



ANNUAL FINANCIAL REPORT

Johnson County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
JOHNSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Annual Financial Report
Johnson County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Johnson County as of and for the year ended June 30, 2022.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The offices had deficiencies in purchasing procedures.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Capital assets subsidiary accounting records were not closed and available for audit by August 31, 2022.

OFFICE OF SHERIFF

- ◆ The office did not review a list of voided transactions.



INTRODUCTORY SECTION

Johnson County Officials

June 30, 2022

Officials

Mike Taylor, County Mayor
Jeff Wagner, Road Superintendent
Mischelle Simcox, Director of Schools
Lisa Crowder, Trustee
Matthew Lewis, Assessor of Property
Tammie Fenner, County Clerk
Melissa Hollaway, Circuit and General Sessions Courts Clerk
Sherrie Fenner, Clerk and Master
Freida May Gwinn, Register of Deeds
Edward Tester, Sheriff
Dustin Shearin, Purchasing Agent
Russell Robinson, Director of Accounts and Budgets

Board of County Commissioners

Scott Mast, Chairman	Gina Meade
Bill Adams	Megan McEwen
Berna Arnold	Joey Norris
Eugene Campbell	Freddy Phipps
Jerry Gentry	Tommy Poore
Robert Grindstaff	Rick Snyder
Evelyn Hill	
Jimmy Lowe	

Board of Education

Howard Carlton, Chairman	Mike Payne
Kevin Long	Jo Ann Reece
Gary Matheson	

Audit Committee

Eugene Campbell, Chairman	Gina Meade
Sally Snyder	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General, Other General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Johnson County School Department, which represent .76 percent, 1.61 percent, and 1.38 percent, respectively, of the assets, net position, and revenues of the discretely presented Johnson County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Johnson County School Department, is based solely on the report of the other auditors.

Basis for Opinions

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

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

Change in Accounting Principle

As described in Note V.B., Johnson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Johnson County’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnson County’s basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

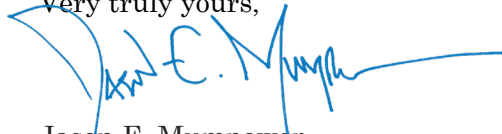
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of Johnson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Johnson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Johnson County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Governmental Activities	Component Unit Johnson County School Department
<u>ASSETS</u>		
Cash	\$ 11,803	\$ 479,238
Equity in Pooled Cash and Investments	17,599,524	13,298,058
Accounts Receivable	84,933	5,643
Due from Other Governments	800,695	4,794,782
Due from Component Units	63,404	0
Property Taxes Receivable	4,162,487	2,749,533
Allowance for Uncollectible Property Taxes	(59,161)	(39,079)
Prepaid Items	0	323,194
Leases Receivable	1,210,770	0
Restricted Assets:		
Amounts Accumulated for OPEB Benefits	0	1,197,728
Amounts Accumulated for Pension Benefits	83,414	261,585
Net Pension Asset - Agent Plan - Legacy	2,684,263	1,777,610
Net Pension Asset - Agent Plan	22,164	17,373
Net Pension Asset - Teacher Retirement Plan	0	195,835
Net Pension Asset - Teacher Legacy Pension Plan	0	9,154,031
Capital Assets:		
Assets Not Depreciated:		
Land	974,378	961,979
Construction in Progress	758,395	132,728
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	6,104,140	10,085,579
Infrastructure	4,984,216	209,460
Other Capital Assets	1,285,734	1,267,033
Total Assets	<u>\$ 40,771,159</u>	<u>\$ 46,872,310</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 70,625	\$ 0
Pension Changes in Experience	152,849	139,105
Pension Changes in Assumptions	815,834	3,058,536
Pension Changes in Proportion	0	30,149
Pension Contributions after Measurement Date	242,197	879,268
OPEB Changes in Experience	1,072	1,332,709
OPEB Changes in Assumptions	64,709	489,440
OPEB Benefits Paid after Measurement Date	7,644	203,942
Total Deferred Outflows of Resources	<u>\$ 1,354,930</u>	<u>\$ 6,133,149</u>

LIABILITIES

Accounts Payable	\$ 129,940	\$ 8,984,750
Accrued Payroll	3,677	9,873
Payroll Deductions Payable	141,713	767,450
Accrued Interest Payable	6,006	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Unit Johnson County School Department
<u>LIABILITIES (Cont.)</u>		
Noncurrent Liabilities:		
Due to Primary Government	\$ 0	\$ 63,404
Due to State of Tennessee	1,445	0
Due to Other Governments	3,255,242	0
Other Current Liabilities	631,383	124,099
Due Within One Year - Debt	963,810	0
Due Within One Year - Other	396,969	54,808
Due in More Than One Year - Debt	5,052,778	0
Due in More Than One Year - Other	903,203	5,789,900
Total Liabilities	<u>\$ 11,486,166</u>	<u>\$ 15,794,284</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,967,343	\$ 2,620,631
Deferred Lease Receivables	1,201,932	0
Pension Changes in Experience	5,647	803,050
Pension Changes in Investment Earnings	2,165,962	8,849,663
Pension Changes in Proportion	0	96,765
OPEB Changes in Experience	132,085	2,130,905
OPEB Changes in Assumptions	186,532	382,493
OPEB Changes in Proportion	0	257,848
Total Deferred Inflows of Resources	<u>\$ 7,659,501</u>	<u>\$ 15,141,355</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 10,401,203	\$ 12,656,779
Restricted for:		
General Government	203,385	0
Finance	80,567	0
Administration of Justice	77,559	0
Public Safety	130,511	0
Highways	127,204	0
Education	0	2,322,566
Education - American Rescue Plan Act	0	60,941
Pensions	2,789,841	11,406,434
Capital Outlay	1,432,279	0
Unrestricted	<u>7,737,873</u>	<u>(4,376,900)</u>
Total Net Position	<u>\$ 22,980,422</u>	<u>\$ 22,069,820</u>

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

Exhibit B

Johnson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component
						Unit
					Johnson County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 1,870,693	\$ 1,021,300	\$ 233,559	\$ 92,570	\$ (523,264)	\$ 0
Finance	1,041,913	499,436	0	0	(542,477)	0
Administration of Justice	806,779	290,161	74,383	0	(442,235)	0
Public Safety	4,054,170	353,359	190,007	310,778	(3,200,026)	0
Public Health and Welfare	1,017,264	588,865	263,344	0	(165,055)	0
Social, Cultural, and Recreational Services	321,107	8,660	76,097	87,441	(148,909)	0
Agriculture and Natural Resources	146,856	0	0	0	(146,856)	0
Highways	2,621,011	13,666	2,247,255	590,308	230,218	0
Education	170,912	0	0	0	(170,912)	0
Interest on Long-term Debt	135,458	0	45,692	0	(89,766)	0
Total Primary Government	\$ 12,186,163	\$ 2,775,447	\$ 3,130,337	\$ 1,081,097	\$ (5,199,282)	\$ 0
Component Unit:						
Johnson County School Department	\$ 33,507,693	\$ 665,969	\$ 6,627,746	\$ 170,912	\$ 0	\$ (26,043,066)
Total Component Unit	\$ 33,507,693	\$ 665,969	\$ 6,627,746	\$ 170,912	\$ 0	\$ (26,043,066)

(Continued)

Exhibit B

Johnson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component
						Unit
					Johnson County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,529,535	\$ 2,663,787
Property Taxes Levied for Debt Service					483,205	0
Local Option Sales Taxes					652,485	1,375,072
Hotel/Motel Tax					140,329	0
Wheel Tax					683,261	0
Litigation Tax - General					9,644	0
Litigation Tax - Special Purpose					27,793	0
Litigation Tax - Jail, Workhouse, or Courthouse					10,486	0
Business Tax					104,970	0
Mixed Drink Tax					2,078	2,078
Mineral Severance Tax					173	0
Wholesale Beer Tax					52,521	0
Grants and Contributions Not Restricted to Specific Programs					2,257,049	24,822,161
Unrestricted Investment Income					74,065	3,452
Lease Interest					15,227	0
Miscellaneous					101,774	323,493
Gain on Sale of Capital Assets					133,875	0
Total General Revenues					<u>\$ 8,278,470</u>	<u>\$ 29,190,043</u>
Change in Net Position					\$ 3,079,188	\$ 3,146,977
Net Position, July 1, 2021					<u>19,901,234</u>	<u>18,922,843</u>
Net Position, June 30, 2022					<u>\$ 22,980,422</u>	<u>\$ 22,069,820</u>

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

Exhibit C-1

Johnson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>ASSETS</u>					
Cash	\$ 9,491	\$ 0	\$ 762	\$ 0	\$ 0
Equity in Pooled Cash and Investments	3,787,908	3,260,200	1,569,493	6,766,684	688,351
Accounts Receivable	72,834	0	0	0	2,296
Due from Other Governments	282,856	0	385,615	47,024	50,000
Due from Other Funds	1,286	0	0	55,556	0
Due from Component Units	63,404	0	0	0	0
Property Taxes Receivable	3,360,540	0	0	496,443	0
Allowance for Uncollectible Property Taxes	(47,763)	0	0	(7,056)	0
Restricted Assets	83,414	0	0	0	0
Leases Receivable - Long-term	0	0	0	0	1,210,770
Total Assets	<u>\$ 7,613,970</u>	<u>\$ 3,260,200</u>	<u>\$ 1,955,870</u>	<u>\$ 7,358,651</u>	<u>\$ 1,951,417</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 75,745	\$ 0	\$ 10,817	\$ 0	\$ 3,835
Accrued Payroll	3,677	0	0	0	0
Payroll Deductions Payable	112,941	0	28,772	0	0
Due to Other Funds	55,556	0	0	0	0
Due to State of Tennessee	1,126	0	319	0	0
Due to Other Governments	0	3,255,242	0	0	0
Other Current Liabilities	616,403	0	762	0	0
Total Liabilities	<u>\$ 865,448</u>	<u>\$ 3,255,242</u>	<u>\$ 40,670</u>	<u>\$ 0</u>	<u>\$ 3,835</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,202,993	\$ 0	\$ 0	\$ 473,169	\$ 0
Deferred Delinquent Property Taxes	98,966	0	0	14,620	0
Deferred Leases Receivable	0	0	0	0	1,201,932
Other Deferred/Unavailable Revenue	45,561	0	195,246	22,988	0
Total Deferred Inflows of Resources	<u>\$ 3,347,520</u>	<u>\$ 0</u>	<u>\$ 195,246</u>	<u>\$ 510,777</u>	<u>\$ 1,201,932</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 203,385	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	80,567	0	0	0	0
Restricted for Administration of Justice	77,559	0	0	0	0
Restricted for Public Safety	66,154	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	745,650
Restricted for Hybrid Retirement Stabilization Funds	83,414	0	0	0	0
Committed:					
Committed for Public Health and Welfare	0	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	0
Committed for Highways/Public Works	0	0	1,719,954	0	0
Committed for Capital Outlay	0	0	0	0	0
Committed for Debt Service	0	0	0	6,847,874	0
Committed for Other Purposes	0	4,958	0	0	0
Assigned:					
Assigned for General Government	988,295	0	0	0	0
Assigned for Public Safety	402,001	0	0	0	0
Assigned for Highways/Public Works	1,500	0	0	0	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>FUND BALANCES (Cont.)</u>					
Unassigned	\$ 1,498,127	\$ 0	\$ 0	\$ 0	\$ 0
Total Fund Balances	\$ 3,401,002	\$ 4,958	\$ 1,719,954	\$ 6,847,874	\$ 745,650
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,613,970	\$ 3,260,200	\$ 1,955,870	\$ 7,358,651	\$ 1,951,417

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 1,550	\$	11,803
Equity in Pooled Cash and Investments	1,526,888		17,599,524
Accounts Receivable	9,803		84,933
Due from Other Governments	35,200		800,695
Due from Other Funds	0		56,842
Due from Component Units	0		63,404
Property Taxes Receivable	305,504		4,162,487
Allowance for Uncollectible Property Taxes	(4,342)		(59,161)
Restricted Assets	0		83,414
Leases Receivable - Long-term	0		1,210,770
Total Assets	<u>\$ 1,874,603</u>	<u>\$</u>	<u>24,014,711</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 39,543	\$	129,940
Accrued Payroll	0		3,677
Payroll Deductions Payable	0		141,713
Due to Other Funds	1,286		56,842
Due to State of Tennessee	0		1,445
Due to Other Governments	0		3,255,242
Other Current Liabilities	14,218		631,383
Total Liabilities	<u>\$ 55,047</u>	<u>\$</u>	<u>4,220,242</u>

(Continued)

Exhibit C-1

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

DEFERRED INFLOWS OF RESOURCES

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Deferred Current Property Taxes	\$ 291,181	\$		3,967,343
Deferred Delinquent Property Taxes	8,998			122,584
Deferred Leases Receivable	0			1,201,932
Other Deferred/Unavailable Revenue	4,293			268,088
Total Deferred Inflows of Resources	<u>\$ 304,472</u>	\$		<u>5,559,947</u>

FUND BALANCES

Restricted:				
Restricted for General Government	\$ 0	\$		203,385
Restricted for Finance	0			80,567
Restricted for Administration of Justice	0			77,559
Restricted for Public Safety	64,357			130,511
Restricted for Capital Outlay	677,631			1,423,281
Restricted for Hybrid Retirement Stabilization Funds	0			83,414
Committed:				
Committed for Public Health and Welfare	214,935			214,935
Committed for Social, Cultural, and Recreational Services	38,485			38,485
Committed for Highways/Public Works	0			1,719,954
Committed for Capital Outlay	519,676			519,676
Committed for Debt Service	0			6,847,874
Committed for Other Purposes	0			4,958
Assigned:				
Assigned for General Government	0			988,295
Assigned for Public Safety	0			402,001
Assigned for Highways/Public Works	0			1,500

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
\$	0	\$ 1,498,127
\$	1,515,084	\$ 14,234,522
\$	1,874,603	\$ 24,014,711

