
Charges for Services:										
Water and Sewer	28,237,701	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
City Solid Waste	8,900,554	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
Johnson City Power Board	186,025,548	190,986,834	193,430,658	192,872,051	186,860,746	154,193,474	-	-	-	-
Other Activities	6,271,078	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
Operating Grants and Contributions	2,045,037	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
Capital Grants and Contributions	762,107	206,452	416,299	327,374	1,571,898	413,391	350,697	2,086,154	678,522	1,669,951
Total Business-Type Activities	232,242,025	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
Total Program Revenues	\$ 281,683,768	\$ 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

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (88,413,438)	\$ (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)
Business-Type Activities	10,997,397	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
Total Net Expense	\$ (77,416,041)	\$ (82,464,483)	\$ (70,228,704)	\$ (70,761,631)	\$ (69,486,639)	\$ (257,284,555)	\$ (80,318,561)	\$ (104,939,927)	\$ (105,489,923)	\$ (91,489,286)
General Revenues										
<u>Governmental Activities:</u>										
Taxes:										
Property Taxes	\$ 39,620,005	\$ 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
Sales Taxes	36,282,655	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
Other Taxes	8,555,389	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
Unrestricted Investment Earnings	858,348	707,660	702,811	720,145	769,385	810,117	1,056,146	1,195,844	814,783	510,200
Miscellaneous	6,254	6,828	6,006	5,936	5,810	6,940	16,002	6,370	6,326	4,260
Transfers	999,170	1,018,959	(1,120,923)	466,812	484,629	492,899	(798,453)	(89,229)	513,843	(249)
Total Governmental Activities	86,321,821	88,170,327	86,938,170	93,067,291	101,037,017	104,552,505	108,056,312	111,492,063	112,258,613	118,436,993
<u>Business-Type Activities:</u>										
Unrestricted Investment Earnings	672,785	537,405	510,265	603,254	644,620	584,609	475,413	450,746	136,114	1,276
Miscellaneous	3,888	7,370	40,271	28,226	11,476	253,494	331,798	21,320	192,249	12,516
Transfers	(999,170)	(1,018,959)	1,045,545	(466,812)	(484,629)	(492,899)	798,453	89,229	(513,843)	249
Total Business-Type Activities	(322,497)	(474,184)	1,596,081	164,668	171,467	345,204	1,605,664	561,295	(185,480)	14,041
Total Primary Government	\$ 85,999,324	\$ 87,696,143	\$ 88,534,251	\$ 93,231,959	\$ 101,208,484	\$ 104,897,709	\$ 109,661,976	\$ 112,053,358	\$ 112,073,133	\$ 118,451,034
Change in Net Position										
Governmental Activities	\$ (2,091,617)	\$ (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
Business-Type Activities	10,674,900	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
Total Change in Net Position	\$ 8,583,283	\$ 5,231,660	\$ 18,305,547	\$ 22,470,328	\$ 31,721,845	\$ (152,386,846)	\$ 29,343,415	\$ 7,113,431	\$ 6,583,210	\$ 26,961,748

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			Local Liquor Tax	Room Occupancy Tax	Franchise Tax	Telephone/ Cable Tax	Other Taxes	Total
				Tax	Business Tax	Beer Tax						
2012	37,818,824	1,801,181	32,001,411	4,281,244	2,106,008	2,190,925	611,147	1,224,494	345,167	742,575	1,335,073	84,458,049
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

Source: City of Johnson City Finance Department

CITY OF JOHNSON CITY, TENNESSEE
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<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>
General Fund										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,156	\$ 72,979	\$ 85,520
Restricted	12,163,561	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
Committed	1,041,826	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
Assigned	2,285,394	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
Unassigned	5,793,740	4,622,461	2,486,172	2,021,235	4,852,157	7,588,895	7,445,296	10,442,643	14,214,948	20,073,998
Total General Fund	<u>\$ 21,284,521</u>	<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>
All Other Governmental Funds										
Non-Spendable	\$ 190,851	\$ 217,801	\$ 235,507	\$ 507,191	\$ 415,652	\$ 452,683	\$ 479,673	\$ 490,842	\$ 603,248	\$ 599,705
Restricted	15,136,934	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
Committed	897,179	610,429	681,946	454,544	517,952	322,079	582,994	645,856	347,975	316,060
Assigned	5,612,762	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
Total All Other Governmental Funds	<u>\$ 21,837,726</u>	<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>