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

Exhibit C-2

Johnson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	14,234,522
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	974,378	
Add: construction in progress		758,395	
Add: buildings and improvements net of accumulated depreciation		6,104,140	
Add: infrastructure net of accumulated depreciation		4,984,216	
Add: other capital assets net of accumulated depreciation		<u>1,285,734</u>	14,106,863
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(5,956,000)	
Less: other loans payable		(60,588)	
Add: deferred amount on refunding		70,625	
Less: compensated absences payable		(349,932)	
Less: landfill postclosure care costs		(426,964)	
Less: other postemployment benefits liability		(523,276)	
Less: accrued interest on bonds and other loans payable		<u>(6,006)</u>	(7,252,141)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,210,880	
Less: deferred inflows of resources related to pensions		(2,171,609)	
Add: deferred outflows of resources related to OPEB		73,425	
Less: deferred inflows of resources related to OPEB		<u>(318,617)</u>	(1,205,921)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan - legacy	\$	2,684,263	
Add: net pension asset - agent plan		<u>22,164</u>	2,706,427
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>390,672</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>22,980,422</u></u>

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

Exhibit C-3

Johnson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>Revenues</u>					
Local Taxes	\$ 4,058,984	\$ 0	\$ 256,396	\$ 1,027,180	\$ 0
Licenses and Permits	70,278	0	0	0	0
Fines, Forfeitures, and Penalties	75,272	0	0	0	0
Charges for Current Services	50,170	0	89	0	0
Other Local Revenues	1,704,745	4,354	34,188	0	261,600
Fees Received From County Officials	796,249	0	0	0	0
State of Tennessee	1,679,748	0	2,249,000	1,826	50,000
Federal Government	133,914	199,868	20,069	175	0
Other Governments and Citizens Groups	252,895	0	9,302	264,154	0
Total Revenues	\$ 8,822,255	\$ 204,222	\$ 2,569,044	\$ 1,293,335	\$ 311,600
<u>Expenditures</u>					
Current:					
General Government	\$ 685,797	\$ 0	\$ 0	\$ 0	\$ 0
Finance	912,666	0	0	0	0
Administration of Justice	835,471	0	0	0	0
Public Safety	3,991,490	0	0	0	0
Public Health and Welfare	279,942	0	0	0	0
Social, Cultural, and Recreational Services	171,254	0	0	0	0
Agriculture and Natural Resources	147,487	0	0	0	0
Other Operations	1,057,705	0	0	0	0
Highways	53,940	0	2,419,742	0	0
Debt Service:					
Principal on Debt	0	0	28,871	896,000	0
Interest on Debt	0	0	2,907	115,815	0
Other Debt Service	0	0	0	63,993	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Community Development/ Industrial Park
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 364	\$ 199,868	\$ 0	\$ 0	\$ 34,861
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	\$ 8,136,116	\$ 199,868	\$ 2,451,520	\$ 1,075,808	\$ 34,861
Excess (Deficiency) of Revenues Over Expenditures	\$ 686,139	\$ 4,354	\$ 117,524	\$ 217,527	\$ 276,739
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 6,852,000	\$ 0
Insurance Recovery	4,482	0	4,580	0	0
Transfers In	0	0	58,610	0	0
Transfers Out	0	0	(173,250)	0	0
Payments to Refunded Debt Escrow Agent	0	0	0	(6,803,718)	0
Total Other Financing Sources (Uses)	\$ 4,482	\$ 0	\$ (110,060)	\$ 48,282	\$ 0
Net Change in Fund Balances	\$ 690,621	\$ 4,354	\$ 7,464	\$ 265,809	\$ 276,739
Fund Balance, July 1, 2021	2,710,381	604	1,712,490	6,582,065	468,911
Fund Balance, June 30, 2022	\$ 3,401,002	\$ 4,958	\$ 1,719,954	\$ 6,847,874	\$ 745,650

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Revenues</u>			
Local Taxes	\$ 383,668	\$	5,726,228
Licenses and Permits	0		70,278
Fines, Forfeitures, and Penalties	18,620		93,892
Charges for Current Services	588,521		638,780
Other Local Revenues	30,118		2,035,005
Fees Received From County Officials	0		796,249
State of Tennessee	534,426		4,515,000
Federal Government	22,389		376,415
Other Governments and Citizens Groups	127,003		653,354
Total Revenues	<u>\$ 1,704,745</u>	<u>\$</u>	<u>14,905,201</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	685,797
Finance	69		912,735
Administration of Justice	0		835,471
Public Safety	94,794		4,086,284
Public Health and Welfare	682,183		962,125
Social, Cultural, and Recreational Services	86,170		257,424
Agriculture and Natural Resources	0		147,487
Other Operations	0		1,057,705
Highways	0		2,473,682
Debt Service:			
Principal on Debt	0		924,871
Interest on Debt	0		118,722
Other Debt Service	0		63,993

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 793,953	\$	1,029,046
Capital Projects - Donated	170,912		170,912
Total Expenditures	<u>\$ 1,828,081</u>	<u>\$</u>	<u>13,726,254</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (123,336)</u>	<u>\$</u>	<u>1,178,947</u>
<u>Other Financing Sources (Uses)</u>			
Refunding Debt Issued	\$ 0	\$	6,852,000
Insurance Recovery	0		9,062
Transfers In	173,250		231,860
Transfers Out	(58,610)		(231,860)
Payments to Refunded Debt Escrow Agent	0		(6,803,718)
Total Other Financing Sources (Uses)	<u>\$ 114,640</u>	<u>\$</u>	<u>57,344</u>
Net Change in Fund Balances	\$ (8,696)	\$	1,236,291
Fund Balance, July 1, 2021	1,523,780		12,998,231
Fund Balance, June 30, 2022	<u>\$ 1,515,084</u>	<u>\$</u>	<u>14,234,522</u>

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

Exhibit C-4

Johnson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 1,236,291
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,596,459	
Less: current-year depreciation expense	<u>(1,386,485)</u>	209,974
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		310,778
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 390,672	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(341,300)</u>	49,372
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal amount of debt refunded	\$ 6,810,000	
Less: bond proceeds	(6,852,000)	
Add: change in unamortized premium on debt issuances	145,584	
Add: principal payments on bonds	896,000	
Add: principal payments on other loans	28,871	
Less: change in deferred charge on refunding	<u>(174,375)</u>	854,080
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 5,773	
Change in compensated absences payable	(44,800)	
Change in landfill postclosure care costs	65,214	
Change in net OPEB liability	101,892	
Change in deferred outflows related to OPEB	(11,450)	
Change in deferred inflows related to OPEB	(109,867)	
Change in net pension asset/liability	1,662,706	
Change in deferred outflows related to pensions	811,981	
Change in deferred inflows related to pensions	<u>(2,062,756)</u>	418,693
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,079,188</u>

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

Exhibit C-5

Johnson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,058,984	\$ 0	\$ 0	\$ 4,058,984	\$ 3,955,777	\$ 3,955,777	\$ 103,207
Licenses and Permits	70,278	0	0	70,278	82,500	82,500	(12,222)
Fines, Forfeitures, and Penalties	75,272	0	0	75,272	81,050	81,050	(5,778)
Charges for Current Services	50,170	0	0	50,170	55,800	65,800	(15,630)
Other Local Revenues	1,704,745	0	0	1,704,745	784,218	1,832,684	(127,939)
Fees Received From County Officials	796,249	0	0	796,249	745,250	745,250	50,999
State of Tennessee	1,679,748	0	0	1,679,748	2,371,508	2,633,996	(954,248)
Federal Government	133,914	0	0	133,914	401,974	401,974	(268,060)
Other Governments and Citizens Groups	252,895	0	0	252,895	238,000	262,145	(9,250)
Total Revenues	\$ 8,822,255	\$ 0	\$ 0	\$ 8,822,255	\$ 8,716,077	\$ 10,061,176	\$ (1,238,921)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 46,358	\$ 0	\$ 0	\$ 46,358	\$ 46,933	\$ 46,933	\$ 575
Board of Equalization	0	0	0	0	1,100	1,100	1,100
Other Boards and Committees	2,998	0	0	2,998	3,530	3,530	532
County Mayor/Executive	149,256	(471)	0	148,785	154,188	154,638	5,853
County Attorney	46,059	0	0	46,059	26,659	46,259	200
Election Commission	164,481	(14,525)	18,024	167,980	197,646	197,646	29,666
Register of Deeds	144,889	0	984	145,873	145,030	148,016	2,143
County Buildings	131,756	(10,452)	15,934	137,238	102,740	151,385	14,147
<u>Finance</u>							
Accounting and Budgeting	207,621	(1,611)	891	206,901	204,981	208,699	1,798
Purchasing	62,992	(1,008)	1,481	63,465	64,287	66,141	2,676
Property Assessor's Office	141,140	(470)	0	140,670	146,676	146,676	6,006
Reappraisal Program	83,204	0	0	83,204	111,573	111,573	28,369
County Trustee's Office	170,816	0	110	170,926	166,650	173,460	2,534
County Clerk's Office	246,893	(442)	2,711	249,162	250,818	257,390	8,228
<u>Administration of Justice</u>							
Circuit Court	366,212	(30,663)	14,163	349,712	316,781	351,255	1,543

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 139,673	\$ 0	\$ 332	\$ 140,005	\$ 140,258	\$ 142,758	\$ 2,753
Chancery Court	170,699	(15,731)	1,320	156,288	160,109	160,383	4,095
Juvenile Court	158,887	0	9,547	168,434	179,633	229,633	61,199
Courtroom Security	0	0	0	0	8,000	8,000	8,000
<u>Public Safety</u>							
Sheriff's Department	1,986,417	(19,939)	62,712	2,029,190	1,699,691	2,115,846	86,656
Administration of the Sexual Offender Registry	1,000	0	0	1,000	1,500	1,500	500
Jail	1,211,664	(57,151)	51,408	1,205,921	1,269,364	1,290,162	84,241
Juvenile Services	254,096	0	0	254,096	273,408	280,908	26,812
Commissary	17,831	(18,241)	10,106	9,696	50,000	50,000	40,304
Fire Prevention and Control	239,812	0	0	239,812	239,842	239,842	30
Civil Defense	87,849	0	7,884	95,733	90,428	99,498	3,765
Other Emergency Management	95,000	0	0	95,000	95,000	95,000	0
Inspection and Regulation	21,712	0	0	21,712	22,670	22,670	958
County Coroner/Medical Examiner	31,804	0	0	31,804	8,337	32,379	575
Other Public Safety	44,305	0	27	44,332	0	198,224	153,892
<u>Public Health and Welfare</u>							
Local Health Center	232,434	(1,000)	2,347	233,781	487,074	487,074	253,293
Rabies and Animal Control	600	0	0	600	4,000	4,000	3,400
Alcohol and Drug Programs	6,355	0	0	6,355	12,000	12,000	5,645
Appropriation to State	35,298	0	0	35,298	35,300	35,300	2
Other Public Health and Welfare	5,255	0	0	5,255	6,068	6,068	813
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	144,754	0	10,345	155,099	156,556	170,101	15,002
Other Social, Cultural, and Recreational	26,500	0	0	26,500	27,500	27,500	1,000
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	103,729	0	0	103,729	113,739	113,889	10,160
Soil Conservation	43,758	0	0	43,758	29,325	47,182	3,424

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 21,400	\$ 0	\$ 0	\$ 21,400	\$ 19,000	\$ 25,800	\$ 4,400
Other Economic and Community Development	0	0	0	0	322,618	322,618	322,618
Airport	87,745	0	0	87,745	130,729	131,229	43,484
Veterans' Services	31,620	0	0	31,620	32,537	32,537	917
Other Charges	597,796	0	63,669	661,465	688,681	707,531	46,066
Contributions to Other Agencies	15,000	0	0	15,000	15,000	15,000	0
Employee Benefits	31,389	0	0	31,389	40,450	40,705	9,316
COVID-19 Grant #3	6,910	0	0	6,910	33,891	33,891	26,981
Miscellaneous	265,845	(3,422)	1,955	264,378	263,227	285,776	21,398
<u>Highways</u>							
Litter and Trash Collection	53,940	(1,000)	1,500	54,440	57,165	57,665	3,225
<u>Capital Projects</u>							
General Administration Projects	364	(364)	0	0	0	0	0
Total Expenditures	\$ 8,136,116	\$ (176,490)	\$ 277,450	\$ 8,237,076	\$ 8,652,692	\$ 9,587,370	\$ 1,350,294
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 686,139	\$ 176,490	\$ (277,450)	\$ 585,179	\$ 63,385	\$ 473,806	\$ 111,373
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,482	\$ 0	\$ 0	\$ 4,482	\$ 0	\$ 0	\$ 4,482
Special Items (Revenues)	0	0	0	0	10,000	0	0
Transfers Out	0	0	0	0	(7,500)	(7,500)	7,500
Total Other Financing Sources	\$ 4,482	\$ 0	\$ 0	\$ 4,482	\$ 2,500	\$ (7,500)	\$ 11,982
Net Change in Fund Balance	\$ 690,621	\$ 176,490	\$ (277,450)	\$ 589,661	\$ 65,885	\$ 466,306	\$ 123,355
Fund Balance, July 1, 2021	2,710,381	(176,490)	0	2,533,891	1,837,556	1,837,556	696,335
Fund Balance, June 30, 2022	\$ 3,401,002	\$ 0	\$ (277,450)	\$ 3,123,552	\$ 1,903,441	\$ 2,303,862	\$ 819,690

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

Exhibit C-6

Johnson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other General Government Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 4,354	\$ 5,000	\$ 5,000	\$ (646)
Federal Government	199,868	1,727,555	1,727,555	(1,527,687)
Total Revenues	\$ 204,222	\$ 1,732,555	\$ 1,732,555	\$ (1,528,333)
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 124,868	\$ 300,000	\$ 294,619	\$ 169,751
Public Safety Projects	0	150,000	0	0
Public Health and Welfare Projects	75,000	125,000	125,000	50,000
Agriculture and Natural Resources Projects	0	62,555	0	0
Public Utility Projects	0	225,000	225,000	225,000
Other General Government Projects	0	750,000	0	0
Highway and Street Capital Projects	0	120,000	0	0
Total Expenditures	\$ 199,868	\$ 1,732,555	\$ 644,619	\$ 444,751
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,354	\$ 0	\$ 1,087,936	\$ (1,083,582)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (1,087,936)	\$ 1,087,936
Total Other Financing Sources	\$ 0	\$ 0	\$ (1,087,936)	\$ 1,087,936
Net Change in Fund Balance	\$ 4,354	\$ 0	\$ 0	\$ 4,354
Fund Balance, July 1, 2021	604	0	0	604
Fund Balance, June 30, 2022	\$ 4,958	\$ 0	\$ 0	\$ 4,958

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

Exhibit C-7

Johnson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 256,396	\$ 0	\$ 0	\$ 256,396	\$ 261,020	\$ 261,020	\$ (4,624)
Charges for Current Services	89	0	0	89	0	0	89
Other Local Revenues	34,188	0	0	34,188	0	34,188	0
State of Tennessee	2,249,000	0	0	2,249,000	2,079,768	2,160,109	88,891
Federal Government	20,069	0	0	20,069	17,000	21,565	(1,496)
Other Governments and Citizens Groups	9,302	0	0	9,302	58,610	7,550	1,752
Total Revenues	\$ 2,569,044	\$ 0	\$ 0	\$ 2,569,044	\$ 2,416,398	\$ 2,484,432	\$ 84,612
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 260,344	\$ (397)	\$ 98	\$ 260,045	\$ 267,092	\$ 267,379	\$ 7,334
Highway and Bridge Maintenance	1,617,265	(55,838)	87,483	1,648,910	1,451,115	1,780,064	131,154
Operation and Maintenance of Equipment	300,134	(36,738)	46,400	309,796	323,500	378,311	68,515
Other Charges	78,340	(275)	3,583	81,648	83,946	87,446	5,798
Employee Benefits	73,390	0	0	73,390	74,129	74,144	754
Capital Outlay	90,269	0	173,019	263,288	184,836	296,697	33,409
<u>Principal on Debt</u>							
Highways and Streets	28,871	0	0	28,871	28,872	28,872	1
<u>Interest on Debt</u>							
Highways and Streets	2,907	0	0	2,907	2,908	2,908	1
Total Expenditures	\$ 2,451,520	\$ (93,248)	\$ 310,583	\$ 2,668,855	\$ 2,416,398	\$ 2,915,821	\$ 246,966
Excess (Deficiency) of Revenues Over Expenditures	\$ 117,524	\$ 93,248	\$ (310,583)	\$ (99,811)	\$ 0	\$ (431,389)	\$ 331,578
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,580	\$ 0	\$ 0	\$ 4,580	\$ 0	\$ 15	\$ 4,565
Transfers In	58,610	0	0	58,610	0	58,610	0
Transfers Out	(173,250)	0	0	(173,250)	0	(173,250)	0
Total Other Financing Sources	\$ (110,060)	\$ 0	\$ 0	\$ (110,060)	\$ 0	\$ (114,625)	\$ 4,565

(Continued)

Exhibit C-7

Johnson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 7,464	\$ 93,248	\$ (310,583)	\$ (209,871)	\$ 0	\$ (546,014)	\$ 336,143
Fund Balance, July 1, 2021	1,712,490	(93,248)	0	1,619,242	1,319,054	1,319,054	300,188
Fund Balance, June 30, 2022	\$ 1,719,954	\$ 0	\$ (310,583)	\$ 1,409,371	\$ 1,319,054	\$ 773,040	\$ 636,331

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

Exhibit D-1

Johnson County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,022,521
Equity in Pooled Cash and Investments	50,471
Accounts Receivable	24,563
Due from Other Governments	<u>124,912</u>
Total Assets	<u>\$ 1,222,467</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 124,912</u>
Total Liabilities	<u>\$ 124,912</u>
<u>NET POSITION</u>	
Restricted for Individual, Organizations and Other Governments	<u>\$ 1,097,555</u>
Total Net Position	<u><u>\$ 1,097,555</u></u>

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

Johnson County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 715,850
Fines/Fees and Other Collections	4,422,954
Doe Mountain Recreation Authority Collections	<u>372,991</u>
Total Additions	<u>\$ 5,511,795</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 715,850
Payments to State	3,129,197
Payments to Individuals and Others	894,510
Payment of Doe Mountain Recreation Authority Expenses	<u>509,281</u>
Total Deductions	<u>\$ 5,248,838</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 262,957
Net Position, July 1, 2021	<u>834,598</u>
Net Position, June 30, 2022	<u><u>\$ 1,097,555</u></u>

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

JOHNSON COUNTY, TENNESSEE
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JOHNSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Johnson County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Johnson County (the primary government) and its component units. The financial statements of the Johnson County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Johnson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Johnson County, and the Johnson County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Johnson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Johnson County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Johnson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Johnson County Emergency
Communications District
999 Honeysuckle Street
Mountain City, TN 37683

Related Organization – The Johnson County Industrial Commission is a related organization of Johnson County. The county’s officials are responsible for appointing the members of the Johnson County Industrial Commission; however, the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Johnson County issues all debt for the discretely presented Johnson County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022. Other significant transactions between the primary government and the school department during the year include: \$264,154 paid from the General Purpose School Fund to the county's Debt Service Fund; and \$218,750 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

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

Fund financial statements of Johnson County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Johnson County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Johnson County considers grants and similar revenues to be

available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Johnson County reports the following major governmental funds:

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

Other General Government Fund – This special revenue fund accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act.

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

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

Community Development/Industrial Park Fund – This capital projects fund accounts for and reports financial resources and expenditures relating to community development and industrial expansion in the county.

Additionally, Johnson County reports the following fund type:

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Johnson County, and assets held in a custodial capacity for the Doe Mountain Recreation Authority.

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Johnson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Johnson County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Johnson County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than Johnson County's and Johnson County School Department's investments in the pension stabilization trust and the school department's investment in the Tennessee School Board OPEB Trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Long-term receivables between funds, as reported in Due from Other Funds in the General Debt Service Fund financial statements, are included in committed fund balance.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .74 percent of total taxes levied.

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

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

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

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the government funds and government-wide financial statements.

Most payables are disaggregated on the face of the financial statements. The balance in the Due to Other Governments account on the Statement of Net Position for the primary government totaling \$3,255,242 represents American Rescue Plan Act funds received in advance. The balance in the Other Current Liabilities account totaling \$631,383 on the Statement of Net Position for the primary government consists mainly of a liability of \$606,912 for amounts held by the county as neutral third party related to a new housing development project in the county, and liability balances of employee federal tax deposits not drawn as of June 30, 2022. The balance in the Other Current Liabilities account totaling \$124,099 on the Statement of Net Position for the discretely presented Johnson County School Department represents balance of employee federal tax deposits not drawn as of June 30, 2022.

3. Prepaid Items

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

4. Restricted Assets

Restricted assets include amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of Johnson County's Public Employee Pension Plan and the discretely presented Johnson County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the county and in times of fluctuation investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Johnson County and Johnson County School Department to fund retirement benefits upon the approval of the TCRS Board of Directors. To date, Johnson County and the Johnson County School Department have not withdrawn any funds from the trust to pay pension cost. Trust

documents provide that the funds are not subject to the claims of general creditors of Johnson County and the Johnson County School Department.

Restricted assets also consist of amounts held in trust by the Tennessee School Board Association (TSBA) OPEB Trust for the benefit of the discretely presented Johnson County School Department. These funds are held and invested by the trust pursuant to an irrevocable agreement and may only be used to reimburse the Johnson County School Department for postemployment benefits paid from school department funds. To date, the Johnson County School Department has not requested any amounts to be reimbursed by the trust. Trust documents provide that the funds are not subject to the claims of general creditors of the school department. Since the payment of postemployment benefits has not been administered through this trust, the trust is not considered to be in compliance with paragraph 4 of Governmental Accounting Standards Board Statement No. 75. OPEB liabilities of the school department are therefore reported gross and have not been reduced by balances of the trust. The trust is reported as an asset and restricted fund balance of the school department's General Purpose School Fund.

5. Capital Assets

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

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 39
Machinery and Equipment	5 - 15
Other Capital Assets	5 - 15
Infrastructure:	
Roads	9 - 20
Bridges	75
School Infrastructure	15

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, and proportion; pension and OPEB contributions after the measurement date; OPEB changes in experience and assumptions; and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

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

7. **Compensated Absences**

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation of service. Additionally, county policy gives discretionary authority to officials, supervisors, and department heads allowing them to approve the payment of unused vacation days on a case-by-case basis. All vacation and sick pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the Johnson County School Department to permit noncertified employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Also, the general policy of the school department permits all professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service.

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

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

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

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

9. Net Position and Fund Balances

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

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

The government-wide Statement of Net Position reports \$4,841,346 of restricted net position, of which \$492,022 is restricted by enabling legislation.

As of June 30, 2022, Johnson County had \$2,310,928 in outstanding debt for capital purposes for the discretely presented Johnson County School Department. This debt is a liability of Johnson County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Johnson County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission and the Board of Education are authorized bodies to make assignments. Assigned fund balance in the General Fund includes fund balance assigned for encumbrances (\$277,450), amounts assigned by the county commission for public safety (\$259,633), various other purposes (\$329,727), and fund balance appropriated for use in the 2022-23 year budget totaling (\$524,986). Assigned fund balance in the school department's General Purpose School Fund includes fund balance assigned for encumbrances of (\$44,833), and amounts assigned by the board for various purposes within Instruction (\$552,274), Support (\$200,000), and Capital Outlay (\$789,144).

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

E. Pension Plans

Primary Government

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 Johnson County's participation in the Public Employee Pension Plans (agent legacy and agent hybrid plans) of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Johnson County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plans. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plans of TCRS. Investments are reported at fair value.

Discretely Presented Johnson County School Department

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 Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Johnson County. For this purpose, Johnson County recognizes benefit payments when due and payable in accordance with benefit terms. Johnson County's OPEB plan is not administered through a trust.

Discretely Presented Johnson County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Johnson County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Johnson County School Department

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

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

Primary Government

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

Discretely Presented Johnson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2022, Johnson County and the discretely presented Johnson County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 277,450
Highway/Public Works	310,583
Non-Major Governmental	949,830
School Department:	
Major Funds:	
General Purpose School	44,833
School Federal Projects	397,501
Non-Major Governmental	13,064

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash

Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

Other than Johnson County's investment in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust and the school department's investment in the Tennessee School Board's OPEB Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. Johnson County and the Johnson County School Department are members of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. Johnson County and the school department have 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 county and school department.

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 106,943
Developed Market International Equity	N/A	N/A	48,301
Emerging Market International Equity	N/A	N/A	13,801
U.S. Fixed Income	N/A	N/A	69,002
Real Estate	N/A	N/A	34,500
Short-term Securities	N/A	N/A	3,450
NAV - Private Equity and Strategic Lending	N/A	N/A	69,002
Total			\$ 344,999

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the county and school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/ag21066.pdf>.

Tennessee School Board OPEB Trust

Legal Provisions. The Johnson County School Department is a member of the Tennessee School Board OPEB Trust. The school department has placed funds into the irrevocable trust as authorized by the Other Postemployment Benefit Trust Act of 2006, section 8-50-1201, et. seq., *Tennessee Code Annotated*. 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 postemployment benefits of that member's employees. Trust

documents provide that the funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments in securities as authorized by each member's investment committee. The Johnson County School Department has authorized investments in U.S. common stock, non U.S. common stock, U.S. preferred stock, non U.S. preferred stock, U.S. government and agency securities, non U.S. government and agency securities, corporate bonds with a minimum BAA rating or the equivalent, municipal debt, convertible securities, commercial paper, money market funds, mutual funds (open and closed-end), exchange traded funds, passive index funds, commodities exchange traded funds, 1940 Act Alternative Funds – Hedging Strategies, 1940 Act Managed Futures Funds, and certificates of deposit. All fixed income and preferred stock issues must be investment grade and dollar denominated. Mutual fund investment must have investment objectives, rules and regulations that are consistent with the trust's investment policy. All assets selected for the trust must have a readily ascertainable market value and must be readily marketable. Prohibited investments include uncovered options – puts or calls, short selling, restricted stock, and other derivative securities not specifically approved above.

At June 30, 2022, the Johnson County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
Cash, Bank Deposit Program, and Money Market Funds	N/A	N/A	\$ 51,310
Stocks	N/A	N/A	61,077
Exchange Traded and Closed End Funds	N/A	N/A	248,094
Mutual Funds	N/A	N/A	<u>837,247</u>
 Total			 <u><u>\$ 1,197,728</u></u>

Investment by Fair Value Level	Fair Value 6-30-22	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash, Bank Deposit Program, and Money Market Funds	\$ 51,310	\$ 51,310	\$ 0	\$ 0
Stocks	61,077	61,077	0	0
Exchange Traded and Closed End Funds	248,094	248,094	0	0
Mutual Funds	<u>837,247</u>	<u>837,247</u>	0	0
 Total	 <u><u>\$ 1,197,728</u></u>	 <u><u>\$ 1,197,728</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

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 County School Department's investment policy does not 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. Except as discussed under Legal Provisions above, the Johnson County School Department's investment policy does not otherwise 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 county's investment in a single issuer. While Johnson County School Department's investment policy establishes allocation targets for types of investments, the policy places no limit on the amount the county 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 County School Department to pay postemployment benefits of the school department employees.

For further information concerning the school department's investments with the TSBA, audited financial statements of the TSBA OPEB Trust may be obtained from the TSBA administrative office at 525 Brick Church Park Drive Nashville, TN 37207.

B. Lease Receivable

On April 1, 2016, Johnson County entered into a lease agreement for the use of a county owned building. As of July 1, 2021, the remaining term was 10 years and six months, and the county will receive annual payments of \$21,600. An initial lease receivable was recorded in the amount of \$213,206 during the current fiscal year. Johnson County recognized \$19,362 in lease revenue and \$2,238 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 1.2 percent. As of June 30, 2022, the lease receivable balance was \$193,844.

On July 22, 2021, Johnson County entered into a lease agreement for the use of a county owned building. The lease is for 10 years, and the county will receive annual payments of \$117,195 in the first five years and annual payments of \$121,102 in the second five years. An initial lease receivable was recorded in the amount of \$1,121,132 during the current fiscal year. Johnson County recognized \$104,206 in lease revenue and \$12,989 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 1.2 percent. As of June 30, 2022, the lease receivable balance was \$1,016,926.