Source: City of Johnson City Finance Department

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 78,740,652	\$ 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
Licenses and Permits	789,430	702,213	757,415	776,698	833,884	835,364	836,686	796,649	878,950	1,032,445
Intergovernmental	45,531,643	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
Charges for Services	2,933,047	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
Fines and Forfeitures	2,276,229	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
Use of Property	2,009,688	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
Investment Earnings	846,990	696,041	688,619	703,713	737,421	773,756	1,014,306	1,144,041	777,174	486,298
Miscellaneous	1,480,472	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
Total Revenues	134,608,151	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
Expenditures:										
General Government	11,467,692	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
Public Safety	23,942,912	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
Public Works	10,826,243	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
Parks, Recreation, Culture, Leisure	5,575,475	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
City Services	1,685,566	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
Education	64,728,618	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
Miscellaneous	6,950	7,940	6,020	5,000	7,000	4,800	4,250	-	-	-
Capital Outlay	20,717,402	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
Debt Service:										
Principal	6,940,111	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
Interest and Fiscal Fees	6,706,594	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
Other Charges	-	-	-	348,947	215,353	5,180,158	193,169	165,958	351,659	277,079
Total Expenditures	152,597,563	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
Excess (deficiency) of revenues over (under) expenditures	(17,989,412)	(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

(Continued)

CITY OF JOHNSON CITY, TENNESSEE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses):										
Transfers (Net)	620,973	560,312	(868,916)	508,514	385,033	492,899	(2,596,257)	(1,094,905)	513,843	(249)
Contributions	-	-	819,247	-	-	-	-	-	-	-
Note Proceeds	-	-	-	2,727,592	-	-	-	-	-	-
Issuance of Refunding Bonds	11,722,974	-	-	-	-	4,300,516	-	-	-	6,296,716
Refunding Bond Payments	(11,012,803)	-	-	-	-	-	-	-	(23,857,877)	(6,875,699)
Bond Issuance	3,239,146	3,030,475	1,189,948	134,136	14,680,110	19,410,000	-	5,080,000	20,213,965	18,530,823
Premium on Bonds - Refunding	1,034,541	-	-	-	-	662,538	-	-	-	673,375
Premium on Bond Issuance	-	-	-	-	-	2,703,584	-	652,823	3,839,575	4,154,490
Bond Proceeds from Other Gov't	-	-	-	-	-	520,718	-	-	-	-
Drawdown on Previous Bond	-	-	-	-	-	18,510	-	-	-	-
Sale of Property	129,557	130,386	210,655	345,882	601,431	89,767	169,977	145,338	666,663	254,371
Total Other Financing Sources (Uses)	5,734,388	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
Net Change in Fund Balances	\$ (12,255,024)	\$ (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

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Debt Service as a Percentage of Noncapital Expenditures	10.3%	10.4%	9.7%	9.5%	9.2%	9.9%	9.7%	9.6%	9.0%	7.0%
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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				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	Personal Property	Public Utility				
2012	2011	904,122,100	750,764,800	97,065,891	50,111,745	1,802,064,536	1.57	5,813,956,077	31.00%
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%

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

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Johnson City Direct Rates*	1.57	1.57	1.58	1.62	1.87	1.87	1.89	1.89	1.71	1.71
Washington County Direct Rates										
General	0.71	0.65	0.65	0.68	0.69	0.74	0.74	0.74	0.67	0.67
Upkeep (Highway)	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.14	0.14
General Purpose School	0.70	0.74	0.77	0.80	0.80	0.83	0.83	0.83	0.74	0.74
General Capital Projects	-	-	-	-	-	0.32	0.32	0.21	0.20	0.03
Education Capital Projects	-	-	-	-	-	-	-	-	-	0.17
Debt Service	0.32	0.33	0.31	0.32	0.32	0.32	0.32	0.41	0.37	0.37
Solid Waste/Sanitation	0.04	0.04	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>1.91</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>
Carter County Direct Rates										
General	0.95	0.87	1.02	0.92	1.02	0.99	1.00	1.14	1.05	1.08
Highway/Public Works	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.12	0.13	0.13
General Purpose Schools	0.99	1.04	1.04	1.06	1.06	1.11	1.12	1.07	1.07	1.07
General Debt Service	0.09	0.12	0.15	0.35	0.25	0.22	0.22	0.25	0.22	0.18
Total Direct Rate	<u>2.15</u>	<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>
Sullivan County Rates										
General	0.58	0.67	0.66	0.66	0.77	0.77	0.79	0.79	0.81	0.81
Solid Waste/Sanitation	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Highway	0.06	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
General Purpose Schools	1.30	1.39	1.37	1.37	1.47	1.47	1.35	1.35	1.35	1.35
School Capital Project	0.07	0.07	0.07	0.07	0.10	0.10	0.09	0.09	0.09	0.09
General Debt Service	0.11	0.11	0.11	0.11	0.14	0.14	0.22	0.22	0.22	0.22
Total Direct Rate	<u>2.13</u>	<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>