The future receipts of the lease receivables include:

Year Ending June 30	Buildings Lease Summary		
	Principal	Interest	Total
2023	\$ 124,854	\$ 13,941	\$ 138,795
2024	126,372	12,423	138,795
2025	127,906	10,889	138,795
2026	129,461	9,334	138,795
2027	134,963	7,739	142,702
2028-2032	567,214	14,392	581,606
Total	<u>\$ 1,210,770</u>	<u>\$ 68,718</u>	<u>\$ 1,279,488</u>

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases (1)	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 835,378	\$ 139,000	\$ 0	\$ 974,378
Construction in Progress	0	758,395	0	758,395
Total Capital Assets Not Depreciated	\$ 835,378	\$ 897,395	\$ 0	\$ 1,732,773
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,478,459	\$ 0	\$ 0	\$ 12,478,459
Infrastructure	8,657,607	327,885	0	8,985,492
Other Capital Assets	4,539,652	681,957	(135,270)	5,086,339
Total Capital Assets Depreciated	\$ 25,675,718	\$ 1,009,842	\$ (135,270)	\$ 26,550,290
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,076,171	\$ 298,148	\$ 0	\$ 6,374,319
Infrastructure	3,439,688	561,588	0	4,001,276
Other Capital Assets	3,409,126	526,749	(135,270)	3,800,605
Total Accumulated Depreciation	\$ 12,924,985	\$ 1,386,485	\$ (135,270)	\$ 14,176,200
Total Capital Assets Depreciated, Net	\$ 12,750,733	\$ (376,643)	\$ 0	\$ 12,374,090
Governmental Activities Capital Assets, Net	\$ 13,586,111	\$ 520,752	\$ 0	\$ 14,106,863

(1) The county sold property which had not been previously reported in capital assets and recognized the entire proceeds for the sale (\$133,875) as a gain.

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

Governmental Activities:

General Government	\$ 211,760
Finance	2,760
Administration of Justice	9,842
Public Safety	402,648
Public Health and Welfare	60,456
Social, Cultural, and Recreational Services	38,685
Highways/Public Works	<u>660,334</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,386,485</u>

Net Investment in Capital Assets

Capital Assets	\$ 14,106,863
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(3,705,660)</u>
Net Investment in Capital Assets	<u>\$ 10,401,203</u>

Discretely Presented Johnson County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 961,979	\$ 0	\$ 0	\$ 961,979
Construction in Progress	0	132,728	0	132,728
Total Capital Assets Not Depreciated	\$ 961,979	\$ 132,728	\$ 0	\$ 1,094,707
Capital Assets Depreciated:				
Buildings and Improvements	\$ 24,717,214	\$ 71,693	\$ 0	\$ 24,788,907
Infrastructure	2,271,187	167,337	0	2,438,524
Other Capital Assets	5,090,336	333,763	(77,977)	5,346,122
Total Capital Assets Depreciated	\$ 32,078,737	\$ 572,793	\$ (77,977)	\$ 32,573,553
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 14,125,052	\$ 578,276	\$ 0	\$ 14,703,328
Infrastructure	2,210,514	18,550	0	2,229,064
Other Capital Assets	3,807,885	336,185	(64,981)	4,079,089
Total Accumulated Depreciation	\$ 20,143,451	\$ 933,011	\$ (64,981)	\$ 21,011,481
Total Capital Assets Depreciated, Net	\$ 11,935,286	\$ (360,218)	\$ (12,996)	\$ 11,562,072
Governmental Activities Capital Assets, Net	\$ 12,897,265	\$ (227,490)	\$ (12,996)	\$ 12,656,779

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

Governmental Activities:

Instruction	\$ 629,413
Support Services	302,048
Operation of Non-instructional Services	<u>1,550</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 933,011</u>

D. Construction Commitments

At June 30, 2022, the General Capital Projects Fund had uncompleted construction contracts of \$448,548 for the construction of a bridge. Funding for these future expenditures is expected to be received from state grants.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,286
General Debt Service	General	55,556
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	14,766

The entire amount due to the General Debt Service Fund (\$55,556) from the General Fund resulted from a long-term interfund loan. See Note IV.I. for further details of this loan. The amount not expected to be repaid within one year is \$27,778.

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Component Unit: School Department: General Purpose School	\$ 63,404

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	Nonmajor Governmental Funds	Highway/Public Works Fund	
Highway/Public Works Fund	\$ 173,250	\$ 0	Bridge capital expenditures
Nonmajor governmental funds	0	58,610	Debt retirement
Total	<u>\$ 173,250</u>	<u>\$ 58,610</u>	

Discretely Presented Johnson County School Department

Transfer Out	Transfer In	Purpose
	General Purpose School Fund	
School Federal Projects Fund	<u>\$ 39,636</u>	Indirect costs
Total	<u>\$ 39,636</u>	

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

F. Long-term Debt

Primary Government

In FY 2022, the county implemented GASB Statement 87, *Leases*, which changed the accounting and reporting for items which were previously reported as capital leases. See footnote V.B. – Accounting Changes for details of GASB Statement 87, *Leases*. On October 28, 2019, Johnson County had entered into a four-year financed purchase agreement for the highway department for an excavator, with the Highway/Public Works Fund making the principal and interest payments. This agreement has been reclassified from a capital lease to an Other Loan for reporting purposes and is included in the long-term debt disclosures below.

General Obligation Bonds and Other Loans

General Obligation Bonds – Johnson County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities

for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Johnson County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Johnson County had no outstanding capital outlay notes at June 30, 2022. Other loans outstanding were issued for original terms of up to four years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2022, will be retired from the Highway/Public Works Fund.

General obligation bonds and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds - Refunding	1.21 %	6-1-28	\$ 6,852,000	\$ 5,956,000
Direct Borrowing and Direct Placement:				
Other Loan	3.25	10-28-23	149,200	60,588

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2022, including interest payments, are presented in the tables below:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 934,000	\$ 72,068	\$ 1,006,068
2024	944,000	60,766	1,004,766
2025	966,000	49,344	1,015,344
2026	1,007,000	37,655	1,044,655
2027	1,044,000	25,470	1,069,470
2028	1,061,000	12,838	1,073,838
Total	\$ 5,956,000	\$ 258,141	\$ 6,214,141

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 29,810	\$ 1,969	\$ 31,779
2024	30,778	1,000	31,778
Total	\$ 60,588	\$ 2,969	\$ 63,557

There is \$6,847,874 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$332, based on the 2020 federal census. Total debt per capita, including bonds and other loans totaled \$335, based on the 2020 federal census.

During the year, the Johnson County School Department contributed \$264,154 to the primary government's General Debt Service Fund to be applied toward the retirement of general obligation debt that was issued by the county for school capital purposes.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 6,810,000	\$ 89,459
Additions	6,852,000	0
Reductions	(7,706,000)	(28,871)
Balance, June 30, 2022	\$ 5,956,000	\$ 60,588
Balance Due Within One Year	\$ 934,000	\$ 29,810

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 6,016,588
Less: Balance Due Within One Year - Debt	<u>(963,810)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 5,052,778</u></u>

Current Refunding

On November 15, 2021, Johnson County current refunded \$2,720,000 of Series 2015 General Obligation Refunding Bonds issued on March 18, 2015, and \$4,090,000 of Series 2016 General Obligation Refund Bonds issued on September 21, 2016, with a separate general obligation bond issue of \$6,852,000. Proceeds of the refunding bond were used to provide resources to retire the old debt on November 15, 2021. As a result of the refunding, total debt service payments over the next six years will be reduced by \$161,682, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of \$156,029 was obtained.

G. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:	Compensated Absences	Landfill Postclosure Care Costs
	<u> </u>	<u> </u>
Balance, July 1, 2021	\$ 305,132	\$ 492,178
Additions	187,316	0
Reductions	<u>(142,516)</u>	<u>(65,214)</u>
Balance, June 30, 2022	<u><u>\$ 349,932</u></u>	<u><u>\$ 426,964</u></u>
Balance Due Within One Year	<u><u>\$ 314,939</u></u>	<u><u>\$ 82,030</u></u>

	Other Postemployment Benefits	Net Pension Liability - Hybrid Agent Plan
Balance, July 1, 2021	\$ 625,168	\$ 2,105
Additions	84,347	107,641
Reductions	(186,239)	(131,910)
Balance, June 30, 2022	<u>\$ 523,276</u>	<u>\$ (22,164)</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

* At June 30, 2022, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 1,300,172
Less: Balance Due Within One Year - Other	<u>(396,969)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 903,203</u>

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

Discretely Presented Johnson County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Johnson County School Department for the year ended June 30, 2022, was as follows:

Governmental Activities:	Compensated Absences	Other Postemployment Benefits	Net Pension Liability - Hybrid Agent Plan
Balance, July 1, 2021	\$ 59,657	\$ 5,439,207	\$ 1,271
Additions	57,390	636,503	84,369
Reductions	(62,239)	(285,810)	(103,013)
Balance, June 30, 2022	<u>\$ 54,808</u>	<u>\$ 5,789,900</u>	<u>\$ (17,373)</u>
Balance Due Within One Year	<u>\$ 54,808</u>	<u>\$ 0</u>	<u>\$ 0</u>

* At June 30, 2022, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 5,844,708
Less: Balance Due Within One Year - Other	<u>(54,808)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 5,789,900</u>

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

H. On-Behalf Payments – Discretely Presented Johnson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Johnson County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state’s Annual Comprehensive Financial Report. Payments made by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were \$80,766. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Internal Financing

In-lieu-of issuing debt with financial institutions, Johnson County often chooses to internally finance various projects with idle county funds. Internally reported notes receivable from idle funds due to the General Debt Service Fund from the General Fund are reflected below:

<u>Borrowing Fund/Purpose</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>
General:				
E-911 Operations Center	\$ 250,000	0	9-17-15	6-1-24
			Paid and/or Matured	
<u>Borrowing Fund/Purpose</u>	<u>Outstanding 7-1-21</u>	<u>During Period</u>	<u>Outstanding 6-30-22</u>	
General:				
E-911 Operations Center	\$ 83,333	\$ 27,777	\$ 55,556	
Total	<u>\$ 83,333</u>	<u>\$ 27,777</u>	<u>\$ 55,556</u>	

The balance of this note at June 30, 2022, is reflected as Due to Other Funds in the General Fund and as Due from Other Funds in the General Debt Service Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

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

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

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

Discretely Presented Johnson County School Department

The school department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance

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

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

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No. 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and

ACFRs.

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. Based on letters from attorneys, management estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

D. Virtual Education Program

In March 2020, pursuant to Title 49, Chapter 16, *Tennessee Code Annotated*, the Johnson County Board of Education entered into a contract with Connections Education LLC d/b/a Pearson Online & Blended Learning K-12 USA (OBL). The contract provided for the creation and operation of a virtual education program called the Tennessee Connections Academy Johnson County, which enrolls students from Johnson County and other districts from across the state. Enrollment was approximately 2,224 students in kindergarten through twelfth grade as of July 1, 2021.

The initial term of the agreement was for five years beginning on March 12, 2020, and ending on June 30, 2025. OBL is responsible for providing educational products, as well as administrative and technology services according to the agreement. The Board of Education is responsible for setting program policies, budget adoption, and having final responsibility for regulatory compliance and financial reporting.

Revenues of the virtual education program totaled \$10,470,290 consisting primarily of state Basic Education Program funds attributable to students enrolled in the program. The Board of Education retained an annual oversight fee of two percent from the program's Basic Education Program revenues. The oversight fee retained during the year totaled \$209,406. OBL's compensation under the agreement is equal to ninety-eight percent of the program revenues. Total compensation payable to OBL for the year ended June 30, 2022, was \$10,260,884. The program has been accounted for in the General Purpose School Fund.

On April 14, 2022, the Board of Education executed an amendment to the original agreement with OBL. The original agreement was amended to change the annual oversight fee from two percent to three percent beginning with the 2022-2023 academic year.

E. Landfill Closure/Postclosure Care Costs

Johnson County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Johnson County closed its sanitary landfill in 1997. The \$426,964 reported as postclosure care liability at June 30, 2022, represents amounts based on what it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

Primary Government

The Upper East Tennessee Regional Juvenile Detention Center was formed through cooperative agreements between Johnson County and the counties of Carter, Greene, Hawkins, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Johnson County's participation cost is 3.5 percent. The county also pays a daily fee for each individual from the county using the facility.

Johnson County does not retain an equity interest in this joint venture. Complete financial statements for the above-noted joint venture can be obtained from its administrative office at the following address:

Upper East Tennessee Regional
Juvenile Detention Center
307 Wesley Street
Johnson City, TN 37601

Discretely Presented Johnson County School Department

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Johnson County

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

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

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

G. Jointly Governed Organization

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center, and to further the economy and growth of the region served by the authority by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a Board of Directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center's manager as an ex-officio member, is in charge of the daily operations of the center.

Johnson County is a participant in the joint governance of the Alliance for Business and Training (AB&T) which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and

approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs are funded by grants passed through the state Department of Labor to AB&T.

Mayors of the participating counties, along with four members jointly appointed by the mayors serve as the governing board of AB&T. The consortium agreement calls for any liability for disallowed costs of the grant programs to be shared by member counties of the consortium based on each county's percent of the population of the local workforce development area. However, that contingent liability is to be mitigated by \$3 million of insurance coverage provided by AB&T to indemnify the counties pursuant to the consortium agreement.

Complete financial information for the Alliance for Business and Training can be obtained from the following address.

Alliance for Business and Training
386 Hwy 91
P.O. Box 249
Elizabethton, TN 37643

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

Johnson County Legacy Pension Plan

General Information About the Pension Plan

Plan Description – Johnson County Legacy Plan. Employees of Johnson County and non-certified employees of the discretely presented Johnson County School Department with membership in the TCRS prior to November 1, 2017, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. The primary government employees comprised 60.16 percent and the non-certified employees of the discretely presented school department comprised 39.84 percent of the plan based on contribution data. Employees of Johnson County and non-certified employees of the discretely presented Johnson County School Department with membership in TCRS after November 1, 2017, are provided with pensions through a legally separate plan, referred to as the Public Employee Hybrid Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title

8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	262
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	399
Active Employees	176
 Total	 <hr/> <hr/> 837

Johnson County withdrew from the TCRS Johnson County Legacy Plan effective October 31, 2017. Employees hired after the date of withdrawal are not eligible to participate in the Johnson County Legacy Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Johnson County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contribution for Johnson County was \$318,582 based on a rate of 6 percent of covered payroll for general employees and 9.5 percent of covered payroll for public safety officers. The rate set by the Board of Trustees as determined by an actuarial valuation was 4.32 percent for general employees and 7.82 percent for public safety officers. By law, employer contributions are required to be paid. The TCRS may intercept Johnson County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

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

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 24,635,215	\$ 26,355,041	\$ (1,719,826)
Changes for the Year:			
Service Cost	\$ 459,651	\$ 0	\$ 459,651
Interest	1,770,285	0	1,770,285
Differences Between Expected and Actual Experience	272,624	0	272,624
Changes of assumptions	1,996,769	0	1,996,769
Contributions-Employer	0	312,157	(312,157)
Contributions-Employees	0	251,380	(251,380)
Net Investment Income	0	6,694,623	(6,694,623)
Benefit Payments, Including Refunds of Employee Contributions	(1,354,274)	(1,354,274)	0
Administrative Expense	0	(16,784)	16,784
Net Changes	\$ 3,145,055	\$ 5,887,102	\$ (2,742,047)
Balance, June 30, 2021	\$ 27,780,270	\$ 32,242,143	\$ (4,461,873)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.16%	\$ 16,712,610	\$ 19,396,873	\$ (2,684,263)
School Department	39.84%	11,067,660	12,845,270	(1,777,610)
Total		\$ 27,780,270	\$ 32,242,143	\$ (4,461,873)

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

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

Net Pension Liability (Asset) \$ (880,872) \$ (4,461,873) \$ (7,426,826)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Johnson County recognized pension expense (negative pension expense) of (\$337,469).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Johnson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 203,293	\$ 9,387
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,567,165
Changes in Assumptions	1,331,179	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	318,582	N/A
Total	<u>\$ 1,853,054</u>	<u>\$ 3,576,552</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,123,653	\$ 2,151,653
School Department	<u>729,401</u>	<u>1,424,899</u>
Total	<u>\$ 1,853,054</u>	<u>\$ 3,576,552</u>

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

Year Ending June 30	Amount
2023	\$ (134,416)
2024	(99,029)
2025	(846,000)
2026	(962,631)
2027	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2022, Johnson County reported a payable of \$270,435 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

Primary Government

Johnson County Hybrid Pension Plan

Plan Description – Johnson County Hybrid Plan. Employees of Johnson County and non-certified employees of the discretely presented Johnson County School Department hired on or after November 1, 2017, are provided a defined benefit pension plan (Johnson County Hybrid Plan) through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government

employees comprise 56.06 percent and the non-certified employees of the discretely presented school department comprise 43.94 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 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. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	44
Active Employees	112
Total	<u><u>156</u></u>

Contributions. Contributions for employees 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. Employees contribute five percent of salary. Johnson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions are required to be paid. The TCRS may intercept Johnson County’s state shared taxes if required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Pension Plan were \$72,085, based on 2.39 percent of covered payroll for general employees and 3.23 percent of covered payroll for public safety officers. In addition, employer contributions of \$39,426 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

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

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 176,785	\$ 173,409	\$ 3,376
Changes for the Year:			
Service Cost	\$ 120,699	\$ 0	\$ 120,699
Interest	21,294	0	21,294
Differences Between Expected and Actual Experience	10,432	0	10,432
Changes in Assumptions	30,573	0	30,573
Contributions-Employer	0	55,797	(55,797)
Contributions-Employees	0	114,553	(114,553)
Net Investment Income	0	64,573	(64,573)
Benefit Paymens, Including Refunds of Employee Contributions	(7,547)	(7,547)	0
Administrative Expense	0	(9,012)	9,012
Net Changes	<u>\$ 175,451</u>	<u>\$ 218,364</u>	<u>\$ (42,913)</u>
Balance, June 30, 2021	<u>\$ 352,236</u>	<u>\$ 391,773</u>	<u>\$ (39,537)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.06%	\$ 197,464	\$ 219,628	\$ (22,164)
School Department	43.94%	<u>154,772</u>	<u>172,145</u>	<u>(17,373)</u>
Total		<u>\$ 352,236</u>	<u>\$ 391,773</u>	<u>\$ (39,537)</u>

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

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

Net Pension Liability (Asset) \$ 52,672 \$ (39,537) \$ (108,204)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Johnson County recognized pension expense (negative pension expense) of \$21,797.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Johnson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 54,491	\$ 0
Changes of assumptions	26,751	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	35,597
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	72,085	N/A
Total	\$ 153,327	\$ 35,597

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 87,227	\$ 19,956
School Department	66,100	15,641
Total	\$ 153,327	\$ 35,597

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

Year Ending June 30	Amount
2023	\$ 3,492
2024	3,509
2025	3,525
2026	2,994
2027	12,279
Thereafter	19,854

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

Discretely Presented Johnson County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description - Johnson County Legacy Plan. As noted above under the primary government, employees of Johnson County and non-certified employees of the discretely presented Johnson County School Department with membership in TCRS before November 1, 2017, are provided a defined benefit pension plan (Johnson County Legacy Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.16 percent and the non-certified employees of the discretely presented school department comprise 39.84 percent of the plan based on contribution data.

Plan Description – Johnson County Hybrid Plan. As also noted above under primary government, employees of Johnson County and non-certified employees of the discretely presented Johnson County School Department hired on or after November 1, 2017, are provided a defined benefit pension plan (Johnson County Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.06 percent and the non-certified employees of the discretely presented school department comprise 43.94 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected

service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were \$68,722, which is 2.01 percent of covered payroll. In addition, employer contributions of \$60,703, which is 1.99 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$195,835) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion

of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .180791 percent. The proportion as of June 30, 2020, was .188511 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of \$24,874.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,407	\$ 35,834
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	112,728
Changes in Assumptions	70,636	0
Changes in Proportion of Net Pension Liability (Asset)	24,788	13,587
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	68,722	N/A
Total	<u>\$ 167,553</u>	<u>\$ 162,149</u>

The school department's employer contributions of \$68,722, 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 year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (23,668)
2024	(23,051)
2025	(22,875)
2026	(25,712)
2027	4,356
Thereafter	27,632

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 67,323 \$ (195,835) \$ (389,923)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Johnson County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$662,076, which is 10.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$9,154,031) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was .212231 percent. The proportion measured at June 30, 2020, was .198983 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$1,463,426).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 30,763	\$ 763,476
Changes in Assumptions	2,445,804	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,300,135
Changes in Proportion of Net Pension Liability (Asset)	5,361	83,178
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>662,076</u>	<u>N/A</u>
Total	<u>\$ 3,144,004</u>	<u>\$ 8,146,789</u>

The school department's employer contributions of \$662,076 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (1,363,725)
2024	(1,277,527)
2025	(1,053,513)
2026	(1,970,096)
2027	0
Thereafter	0

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

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

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

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (1,629,110) \$ (9,154,031) \$ (15,416,267)

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

2. Deferred Compensation

Johnson County offers its employees an optional deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establish participation, contribution, and withdrawal provisions for the plans.

Employees hired after November 1, 2017, by Johnson County and non-certified employees of the discretely presented Johnson County School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that Johnson County and the discretely presented Johnson County School Department contribute five percent of each employee’s salary into their deferred compensation plan. In addition, employees are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year Johnson County and the Johnson County School Department contributed \$74,720, and \$57,596 and employees contributed \$15,205 and \$1,487 to this deferred compensation pension plan, respectively.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the Johnson County School

Department contributed \$175,739 and teachers contributed \$73,062 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

Johnson County and the discretely presented Johnson County School Department provide OPEB benefits to their retirees through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

As discussed in Note I.D.4, the Johnson County School Department has joined the Tennessee School Board OPEB Trust and at June 30, 2022, reports a balance of \$1,197,728 in restricted assets managed by the trust. However, the trust does not meet the criteria of paragraph 4 of GASB Statement No. 75 since payment of OPEB benefits is not being administered by the trust. Therefore, OPEB liabilities of the school department have been reported gross and not reduced by balances of the trust.

Retirees of Johnson County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility.

The county and the school department's total OPEB liability for each plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2021, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 2.16 percent, based on and average rating of AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6 percent to load for males and a 14 percent load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 percent to load for males and an 18 percent load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to

initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Johnson County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Johnson County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Johnson County provides a direct subsidy for retirees with at least 25 years of service in TCRS and insurance coverage for a minimum of one year prior to retirement. The subsidy ranges from \$382 to \$585 per month based on coverage selected.

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>
Inactive Employees Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>135</u>
Total	<u><u>136</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees.

Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2022, the county paid \$7,644 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	<u>Primary Government</u>
Balance July 1, 2020	\$ 625,168
Changes for the Year:	
Service Cost	\$ 69,079
Interest	15,268
Changes of Benefit Terms	(15,906)
Difference between	
Expected and Actuarial	
Experience	(5,088)
Changes in Assumption	
and Other Inputs	(158,446)
Benefit Payments	(6,799)
Net Changes	<u>\$ (101,892)</u>
Balance June 30, 2021	<u><u>\$ 523,276</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized OPEB expense of \$27,069. At June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,072	\$ 132,085
Changes of Assumptions/Inputs	64,709	186,532
Benefits Paid After the Measurement Date of June 30, 2021	<u>7,644</u>	<u>0</u>
Total	<u><u>\$ 73,425</u></u>	<u><u>\$ 318,617</u></u>

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

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

Year Ending June 30	Primary Government
2023	\$ (41,372)
2024	(41,372)
2025	(41,372)
2026	(41,372)
2027	(41,218)
Thereafter	(46,130)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 570,799	\$ 523,276	\$ 478,399

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rate	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%
Total OPEB Liability	\$ 453,847	\$ 523,276	\$ 606,151

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

Plan Description. Employees of the Johnson County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Johnson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Johnson County School Department provides a direct subsidy for retirees with a minimum of 20 years of service in amounts ranging from \$214 to \$1,247 per month based on years of service and coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefits	23
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	211
Total	<u>234</u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$203,942 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	Johnson County School Department 74.9183%	State of TN 25.0817%	Total OPEB Liability
Balance July 1, 2020	\$ 5,439,207	\$ 1,792,675	\$ 7,231,882
Changes for the Year:			
Service Cost	\$ 245,847	\$ 82,307	\$ 328,154
Interest	122,670	41,069	163,739
Changes in Benefit Terms	191,032	63,955	254,987
Difference between Expected and Actuarial Experience	(37,074)	(12,412)	(49,486)
Changes in Proportion	(21,205)	21,205	0
Changes in Assumption and Other Inputs	76,939	25,758	102,697
Benefit Payments	(227,516)	(76,170)	(303,686)
Net Changes	<u>\$ 350,693</u>	<u>\$ 145,712</u>	<u>\$ 496,405</u>
Balance June 30, 2021	<u>\$ 5,789,900</u>	<u>\$ 1,938,387</u>	<u>\$ 7,728,287</u>

The Johnson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Johnson County School Department's

proportionate share of the collective total OPEB liability was based on a projection of the employer’s long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized revenues of \$191,502 for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Johnson County School Department’s proportionate share of the collective OPEB liability was 74.9183 percent and the State of Tennessee’s share was 25.0817 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$589,746, including the state’s share of the expense. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 1,332,709	\$ 2,130,905
Changes of Assumptions/Inputs	489,440	382,493
Changes in Proportion	0	257,848
Benefits Paid After the Measurement Date of June 30, 2021	<u>203,942</u>	<u>0</u>
Total	<u>\$ 2,026,091</u>	<u>\$ 2,771,246</u>

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

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

<u>Year Ending June 30</u>	<u>School Department</u>
2023	\$ (161,304)
2024	(161,304)
2025	(161,304)
2026	(161,304)
2027	(132,792)
Thereafter	(171,089)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%

Proportionate Share of the Collective Total OPEB Liability	\$ 6,170,248	\$ 5,789,900	\$ 5,419,875
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Curent Rate	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 5,201,646	\$ 5,789,900	\$ 6,468,243
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J. Office of Central Accounting and Budgeting

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

K. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are conducted under provisions of Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for purchases exceeding \$50,000 to be made on a competitive bid basis.