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	2021			2012		
	Taxable Assessed		Percentage	Taxable Assessed		Percentage
	Value	Rank	of Total Taxable Assessed Value	Value	Rank	of Total Taxable Assessed Value
Glimcher Mall Johnson City LLC	\$ 22,441,840	1	1.1%	\$ 10,942,520	2	0.6%
Wal-Mart/Sams Real Estate	18,811,020	2	0.9%	-	-	0.0%
American Water Heater	14,581,322	3	0.7%	7,015,715	7	0.4%
Mountain States Properties	13,750,705	4	0.7%	-	-	0.0%
Atmos Energy Corp	13,491,250	5	0.6%	9,715,683	4	0.5%
Knob Creek Apts LLC	11,301,440	6	0.5%	10,686,400	3	0.6%
Reserve Johnson City	10,334,920	7	0.5%	-	-	0.0%
RAF Johnson City LLC (The Crossing)	9,812,520	8	0.5%	8,681,360	5	0.5%
1109 University/ETSU 815 LLC	8,200,000	9	0.4%	-	-	0.0%
Bristol Highway Partners	8,152,080	10	0.4%	-	-	0.0%
United Telephone	-	-	-	20,434,558	1	1.1%
Pritchett Family	-	-	-	7,287,440	6	0.4%
AT&T Mobiliy	-	-	-	6,104,030	9	0.3%
Sofha Real Estate	-	-	-	6,459,000	8	0.4%
Sams Real Estate	-	-	-	6,088,600	10	0.3%
Totals	\$ 130,877,097		6.2%	\$ 93,415,306		5.2%

Total Taxable Assessed Value:

FYE 2021 (Tax Year 2020)	2,108,084,875
FYE 2012 (Tax Year 2011)	1,802,064,536

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	
2012	28,335,227	(104,648)	28,230,579	27,377,900	96.98%	812,361	28,190,261	99.86%	40,318
2013	28,506,943	(74,322)	28,432,621	27,520,081	96.79%	868,088	28,388,169	99.84%	44,452
2014	28,843,764	37,813	28,881,577	28,103,866	97.31%	750,669	28,854,535	99.91%	27,042
2015	29,361,471	(30,270)	29,331,201	28,530,267	97.27%	661,114	29,191,381	99.52%	139,820
2016	34,322,563	(621)	34,321,942	33,579,748	97.84%	660,605	34,240,353	99.76%	81,589
2017	35,106,178	(217,833)	34,888,345	34,085,543	97.70%	736,168	34,821,710	99.81%	66,635
2018	35,527,100	2,543	35,529,643	34,725,926	97.74%	732,083	35,458,009	99.80%	71,634
2019	35,782,212	82,860	35,865,072	34,989,135	97.56%	783,047	35,772,182	99.74%	92,890
2020	35,946,258	(101,285)	35,844,973	35,062,834	97.82%	556,072	35,618,906	99.37%	226,067
2021	36,168,650	(85,616)	36,083,034	35,487,950	98.35%	-	35,487,950	98.35%	595,085

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 Payable	Capital Lease	General Obligation Bonds	Revenue Bonds	Notes Payable			
	Bonds								
2012	137,547,801	350,000	355,092	76,812,346	58,695,000	1,275,499	275,035,738	16.46%	4,296
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

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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 June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	214,360,147	(2,579,759)	211,780,388	3.64%	3,308
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

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, 2021**

<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	\$ 15,510,000	2.00%	310,200
Sullivan County	236,409,584	0.04%	94,564
Washington County	<u>155,129,593</u>	62.00%	<u>96,180,348</u>
<i>Subtotal, Overlapping Debt</i>	<u>407,049,177</u>		<u>96,585,112</u>
Net Direct Debt:			
City of Johnson City	<u>126,330,476</u>	100.00%	<u>126,330,476</u>
Total Direct and Overlapping Debt	<u><u>\$ 533,379,653</u></u>		<u><u>222,915,588</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**