Office of Director of Schools

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

L. Subsequent Event

On August 31, 2022, Mike Taylor left the Office of County Mayor and was succeeded by Larry Potter.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Johnson County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Legacy Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 489,369	\$ 477,723	\$ 482,243	\$ 534,657	\$ 576,133	\$ 547,348	\$ 494,384	\$ 459,651
Interest	1,364,428	1,453,651	1,579,294	1,566,240	1,630,549	1,649,141	1,705,452	1,770,285
Differences Between Actual and Expected Experience	322,898	839,364	(1,166,327)	115,201	(640,921)	(37,548)	64,634	272,624
Changes in Assumptions	0	0	0	509,596	0	0	0	1,996,769
Benefit Payments, Including Refunds of Employee Contributions	(893,289)	(1,057,518)	(1,142,502)	(1,100,847)	(1,219,252)	(1,341,820)	(1,316,704)	(1,354,274)
Net Change in Total Pension Liability	\$ 1,283,406	\$ 1,713,220	\$ (247,292)	\$ 1,624,847	\$ 346,509	\$ 817,121	\$ 947,766	\$ 3,145,055
Total Pension Liability, Beginning	18,149,638	19,433,044	21,146,264	20,898,972	22,523,819	22,870,328	23,687,449	24,635,215
Total Pension Liability, Ending (a)	\$ 19,433,044	\$ 21,146,264	\$ 20,898,972	\$ 22,523,819	\$ 22,870,328	\$ 23,687,449	\$ 24,635,215	\$ 27,780,270
Plan Fiduciary Net Position								
Contributions - Employer	\$ 668,604	\$ 720,240	\$ 716,263	\$ 755,316	\$ 753,596	\$ 708,709	\$ 326,899	\$ 312,157
Contributions - Employee	286,133	283,354	281,384	299,016	295,947	280,463	258,152	251,380
Net Investment Income	2,783,446	601,837	531,242	2,316,614	1,878,249	1,803,652	1,263,148	6,694,623
Benefit Payments, Including Refunds of Employee Contributions	(893,289)	(1,057,518)	(1,142,502)	(1,100,847)	(1,219,252)	(1,341,820)	(1,316,704)	(1,354,274)
Administrative Expense	(10,300)	(13,258)	(19,298)	(21,573)	(23,674)	(19,873)	(17,049)	(16,784)
Net Change in Plan Fiduciary Net Position	\$ 2,834,594	\$ 534,655	\$ 367,089	\$ 2,248,526	\$ 1,684,866	\$ 1,431,131	\$ 514,446	\$ 5,887,102
Plan Fiduciary Net Position, Beginning	16,739,734	19,574,328	20,108,983	20,476,072	22,724,598	24,409,464	25,840,595	26,355,041
Plan Fiduciary Net Position, Ending (b)	\$ 19,574,328	\$ 20,108,983	\$ 20,476,072	\$ 22,724,598	\$ 24,409,464	\$ 25,840,595	\$ 26,355,041	\$ 32,242,143
Net Pension Liability (Asset), Ending (a - b)	\$ (141,284)	\$ 1,037,281	\$ 422,900	\$ (200,779)	\$ (1,539,136)	\$ (2,153,146)	\$ (1,719,826)	\$ (4,461,873)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%	95.09%	97.98%	100.89%	106.73%	109.09%	106.98%	116.06%
Covered Payroll	\$ 5,690,056	\$ 5,631,427	\$ 5,615,758	\$ 5,928,370	\$ 5,913,434	\$ 5,554,013	\$ 5,416,138	\$ 5,150,584
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(2.48)%	18.42%	7.53%	(3.39)%	(26.03)%	(38.77)%	(33.42)%	(86.63)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Johnson County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2018	2019	2020	2021
Total Pension Liability				
Service Cost	\$ 0	\$ 25,532	\$ 67,695	\$ 120,699
Interest	0	2,680	9,086	21,294
Changes in Benefit Terms	11,437	0	0	0
Differences Between Actual and Expected Experience	0	18,812	43,209	10,432
Changes of Assumptions	0	0	0	30,573
Benefit Payments, Including Refunds of Employee Contributions	0	0	(1,666)	(7,547)
Net Change in Total Pension Liability	\$ 11,437	\$ 47,024	\$ 118,324	\$ 175,451
Total Pension Liability, Beginning	0	11,437	58,461	176,785
Total Pension Liability, Ending (a)	\$ 11,437	\$ 58,461	\$ 176,785	\$ 352,236
Plan Fiduciary Net Position				
Contributions - Employer	\$ 7,770	\$ 11,945	\$ 31,081	\$ 55,797
Contributions - Employee	9,713	35,191	80,445	114,553
Net Investment Income	686	2,920	5,748	64,573
Benefit Payments, Including Refunds of Employee Contributions	0	0	(1,666)	(7,547)
Administrative Expense	(972)	(3,118)	(6,334)	(9,012)
Net Change in Plan Fiduciary Net Position	\$ 17,197	\$ 46,938	\$ 109,274	\$ 218,364
Plan Fiduciary Net Position, Beginning	0	17,197	64,135	173,409
Plan Fiduciary Net Position, Ending (b)	\$ 17,197	\$ 64,135	\$ 173,409	\$ 391,773
Net Pension Liability (Asset), Ending (a - b)	\$ (5,760)	\$ (5,674)	\$ 3,376	\$ (39,537)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	150.36%	109.71%	98.09%	111.22%
Covered Payroll	\$ 194,259	\$ 703,819	\$ 1,608,900	\$ 2,163,083
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(2.97)%	(0.81)%	0.21%	(1.83)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

Johnson County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Legacy Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 668,604	\$ 720,240	\$ 716,263	\$ 755,316	\$ 753,596	\$ 708,709	\$ 240,364	\$ 228,743	\$ 234,073
Less: Contributions in Relation to the Actuarially Determined Contribution	(668,604)	(720,240)	(716,263)	(755,316)	(753,596)	(708,709)	(326,899)	(312,157)	(318,582)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (86,535)	\$ (83,414)	\$ (84,509)
Covered Payroll	\$ 5,690,056	\$ 5,631,427	\$ 5,615,758	\$ 5,928,370	\$ 5,913,434	\$ 5,554,013	\$ 5,416,138	\$ 5,150,584	\$ 5,030,172
Contributions as a Percentage of Covered Payroll	11.75%	12.79%	12.75%	12.74%	12.74%	12.76%	6.35%	6.06%	6.33%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-4

Johnson County, Tennessee
Schedule of Contributions Based on Participation in the Public Employee
Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 7,770	\$ 11,945	\$ 31,081	\$ 55,797	\$ 72,085
Less: Contributions in Relation to the Contractually Required Contribution	<u>(7,770)</u>	<u>(11,945)</u>	<u>(31,081)</u>	<u>(55,797)</u>	<u>(72,085)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 194,259	\$ 703,819	\$ 1,608,900	\$ 2,163,083	\$ 2,861,568
Contributions as a Percentage of Covered Payroll	4.00%	1.70%	1.93%	2.58%	2.52%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Note 3: Beginning in FY 2019, Johnson County placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.7%, SRT - 2.3%
 2020: Pension - 1.93%, SRT - 2.07%
 2021: Pension - 2.42%, SRT - 1.58%
 2022: Pension - 2.39%, SRT - 1.61%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 22,164	\$ 39,844	\$ 39,787	\$ 79,137	\$ 44,724	\$ 48,291	\$ 52,706	\$ 68,722
Less: Contributions in Relation to the Contractually Required Contribution	(22,164)	(39,844)	(39,787)	(79,137)	(44,724)	(48,291)	(52,706)	(68,722)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 554,107	\$ 996,096	\$ 1,226,191	\$ 1,978,415	\$ 2,305,334	\$ 2,378,836	\$ 2,609,228	\$ 3,418,987
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.24%	4.00%	1.94%	2.03%	2.02%	2.01%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
 2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%
 2022: Pension - 2.01%, SRT - 1.99%

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 785,473	\$ 737,832	\$ 708,083	\$ 732,079	\$ 648,420	\$ 709,388	\$ 703,991	\$ 715,386	\$ 662,076
Less: Contributions in Relation to the Contractually Required Contribution	(785,473)	(737,832)	(708,083)	(732,079)	(648,420)	(709,388)	(703,991)	(715,386)	(662,076)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,845,421	\$ 8,161,862	\$ 7,832,775	\$ 7,866,697	\$ 7,141,171	\$ 6,781,904	\$ 6,622,679	\$ 6,965,780	\$ 6,427,920
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.31%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit E-7

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.266690%	0.226384%	0.151550%	0.226395%	0.217854%	0.188511%	0.180791%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (10,729)	\$ (23,567)	\$ (39,983)	\$ (102,676)	\$ (122,976)	\$ (107,195)	\$ (195,835)
Covered Payroll	\$ 554,107	\$ 996,096	\$ 1,226,191	\$ 1,978,415	\$ 2,305,334	\$ 2,378,836	\$ 2,609,228
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.26)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

Exhibit E-8

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.225362%	0.218027%	0.216987%	0.229090%	0.203936%	0.202255%	0.198983%	0.212231%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (36,620)	\$ 89,311	\$ 1,356,046	\$ (74,955)	\$ (717,635)	\$ (2,079,548)	\$ (1,517,395)	\$ (9,154,031)
Covered Payroll	\$ 8,845,421	\$ 8,161,862	\$ 7,832,775	\$ 7,866,698	\$ 7,141,171	\$ 6,781,904	\$ 6,622,679	\$ 6,965,780
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.95)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

Exhibit E-9

Johnson County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan
Primary Government
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 52,320	\$ 48,506	\$ 42,366	\$ 48,965	\$ 69,079
Interest	19,205	23,624	16,802	19,032	15,268
Changes in Benefit Terms	0	(2,020)	0	0	(15,906)
Differences Between Actual and Expected Experience	0	(200,111)	1,792	(12,602)	(5,088)
Changes in Assumptions or Other Inputs	(40,981)	(50,278)	13,637	77,010	(158,446)
Benefit Payments	(20,762)	(20,935)	(5,197)	(977)	(6,799)
Net Change in Total OPEB Liability	\$ 9,782	\$ (201,214)	\$ 69,400	\$ 131,428	\$ (101,892)
Total OPEB Liability, Beginning	615,772	625,554	424,340	493,740	625,168
Total OPEB Liability, Ending	\$ 625,554	\$ 424,340	\$ 493,740	\$ 625,168	\$ 523,276
Covered Employee Payroll	\$ 3,440,354	\$ 3,608,268	\$ 3,906,559	\$ 4,270,187	\$ 4,293,735
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.18%	11.76%	12.64%	14.64%	12.19%

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

Note 2: Changes in assumptions.

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

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

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

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

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

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 490,643	\$ 454,123	\$ 266,730	\$ 282,170	\$ 328,154
Interest	272,318	328,191	175,101	232,994	163,739
Changes in Benefit Terms	0	(212,137)	(594,227)	0	254,987
Differences Between Actual and Expected Experience	0	(4,520,156)	2,733,562	(143,928)	(49,486)
Changes in Assumptions or Other Inputs	(437,645)	123,267	(477,525)	656,950	102,697
Benefit Payments	(387,672)	(404,142)	(334,221)	(301,674)	(303,686)
Net Change in Total OPEB Liability	\$ (62,356)	\$ (4,230,854)	\$ 1,769,420	\$ 726,512	\$ 496,405
Total OPEB Liability, Beginning	9,029,160	8,966,804	4,735,950	6,505,370	7,231,882
Total OPEB Liability, Ending	\$ 8,966,804	\$ 4,735,950	\$ 6,505,370	\$ 7,231,882	\$ 7,728,287
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,881,980	\$ 1,138,664	\$ 1,604,770	\$ 1,792,676	\$ 1,938,387
Employer Proportionate Share of the Total OPEB Liability	7,084,824	3,597,286	4,900,600	5,439,206	5,789,900
Covered Employee Payroll	\$ 10,886,869	\$ 10,885,918	\$ 10,969,848	\$ 11,050,887	\$ 11,951,690
Net OPEB Liability as a Percentage of Covered Employee Payroll	65.08%	33.05%	44.67%	49.22%	48.44%

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

Note 2: Changes in assumptions.

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

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

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

- For the 2019 plan - from 5.4% to 6.75%
- For the 2020 plan - from 6.75% to 6.03%
- For the 2021 plan - from 6.03% to 9.02%
- For the 2021 plan - from 9.02% to 7.36%

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

JOHNSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the July 1, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for revenues committed or restricted for library operations.

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

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

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

Capital Projects Funds

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the Trails Grant program.

Exhibit F-1

Johnson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 300	\$ 250	\$ 0	\$ 1,000	\$ 1,550	\$ 0
Equity in Pooled Cash and Investments	15,039	241,868	78,575	0	335,482	1,187,865
Accounts Receivable	127	9,390	0	286	9,803	0
Due from Other Governments	27,555	0	0	0	27,555	232
Property Taxes Receivable	0	0	0	0	0	305,504
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(4,342)
Total Assets	\$ 43,021	\$ 251,508	\$ 78,575	\$ 1,286	\$ 374,390	\$ 1,489,259
<u>LIABILITIES</u>						
Accounts Payable	\$ 344	\$ 36,573	\$ 0	\$ 0	\$ 36,917	\$ 0
Due to Other Funds	0	0	0	1,286	1,286	0
Other Current Liabilities	0	0	14,218	0	14,218	0
Total Liabilities	\$ 344	\$ 36,573	\$ 14,218	\$ 1,286	\$ 52,421	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 291,181
Deferred Delinquent Property Taxes	0	0	0	0	0	8,998
Other Deferred/Unavailable Revenue	4,192	0	0	0	4,192	101
Total Deferred Inflows of Resources	\$ 4,192	\$ 0	\$ 0	\$ 0	\$ 4,192	\$ 300,280

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 64,357	\$ 0	\$ 64,357	\$ 0
Restricted for Capital Outlay	0	0	0	0	0	669,303
Committed:						
Committed for Public Health and Welfare	0	214,935	0	0	214,935	0
Committed for Social, Cultural, and Recreational Services	38,485	0	0	0	38,485	0
Committed for Capital Outlay	0	0	0	0	0	519,676
Total Fund Balances	<u>\$ 38,485</u>	<u>\$ 214,935</u>	<u>\$ 64,357</u>	<u>\$ 0</u>	<u>\$ 317,777</u>	<u>\$ 1,188,979</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,021</u>	<u>\$ 251,508</u>	<u>\$ 78,575</u>	<u>\$ 1,286</u>	<u>\$ 374,390</u>	<u>\$ 1,489,259</u>

(Continued)

Exhibit F-1

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

		<u>Capital Projects Funds (Cont.)</u>		
		<u>Other</u>		<u>Total</u>
		<u>Capital</u>	<u>Total</u>	<u>Nonmajor</u>
		<u>Projects</u>		<u>Governmental</u>
				<u>Funds</u>
<u>ASSETS</u>				
Cash		\$ 0	\$ 0	\$ 1,550
Equity in Pooled Cash and Investments		3,541	1,191,406	1,526,888
Accounts Receivable		0	0	9,803
Due from Other Governments		7,413	7,645	35,200
Property Taxes Receivable		0	305,504	305,504
Allowance for Uncollectible Property Taxes		0	(4,342)	(4,342)
Total Assets		\$ 10,954	\$ 1,500,213	\$ 1,874,603
<u>LIABILITIES</u>				
Accounts Payable		\$ 2,626	\$ 2,626	\$ 39,543
Due to Other Funds		0	0	1,286
Other Current Liabilities		0	0	14,218
Total Liabilities		\$ 2,626	\$ 2,626	\$ 55,047
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes		\$ 0	\$ 291,181	\$ 291,181
Deferred Delinquent Property Taxes		0	8,998	8,998
Other Deferred/Unavailable Revenue		0	101	4,293
Total Deferred Inflows of Resources		\$ 0	\$ 300,280	\$ 304,472

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety

 Restricted for Capital Outlay

Committed:

 Committed for Public Health and Welfare

 Committed for Social, Cultural, and Recreational Services

 Committed for Capital Outlay

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Capital Projects Funds (Cont.)

Other Capital Projects	Total	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 64,357
8,328	677,631	677,631
0	0	214,935
0	0	38,485
0	519,676	519,676
<u>\$ 8,328</u>	<u>\$ 1,197,307</u>	<u>\$ 1,515,084</u>
<u>\$ 10,954</u>	<u>\$ 1,500,213</u>	<u>\$ 1,874,603</u>

Exhibit F-2

Johnson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 50,300	\$ 0	\$ 0	\$ 0	\$ 50,300	\$ 333,368
Fines, Forfeitures, and Penalties	0	0	18,620	0	18,620	0
Charges for Current Services	8,660	579,792	0	69	588,521	0
Other Local Revenues	95	25,023	0	0	25,118	5,000
State of Tennessee	1,577	10,884	0	0	12,461	511,091
Federal Government	21,739	0	0	0	21,739	650
Other Governments and Citizens Groups	22,003	0	81,000	0	103,003	24,000
Total Revenues	\$ 104,374	\$ 615,699	\$ 99,620	\$ 69	\$ 819,762	\$ 874,109
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 69	\$ 69	\$ 0
Public Safety	0	0	94,794	0	94,794	0
Public Health and Welfare	0	682,183	0	0	682,183	0
Social, Cultural, and Recreational Services	86,170	0	0	0	86,170	0
Capital Projects	19,377	0	0	0	19,377	771,949
Capital Projects - Donated	0	0	0	0	0	170,912
Total Expenditures	\$ 105,547	\$ 682,183	\$ 94,794	\$ 69	\$ 882,593	\$ 942,861
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,173)	\$ (66,484)	\$ 4,826	\$ 0	\$ (62,831)	\$ (68,752)

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	173,250
Transfers Out	0	0	0	0	0	(58,610)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	114,640
Net Change in Fund Balances	\$ (1,173)	\$ (66,484)	\$ 4,826	\$ 0	\$ (62,831)	\$ 45,888
Fund Balance, July 1, 2021	39,658	281,419	59,531	0	380,608	1,143,091
Fund Balance, June 30, 2022	\$ 38,485	\$ 214,935	\$ 64,357	\$ 0	\$ 317,777	\$ 1,188,979

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 333,368	\$ 383,668
Fines, Forfeitures, and Penalties	0	0	18,620
Charges for Current Services	0	0	588,521
Other Local Revenues	0	5,000	30,118
State of Tennessee	10,874	521,965	534,426
Federal Government	0	650	22,389
Other Governments and Citizens Groups	0	24,000	127,003
Total Revenues	<u>\$ 10,874</u>	<u>\$ 884,983</u>	<u>\$ 1,704,745</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 69
Public Safety	0	0	94,794
Public Health and Welfare	0	0	682,183
Social, Cultural, and Recreational Services	0	0	86,170
Capital Projects	2,627	774,576	793,953
Capital Projects - Donated	0	170,912	170,912
Total Expenditures	<u>\$ 2,627</u>	<u>\$ 945,488</u>	<u>\$ 1,828,081</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,247</u>	<u>\$ (60,505)</u>	<u>\$ (123,336)</u>

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 173,250	\$ 173,250
Transfers Out	0	(58,610)	(58,610)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 114,640</u>	<u>\$ 114,640</u>
Net Change in Fund Balances	\$ 8,247	\$ 54,135	\$ (8,696)
Fund Balance, July 1, 2021	<u>81</u>	<u>1,143,172</u>	<u>1,523,780</u>
Fund Balance, June 30, 2022	<u>\$ 8,328</u>	<u>\$ 1,197,307</u>	<u>\$ 1,515,084</u>

Exhibit F-3

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 50,300	\$ 0	\$ 0	\$ 50,300	\$ 50,300	\$ 50,300	\$ 0
Charges for Current Services	8,660	0	0	8,660	9,000	10,302	(1,642)
Other Local Revenues	95	0	0	95	0	95	0
State of Tennessee	1,577	0	0	1,577	0	3,792	(2,215)
Federal Government	21,739	0	0	21,739	0	20,988	751
Other Governments and Citizens Groups	22,003	0	0	22,003	21,900	21,900	103
Total Revenues	\$ 104,374	\$ 0	\$ 0	\$ 104,374	\$ 81,200	\$ 107,377	\$ (3,003)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 86,170	\$ (1,030)	\$ 198	\$ 85,338	\$ 81,200	\$ 90,212	\$ 4,874
<u>Capital Projects</u>							
Social, Cultural, and Recreation Projects	19,377	0	0	19,377	0	20,319	942
Total Expenditures	\$ 105,547	\$ (1,030)	\$ 198	\$ 104,715	\$ 81,200	\$ 110,531	\$ 5,816
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,173)	\$ 1,030	\$ (198)	\$ (341)	\$ 0	\$ (3,154)	\$ 2,813
Net Change in Fund Balance	\$ (1,173)	\$ 1,030	\$ (198)	\$ (341)	\$ 0	\$ (3,154)	\$ 2,813
Fund Balance, July 1, 2021	39,658	(1,030)	0	38,628	26,084	26,084	12,544
Fund Balance, June 30, 2022	\$ 38,485	\$ 0	\$ (198)	\$ 38,287	\$ 26,084	\$ 22,930	\$ 15,357

Exhibit F-4

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 579,792	\$ 0	\$ 0	\$ 579,792	\$ 585,000	\$ 585,000	\$ (5,208)
Other Local Revenues	25,023	0	0	25,023	7,500	23,450	1,573
State of Tennessee	10,884	0	0	10,884	12,500	12,500	(1,616)
Total Revenues	\$ 615,699	\$ 0	\$ 0	\$ 615,699	\$ 605,000	\$ 620,950	\$ (5,251)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 682,183	\$ (953)	\$ 3,118	\$ 684,348	\$ 605,000	\$ 716,650	\$ 32,302
Total Expenditures	\$ 682,183	\$ (953)	\$ 3,118	\$ 684,348	\$ 605,000	\$ 716,650	\$ 32,302
Excess (Deficiency) of Revenues Over Expenditures	\$ (66,484)	\$ 953	\$ (3,118)	\$ (68,649)	\$ 0	\$ (95,700)	\$ 27,051
Net Change in Fund Balance	\$ (66,484)	\$ 953	\$ (3,118)	\$ (68,649)	\$ 0	\$ (95,700)	\$ 27,051
Fund Balance, July 1, 2021	281,419	(953)	0	280,466	233,394	233,394	47,072
Fund Balance, June 30, 2022	\$ 214,935	\$ 0	\$ (3,118)	\$ 211,817	\$ 233,394	\$ 137,694	\$ 74,123

Exhibit F-5

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 18,620	\$ 0	\$ 0	\$ 18,620	\$ 10,000	\$ 10,224	\$ 8,396
Other Governments and Citizens Groups	81,000	0	0	81,000	0	81,000	0
Total Revenues	\$ 99,620	\$ 0	\$ 0	\$ 99,620	\$ 10,000	\$ 91,224	\$ 8,396
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 94,794	\$ (650)	\$ 15,725	\$ 109,869	\$ 25,600	\$ 140,362	\$ 30,493
Total Expenditures	\$ 94,794	\$ (650)	\$ 15,725	\$ 109,869	\$ 25,600	\$ 140,362	\$ 30,493
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,826	\$ 650	\$ (15,725)	\$ (10,249)	\$ (15,600)	\$ (49,138)	\$ 38,889
Net Change in Fund Balance	\$ 4,826	\$ 650	\$ (15,725)	\$ (10,249)	\$ (15,600)	\$ (49,138)	\$ 38,889
Fund Balance, July 1, 2021	59,531	(650)	0	58,881	57,442	57,442	1,439
Fund Balance, June 30, 2022	\$ 64,357	\$ 0	\$ (15,725)	\$ 48,632	\$ 41,842	\$ 8,304	\$ 40,328

Exhibit F-6

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 333,368	\$ 0	\$ 0	\$ 333,368	\$ 327,036	\$ 327,036	\$ 6,332
Other Local Revenues	5,000	0	0	5,000	0	5,000	0
State of Tennessee	511,091	0	0	511,091	900	809,552	(298,461)
Federal Government	650	0	0	650	0	0	650
Other Governments and Citizens Groups	24,000	0	0	24,000	0	24,000	0
Total Revenues	\$ 874,109	\$ 0	\$ 0	\$ 874,109	\$ 327,936	\$ 1,165,588	\$ (291,479)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 65,453	\$ (600)	\$ 0	\$ 64,853	\$ 57,200	\$ 67,200	\$ 2,347
Public Safety Projects	419	(419)	0	0	0	150,000	150,000
Social, Cultural, and Recreation Projects	6,351	0	67,250	73,601	0	73,601	0
Agriculture and Natural Resources Projects	500	0	0	500	0	62,555	62,055
Other General Government Projects	46,817	(151,521)	104,704	0	0	755,381	755,381
Highway and Street Capital Projects	652,409	0	448,548	1,100,957	34,536	1,361,480	260,523
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	170,912	(170,912)	310,287	310,287	165,000	310,287	0
Total Expenditures	\$ 942,861	\$ (323,452)	\$ 930,789	\$ 1,550,198	\$ 256,736	\$ 2,780,504	\$ 1,230,306
Excess (Deficiency) of Revenues Over Expenditures	\$ (68,752)	\$ 323,452	\$ (930,789)	\$ (676,089)	\$ 71,200	\$ (1,614,916)	\$ 938,827
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 173,250	\$ 0	\$ 0	\$ 173,250	\$ 0	\$ 1,261,186	\$ (1,087,936)
Transfers Out	(58,610)	0	0	(58,610)	(58,610)	(58,610)	0
Total Other Financing Sources	\$ 114,640	\$ 0	\$ 0	\$ 114,640	\$ (58,610)	\$ 1,202,576	\$ (1,087,936)
Net Change in Fund Balance	\$ 45,888	\$ 323,452	\$ (930,789)	\$ (561,449)	\$ 12,590	\$ (412,340)	\$ (149,109)
Fund Balance, July 1, 2021	1,143,091	(323,452)	0	819,639	1,126,593	1,126,593	(306,954)
Fund Balance, June 30, 2022	\$ 1,188,979	\$ 0	\$ (930,789)	\$ 258,190	\$ 1,139,183	\$ 714,253	\$ (456,063)

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,027,180	\$ 806,557	\$ 806,557	\$ 220,623
State of Tennessee	1,826	1,500	1,500	326
Federal Government	175	0	0	175
Other Governments and Citizens Groups	264,154	264,154	264,154	0
Total Revenues	<u>\$ 1,293,335</u>	<u>\$ 1,072,211</u>	<u>\$ 1,072,211</u>	<u>\$ 221,124</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 268,000	\$ 271,000	\$ 268,000	\$ 0
Education	628,000	624,000	628,000	0
<u>Interest on Debt</u>				
General Government	70,575	84,195	84,195	13,620
Education	45,240	56,355	55,355	10,115
<u>Other Debt Service</u>				
General Government	63,993	32,000	80,282	16,289
Education	0	1,500	1,500	1,500
Total Expenditures	<u>\$ 1,075,808</u>	<u>\$ 1,069,050</u>	<u>\$ 1,117,332</u>	<u>\$ 41,524</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 217,527</u>	<u>\$ 3,161</u>	<u>\$ (45,121)</u>	<u>\$ 262,648</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 6,852,000	\$ 0	\$ 6,852,000	\$ 0
Payments to Refunded Debt Escrow Agent	(6,803,718)	0	(6,803,718)	0
Total Other Financing Sources	<u>\$ 48,282</u>	<u>\$ 0</u>	<u>\$ 48,282</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 265,809	\$ 3,161	\$ 3,161	\$ 262,648
Fund Balance, July 1, 2021	<u>6,582,065</u>	<u>6,389,882</u>	<u>6,389,882</u>	<u>192,183</u>
Fund Balance, June 30, 2022	<u>\$ 6,847,874</u>	<u>\$ 6,393,043</u>	<u>\$ 6,393,043</u>	<u>\$ 454,831</u>

Custodial Funds

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

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

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, litigants, heirs, and others.

Other Custodial Fund – The Other Custodial Fund is used to account for amounts received and disbursed in an agency capacity for the Doe Mountain Recreation Authority.

Exhibit H-1

Johnson County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2022

	<u>Custodial Funds</u>			
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Custodial</u>	<u>Other Custodial</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,022,521	\$ 0	\$ 1,022,521
Equity in Pooled Cash and Investments	0	0	50,471	50,471
Accounts Receivable	0	12,063	12,500	24,563
Due from Other Governments	124,912	0	0	124,912
Total Assets	<u>\$ 124,912</u>	<u>\$ 1,034,584</u>	<u>\$ 62,971</u>	<u>\$ 1,222,467</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 124,912	\$ 0	\$ 0	\$ 124,912
Total Liabilities	<u>\$ 124,912</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 124,912</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 1,034,584</u>	<u>\$ 62,971</u>	<u>\$ 1,097,555</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 1,034,584</u>	<u>\$ 62,971</u>	<u>\$ 1,097,555</u>

Exhibit H-2

Johnson County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>			
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Other Custodial	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 715,850	\$ 0	\$ 0	\$ 715,850
Fines/Fees and Other Collections	0	4,422,954	0	4,422,954
Doe Mountain Recreation Authority Collections	0	0	372,991	372,991
Total Additions	<u>\$ 715,850</u>	<u>\$ 4,422,954</u>	<u>\$ 372,991</u>	<u>\$ 5,511,795</u>
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 715,850	\$ 0	\$ 0	\$ 715,850
Payments to State	0	3,129,197	0	3,129,197
Payments to Individuals and Others	0	894,510	0	894,510
Payment of Doe Mountain Recreation Authority Expenses	0	0	509,281	509,281
Total Deductions	<u>\$ 715,850</u>	<u>\$ 4,023,707</u>	<u>\$ 509,281</u>	<u>\$ 5,248,838</u>
Change in Net Position	\$ 0	\$ 399,247	\$ (136,290)	\$ 262,957
Net Position July 1, 2021	<u>0</u>	<u>635,337</u>	<u>199,261</u>	<u>834,598</u>
Net Position June 30, 2022	<u>\$ 0</u>	<u>\$ 1,034,584</u>	<u>\$ 62,971</u>	<u>\$ 1,097,555</u>

Johnson County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for a head start program, which is funded by charges for services.