	<u>2012</u>	<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>
Debt Limit	\$ 180,206,454	\$ 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
Total Net Debt Applicable to Limit	<u>98,539,694</u>	<u>93,480,502</u>	<u>87,666,880</u>	<u>83,231,821</u>	<u>88,807,495</u>	<u>99,736,123</u>	<u>90,865,021</u>	<u>82,204,856</u>	<u>71,512,916</u>	<u>70,953,698</u>
Legal Debt Margin	<u>\$ 81,666,760</u>	<u>\$ 87,826,492</u>	<u>\$ 94,885,674</u>	<u>\$ 98,009,425</u>	<u>\$ 94,528,086</u>	<u>\$ 87,820,193</u>	<u>\$ 97,164,881</u>	<u>\$ 106,928,315</u>	<u>\$ 137,919,897</u>	<u>\$ 139,854,790</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	54.68%	51.56%	48.02%	45.92%	48.44%	53.18%	48.32%	43.46%	34.15%	33.66%

Legal Debt Margin Calculation for Fiscal Year 2021	
Total Taxable Assessed Value	2,108,084,875
Debit Limit (10% of Taxable Assessed Value)	210,808,488
Debt Applicable to Limit:	
General Obligation Debt	111,612,370
Less: Sales Tax Revenue Bonds	<u>(40,658,672)</u>
Total Net Debt Applicable to Limit	<u>70,953,698</u>
Legal Debt Margin	<u>\$ 139,854,790</u>

Source: City of Johnson City Finance Department

**CITY OF JOHNSON CITY, TENNESSEE
PLEGDED-REVENUE COVERAGE
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
<u>Water and Sewer Revenue Bonds:</u>							
2012	28,237,701	23,057,300	5,180,401	1,540,000	390,595	1,930,595	2.68
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
<u>Johnson City Power Board Revenue Bonds:</u>							
2012	186,025,548	174,054,113	11,971,435	2,530,000	2,453,237	4,983,237	2.40
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

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
2012	2011	64,021	1,670,948,100	26,100	37.4	86.6%	5.6%	20.7%	14.6%	7,397	8.1%
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%

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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.

**CITY OF JOHNSON CITY, TENNESSEE
PRINCIPAL EMPLOYERS
For the Fiscal Years Noted**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Ballad Health Corporation, formerly Mountain States Health Alliance (JC) and Wellmont (Kingsport)	8,610	1	16.8%	3,500	1	5.4%
James H. Quillen VA Medical Center	2,500	2	4.9%	1,615	4	2.5%
East Tennessee State University	2,469	3	4.8%	2,330	2	3.6%
CITI Commerce Solution	1,896	4	3.7%	2,120	3	3.3%
Advanced Call Center Technologies	1,650	5	3.2%	1,358	5	2.1%
Washington County School System	1,262	6	2.5%	1,200	7	1.8%
Frontier Health	1,100	7	2.1%			
A.O Smith(American Water Heater)	1,024	8	2.0%	1,300	6	2.0%
City of Johnson City	966	9	1.9%	850	9	1.3%
Johnson City School System	878	10	1.7%	900	8	1.4%
AT&T Mobility				650	10	1.0%
	<u>22,355</u>		<u>43.5%</u>	<u>15,823</u>		<u>24.3%</u>

Total Washington County Employment:

FYE 2021	51,358
FYE 2012	64,990

Sources: First Tennessee Development District
Business Journal
Tennessee Department of Labor & Workforce Development

Note: With the exception of City of Johnson City and Johnson City School System, updated figures are not available for 2021.

See Independent Auditors' Report.

CITY OF JOHNSON CITY, TENNESSEE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	75	85	85	81	82	83	92	93	99	99
Public Safety	309	304	308	306	305	311	311	318	315	315
Public Works	100	84	84	83	84	82	79	82	82	82
Parks, Recreation, Culture, Leisure	48	70	70	70	77	80	87	88	87	87
Other City Services	48	72	72	69	71	68	70	70	71	71
Education	900	930	959	947	985	1,025	1,071	1,077	1,086	878
Water and Sewer	154	164	164	164	165	166	169	170	174	175
Solid Waste	46	60	59	59	59	60	60	62	65	64
Storm Water Mgmt	8	8	8	8	8	8	8	8	9	9
Mass Transit	53	49	51	53	53	53	54	58	58	57
Golf Courses	9	10	10	10	9	8	7	7	7	7
	<u>1,750</u>	<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>

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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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Student Transportation:										
Miles	482,582	522,207	512,606	469,210	482,215	595,719	530,243	547,480	524,739	414,092 *
Passengers	1,130,359	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 *
Police:										
Physical Arrests	5,924	5,843	5,071	5,127	5,094	5,023	5,167	5,179	4,741	4,906
Parking Citations	2,005	2,267	1,717	1,836	2,154	1,624	2,114	2,784	1,142	397
Traffic Citations	22,826	20,482	20,392	14,970	14,017	12,575	12,236	16,477	14,432	10,270
Camera Enforcement Citations	5,522	4,216	5,965	6,576	9,604	10,551	9,972	9,625	8,914	9,567
Fire:										
Calls Answered	8,716	9,704	8,892	9,485	10,297	9,645	9,657	9,765	9,449	9,455
Inspections	1,318	1,895	1,588	1,622	1,568	1,916	1,478	1,040	661	742
Public Works:										
Potholes Repaired	854	568	660	1,439	1,202	1,080	1,069	1,282	1,035	963
Streets Swept (linear miles)	5,963	4,948	5,222	5,148	7,183	5,898	5,825	5,244	4,139	4,300
Traffic Signals Repaired/Replaced	197	184	176	129	101	75	119	88	61	107
Snow & Ice Control Treatment (lane miles)	1,112	5,562	7,680	3,368	2,730	2,356	3,715	3,920	3,021	3,332
Public Welfare:										
Parks and Recreation:										
Pool Admissions	73,970	48,841	62,840	60,665	54,333	44,592	51,889	56,154	37,426	10,644
Youth Basketball Participants	677	650	650	658	645	704	760	716	698	-
Youth Kickball	160	105	87	81	59	-	-	-	-	-
Youth Soccer Participants	1,657	1,584	1,610	1,929	2,199	2,129	1,964	2,405	1,188	1,062
Youth Softball & Tee-ball Participants	242	164	147	119	83	108	103	93	-	94
Tennis Instruction Participants	179	161	69	81	162	65	64	104	120	162
Adult Basketball Teams	29	22	23	22	22	20	21	14	15	-
Adult Softball Teams	132	131	126	115	106	116	110	94	36	70
Senior Citizens Programs/Events Attendance	93,021	131,064	131,269	136,015	149,963	178,225	201,640	196,412	144,052	18,624
City Services:										
Freedom Hall Events	34	42	32	50	45	37	62	60	41	20

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(Continued)

CITY OF JOHNSON CITY, TENNESSEE
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water and Sewer:										
Average Daily Consumption (Water)	14.44 mgd	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
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	297	325	330	401	308	372	356	338	410	500
Sewer Taps	197	221	1,043	908	335	517	355	333	709	640
Solid Waste:										
Refuse Collected (Tons)	84,987	86,177	85,725	86,936	90,601	91,486	96,304	103,267	100,268	101,840
Recyclables Sold (Tons)	5,816	5,954	5,678	5,889	6,281	6,009	5,406	5,553	5,072	5,277
Mulch Sold as Boiler Fuel (Tons)	17,477	14,501	17,512	11,640	6,801	8,756	11,691	7,240	5,967	-
Leaves Collected (Tons)	3,193	3,512	3,596	3,726	3,041	3,583	3,242	3,450	3,277	3,193
Golf Courses:										
18-Hole Rounds Played	46,311	36,635	34,074	33,051	35,452	33,458	29,377	24,583	9,555	32,639

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Student Transportation:										
Buses	49	57	68	59	57	59	58	62	58	52
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	198	184	182	195	188	176	187	186	183	188
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	30	31	30	31	31	36	35	33	39	37
Public Works:										
Streets (Miles)	529.2	530.49	530.49	530.49	528.89	528.89	553.2	554	555.8	557.6
Traffic Signals	94	96	96	95	98	98	98	99	100	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	2	3	3	3	3	3	3	3	3	3
Therapy Pools	0	2	2	2	2	2	2	2	2	2
Tennis Courts	17	22	22	22	22	22	22	22	22	22
Community/Recreation Centers	4	5	5	5	4	4	4	4	5	4
Senior Citizens Centers	1	0	0	0	0	0	0	0	0	0
School System:										
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Secondary Schools	2	3	3	3	3	3	3	3	3	3
Water and Sewer:										
Water Mains (Miles)	922	930	940	944	949	952	953	966	973	967
Fire Hydrants	3,379	3,422	3,486	3,533	3,569	3,630	3,670	3,675	3,738	3,765
Sanitary Sewers (Miles)	568	575	578	579	583	684	686	677	744	748
Manholes	12,736	12,911	12,968	13,042	13,086	13,229	13,311	13,327	13,567	13,572
Solid Waste:										
Collection Trucks	53	51	53	56	55	55	56	60	49	50
Golf Courses	2	2	2	2	2	2	1	1	1	1
Mass Transit:										
Buses/Trolleys/Vans	37	37	37	37	37	38	38	43	39	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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2021. 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.

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.

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 be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

City of Johnson City, Tennessee
Independent Auditors' Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters

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 item 2021-001 and 2021-002.

City of Johnson City, Tennessee's Response to Findings

The City's response to the findings identified in our audit is 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 and Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 30, 2021

**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

We have audited the City of Johnson City, Tennessee's (the City) compliance with the types of compliance requirements described 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, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Blackburn, Childers and Steagall, PLLC
BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 30, 2021

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

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. No material weaknesses are reported. There are two significant deficiencies 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>
Federal Transit Cluster	20.507
Special Education Cluster (IDEA)	84.027 / 84.173
Elementary & Secondary School Emergency Relief	84.425D
Reopening and Programmatic Support/Remote Learning Technology	20.019
Community Development Block Grant	14.218
Capitalization Grants for Clean Water State Revolving Loan	66.458
2018 Johnson City Downtown Water & Sewer Improvements Project	23.XXX

8. The threshold for distinguishing Types A and B programs was \$750,000.
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, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

Current Fiscal Year Findings

2021-001: Significant Deficiency – 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, 2021 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 missed for June 2021 due to a lack of communication between employees.
- **Effect:** The June 2021 inventory balances presented on the trial balance were not accurate due to the failure to post the June 2021 reconciliation entries.
- **Recommendation:** It is recommended that reconciling journal entries be posted monthly, at a minimum, to assure that inventory values are appropriately presented.
- **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.

2021-002: Significant Deficiency – 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 current year, therefore, reconciliations were not readily available. The cash balances presented as of June 30, 2021 on the trial balance received for audit testwork varied significantly from the cash balances reported as the adjusted balance on the cash reconciliations.
- **Cause:** Bank reconciliations were not performed in a timely manner.
- **Effect:** The June 30, 2021 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 December 2021 to record in the June 30, 2021 ending balances.
- **Recommendation:** It is recommended that bank reconciliations be performed in a timely manner and be readily available when requested.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

- ***City of Johnson City, Tennessee Management's Response:*** Accounting staff was deeply involved in a major financial software conversion during the entire calendar year, including data and software configuration, as well as data extraction and validation for ten (10) years of historical data. Additionally, in January, we lost the Accounting Technician responsible for completing all of the bank reconciliations. Although the supervisor in charge of the Accounting Technician was given responsibility for completing the reconciliations, she was also deeply involved in the software conversion, which directly affected the timeliness. Entries were provided to the auditors by email in advance of the completion of fieldwork, however, one (1) email missed being picked up by the auditors. Other controls in place to ensure the safety of the cash include the daily reconciliation of cash collections by clerk and in total between the point-of-sale system, the cash drawer and the bank deposit. The monthly reconciliation to the bank statement picks up bank fees, as well as transfers between bank accounts. The software conversion will be fully implemented by April 1st, allowing the time necessary to catch up bank reconciliations and complete them in a timely manner.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

December 30, 2021

Blackburn, Childers & Steagall, PLC
P. O. Box 3745
Johnson City, Tennessee 37602

RE: Management's Corrective Action Plan June 30, 2021

Name of Contact Person

Janet Jennings, Finance Director

Signature: _____



Anticipated Completion Date

February 1, 2022

2021-001: 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

May 1, 2022

2021-002: Bank Reconciliations

Accounting was overburdened throughout the calendar year with additional duties from a major financial software conversion. Staff was involved in numerous weekly meetings planning the data and software configuration with the implementation team. Other time-consuming tasks involved data extraction and validation of ten (10) years of historical data. No additional personnel were hired to backfill the lost hours. Additionally, key staff involved with the bank reconciliations terminated at the beginning of the calendar year, placing an additional burden on the Accounting staff. The software implementation should be fully implemented by April 1st, allowing the time necessary to focus on bank reconciliations and have them caught up by May 1st. Additional controls are in place to ensure that bank deposits reconcile with individual and collective cashier activity. The bank reconciliation will pick up bank fees and transfers between funds.

CITY OF JOHNSON CITY, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/ Current Year Finding Number
2020-001	Other Post Employment Benefit Actuarial Studies	Corrected

Federal Award Findings and Questioned Costs

None Reported.