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

Exhibit I-1

Johnson County, Tennessee
Statement of Activities
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 22,234,860	\$ 0	\$ 4,662,179	\$ 0	\$ (17,572,681)
Support Services	8,772,600	21,850	329,163	170,912	(8,250,675)
Operation of Non-instructional Services	2,500,233	644,119	1,636,404	0	(219,710)
Total Governmental Activities	\$ 33,507,693	\$ 665,969	\$ 6,627,746	\$ 170,912	\$ (26,043,066)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,663,787
Local Option Sales Taxes					1,375,072
Mixed Drink Tax					2,078
Grants and Contributions Not Restricted for Specific Programs					24,822,161
Unrestricted Investment Income					3,452
Miscellaneous					323,493
Total General Revenues					\$ 29,190,043
Change in Net Position					\$ 3,146,977
Net Position, July 1, 2021					18,922,843
Net Position, June 30, 2022					\$ 22,069,820

Exhibit I-2

Johnson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Johnson County School Department
June 30, 2022

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds Other Govern-mental Funds	
<u>ASSETS</u>				
Cash	\$ 124,099	\$ 0	\$ 355,139	\$ 479,238
Equity in Pooled Cash and Investments	11,090,741	529,764	1,677,553	13,298,058
Accounts Receivable	873	0	4,770	5,643
Due from Other Governments	4,188,507	563,545	42,730	4,794,782
Due from Other Funds	0	0	14,766	14,766
Property Taxes Receivable	2,749,533	0	0	2,749,533
Allowance for Uncollectible Property Taxes	(39,079)	0	0	(39,079)
Prepaid Items	297,264	13,430	12,500	323,194
Restricted Assets	1,459,313	0	0	1,459,313
Total Assets	\$ 19,871,251	\$ 1,106,739	\$ 2,107,458	\$ 23,085,448
<u>LIABILITIES</u>				
Accounts Payable	\$ 8,976,354	\$ 6,317	\$ 2,079	\$ 8,984,750
Accrued Payroll	9,873	0	0	9,873
Payroll Deductions Payable	631,199	74,747	61,504	767,450
Due to Other Funds	14,766	0	0	14,766
Due to Primary Government	63,404	0	0	63,404
Other Current Liabilities	124,099	0	0	124,099
Total Liabilities	\$ 9,819,695	\$ 81,064	\$ 63,583	\$ 9,964,342
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,620,631	\$ 0	\$ 0	\$ 2,620,631
Deferred Delinquent Property Taxes	80,972	0	0	80,972

(Continued)

Exhibit I-2

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

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Other Govern-mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 116,973	\$ 0	\$ 0	\$ 116,973
Total Deferred Inflows of Resources	\$ 2,818,576	\$ 0	\$ 0	\$ 2,818,576
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 297,264	\$ 13,430	\$ 12,500	\$ 323,194
Restricted:				
Restricted for Education	253,015	12,245	2,031,375	2,296,635
Restricted for Education - American Rescue Plan Act	60,941	0	0	60,941
Restricted for OPEB	1,197,729	0	0	1,197,729
Restricted for Hybrid Retirement Stabilization Funds	261,585	0	0	261,585
Committed:				
Committed for Education	0	1,000,000	0	1,000,000
Assigned:				
Assigned for Education	1,586,251	0	0	1,586,251
Unassigned	3,576,195	0	0	3,576,195
Total Fund Balances	\$ 7,232,980	\$ 1,025,675	\$ 2,043,875	\$ 10,302,530
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,871,251	\$ 1,106,739	\$ 2,107,458	\$ 23,085,448

Exhibit I-3

Johnson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Johnson County School Department
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 10,302,530
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 961,979	
Add: construction in progress	132,728	
Add: buildings and improvements net of accumulated depreciation	10,085,579	
Add: infrastructure net of accumulated depreciation	209,460	
Add: other capital assets net of accumulated depreciation	<u>1,267,033</u>	12,656,779
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (54,808)	
Less: other postemployment benefits liability	<u>(5,789,900)</u>	(5,844,708)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,107,058	
Less: deferred inflows of resources related to pensions	(9,749,478)	
Add: deferred outflows of resources related to OPEB	2,026,091	
Less: deferred inflows of resources related to OPEB	<u>(2,771,246)</u>	(6,387,575)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan - legacy	\$ 1,777,610	
Add: net pension asset - agent plan	17,373	
Add: net pension asset - teacher retirement plan	195,835	
Add: net pension asset - teacher legacy pension plan	<u>9,154,031</u>	11,144,849
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>197,945</u>
Net position of governmental activities (Exhibit A)		<u>\$ 22,069,820</u>

Exhibit I-4

Johnson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 4,056,173	\$ 0	\$ 0	\$ 4,056,173
Licenses and Permits	7,601	0	0	7,601
Charges for Current Services	58,196	0	715,290	773,486
Other Local Revenues	105,534	0	507,481	613,015
State of Tennessee	25,231,855	0	11,492	25,243,347
Federal Government	106,274	3,898,100	1,644,848	5,649,222
Total Revenues	<u>\$ 29,565,633</u>	<u>\$ 3,898,100</u>	<u>\$ 2,879,111</u>	<u>\$ 36,342,844</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 20,763,763	\$ 1,760,535	\$ 477,094	\$ 23,001,392
Support Services	7,434,004	1,437,991	137,609	9,009,604
Operation of Non-Instructional Services	406,232	322,787	1,793,350	2,522,369
Capital Outlay	152,590	336,505	0	489,095
Debt Service:				
Other Debt Service	264,154	0	0	264,154
Total Expenditures	<u>\$ 29,020,743</u>	<u>\$ 3,857,818</u>	<u>\$ 2,408,053</u>	<u>\$ 35,286,614</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 544,890	\$ 40,282	\$ 471,058	\$ 1,056,230
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 37,057	\$ 0	\$ 0	\$ 37,057
Transfers In	39,636	0	0	39,636
Transfers Out	0	(39,636)	0	(39,636)
Total Other Financing Sources (Uses)	<u>\$ 76,693</u>	<u>\$ (39,636)</u>	<u>\$ 0</u>	<u>\$ 37,057</u>

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
Net Change in Fund Balances	\$ 621,583	\$ 646	\$ 471,058	\$ 1,093,287
Fund Balance, July 1, 2021	6,611,397	1,025,029	1,572,817	9,209,243
Fund Balance, June 30, 2022	\$ 7,232,980	\$ 1,025,675	\$ 2,043,875	\$ 10,302,530

Johnson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds (Exhibit I-4)		\$ 1,093,287
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 534,609	
Less: current-year depreciation expense	<u>(933,011)</u>	(398,402)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 170,912	
Less: book value of assets disposed	<u>(12,996)</u>	157,916
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 197,945	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(167,767)</u>	30,178
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 4,849	
Change in other postemployment benefits liability	(350,693)	
Change in deferred outflows related to OPEB	(264,933)	
Change in deferred inflows related to OPEB	421,323	
Change in net pension asset/liability	8,847,530	
Change in deferred outflows related to pensions	2,477,866	
Change in deferred inflows related to pensions	<u>(8,871,944)</u>	<u>2,263,998</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,146,977</u>

Exhibit I-6

Johnson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Johnson County School Department
June 30, 2022

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 355,139	\$ 355,139
Equity in Pooled Cash and Investments	1,649,264	28,289	0	1,677,553
Accounts Receivable	4,770	0	0	4,770
Due from Other Governments	42,730	0	0	42,730
Due from Other Funds	14,766	0	0	14,766
Prepaid Items	12,500	0	0	12,500
Total Assets	<u>\$ 1,724,030</u>	<u>\$ 28,289</u>	<u>\$ 355,139</u>	<u>\$ 2,107,458</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,929	\$ 0	\$ 150	\$ 2,079
Payroll Deductions Payable	34,811	26,693	0	61,504
Total Liabilities	<u>\$ 36,740</u>	<u>\$ 26,693</u>	<u>\$ 150</u>	<u>\$ 63,583</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 12,500	\$ 0	\$ 0	\$ 12,500
Restricted:				
Restricted for Education	1,674,790	1,596	354,989	2,031,375
Total Fund Balances	<u>\$ 1,687,290</u>	<u>\$ 1,596</u>	<u>\$ 354,989</u>	<u>\$ 2,043,875</u>
Total Liabilities and Fund Balances	<u>\$ 1,724,030</u>	<u>\$ 28,289</u>	<u>\$ 355,139</u>	<u>\$ 2,107,458</u>

Exhibit I-7

Johnson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 103,744	\$ 611,546	\$ 0	\$ 715,290
Other Local Revenues	3,452	0	504,029	507,481
State of Tennessee	11,492	0	0	11,492
Federal Government	1,644,848	0	0	1,644,848
Total Revenues	\$ 1,763,536	\$ 611,546	\$ 504,029	\$ 2,879,111
<u>Expenditures</u>				
Current:				
Instruction	\$ 0	\$ 477,094	\$ 0	\$ 477,094
Support Services	0	137,609	0	137,609
Operation of Non-Instructional Services	1,268,086	0	525,264	1,793,350
Total Expenditures	\$ 1,268,086	\$ 614,703	\$ 525,264	\$ 2,408,053
Excess (Deficiency) of Revenues Over Expenditures	\$ 495,450	\$ (3,157)	\$ (21,235)	\$ 471,058
Net Change in Fund Balances	\$ 495,450	\$ (3,157)	\$ (21,235)	\$ 471,058
Fund Balance, July 1, 2021	1,191,840	4,753	376,224	1,572,817
Fund Balance, June 30, 2022	\$ 1,687,290	\$ 1,596	\$ 354,989	\$ 2,043,875

Exhibit I-8

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson County School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,056,173	\$ 0	\$ 0	\$ 4,056,173	\$ 3,717,047	\$ 3,717,047	\$ 339,126
Licenses and Permits	7,601	0	0	7,601	1,250	1,250	6,351
Charges for Current Services	58,196	0	0	58,196	85,500	96,806	(38,610)
Other Local Revenues	105,534	0	0	105,534	26,000	274,626	(169,092)
State of Tennessee	25,231,855	0	0	25,231,855	15,659,608	31,303,214	(6,071,359)
Federal Government	106,274	0	0	106,274	60,000	60,000	46,274
Total Revenues	\$ 29,565,633	\$ 0	\$ 0	\$ 29,565,633	\$ 19,549,405	\$ 35,452,943	\$ (5,887,310)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 18,453,931	\$ (54,889)	\$ 6,525	\$ 18,405,567	\$ 9,364,134	\$ 24,366,916	\$ 5,961,349
Alternative Instruction Program	36,916	0	0	36,916	177,246	41,591	4,675
Special Education Program	1,329,502	0	934	1,330,436	1,448,779	1,544,584	214,148
Career and Technical Education Program	943,414	(1,870)	0	941,544	976,295	1,115,266	173,722
<u>Support Services</u>							
Attendance	102,856	0	0	102,856	101,139	106,954	4,098
Health Services	279,546	(471)	0	279,075	263,634	296,305	17,230
Other Student Support	762,639	(2,518)	0	760,121	427,062	799,980	39,859
Regular Instruction Program	668,518	(170)	38	668,386	735,082	742,655	74,269
Special Education Program	267,766	(85)	171	267,852	284,587	294,837	26,985
Career and Technical Education Program	99,051	0	0	99,051	100,813	102,814	3,763
Technology	163,097	(2,072)	105	161,130	126,493	184,670	23,540
Other Programs	80,766	0	0	80,766	0	80,766	0
Board of Education	505,290	0	50	505,340	538,410	544,073	38,733
Director of Schools	265,279	(415)	115	264,979	255,910	274,043	9,064
Office of the Principal	1,226,730	0	1,178	1,227,908	1,306,397	1,339,814	111,906
Fiscal Services	96,370	(500)	0	95,870	99,197	99,263	3,393
Human Services/Personnel	65,131	0	0	65,131	70,914	70,914	5,783
Operation of Plant	1,545,820	(11,021)	14,094	1,548,893	1,652,668	1,677,840	128,947

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 400,981	\$ (84,922)	\$ 12,886	\$ 328,945	\$ 442,031	\$ 442,031	\$ 113,086
Transportation	881,725	(43,786)	3,259	841,198	821,261	1,010,633	169,435
Central and Other	22,439	0	0	22,439	28,097	28,097	5,658
<u>Operation of Non-Instructional Services</u>							
Food Service	112,351	(45)	0	112,306	105,506	117,786	5,480
Community Services	82,994	0	0	82,994	79,163	89,162	6,168
Early Childhood Education	210,887	(14,002)	5,478	202,363	203,585	203,584	1,221
<u>Capital Outlay</u>							
Regular Capital Outlay	152,590	(112,790)	0	39,800	20,000	39,800	0
<u>Other Debt Service</u>							
Education	264,154	0	0	264,154	264,154	264,154	0
Total Expenditures	\$ 29,020,743	\$ (329,556)	\$ 44,833	\$ 28,736,020	\$ 19,892,557	\$ 35,878,532	\$ 7,142,512
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 544,890	\$ 329,556	\$ (44,833)	\$ 829,613	\$ (343,152)	\$ (425,589)	\$ 1,255,202
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 37,057	\$ 0	\$ 0	\$ 37,057	\$ 0	\$ 32,442	\$ 4,615
Transfers In	39,636	0	0	39,636	343,152	343,152	(303,516)
Total Other Financing Sources	\$ 76,693	\$ 0	\$ 0	\$ 76,693	\$ 343,152	\$ 375,594	\$ (298,901)
Net Change in Fund Balance							
Fund Balance, July 1, 2021	\$ 621,583	\$ 329,556	\$ (44,833)	\$ 906,306	\$ 0	\$ (49,995)	\$ 956,301
	6,611,397	(329,556)	0	6,281,841	4,312,594	4,312,594	1,969,247
Fund Balance, June 30, 2022							
	\$ 7,232,980	\$ 0	\$ (44,833)	\$ 7,188,147	\$ 4,312,594	\$ 4,262,599	\$ 2,925,548

Exhibit I-9

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,898,100	\$ 0	\$ 0	\$ 3,898,100	\$ 10,399,663	\$ 10,785,736	\$ (6,887,636)
Total Revenues	\$ 3,898,100	\$ 0	\$ 0	\$ 3,898,100	\$ 10,399,663	\$ 10,785,736	\$ (6,887,636)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,288,765	\$ (21,121)	\$ 147,222	\$ 1,414,866	\$ 2,449,172	\$ 2,546,836	\$ 1,131,970
Alternative Instruction Program	19	0	0	19	0	19	0
Special Education Program	426,358	(319)	2,768	428,807	785,463	814,983	386,176
Career and Technical Education Program	45,393	0	0	45,393	46,711	45,393	0
<u>Support Services</u>							
Attendance	86,810	0	0	86,810	74,854	86,810	0
Health Services	189,953	0	24,099	214,052	314,220	306,196	92,144
Other Student Support	106,429	(3,887)	1,882	104,424	323,206	295,381	190,957
Regular Instruction Program	322,400	(2,508)	3,048	322,940	541,053	507,163	184,223
Special Education Program	37,184	0	0	37,184	69,370	68,093	30,909
Career and Technical Education Program	5	0	0	5	0	5	0
Technology	472,269	(390,804)	2,000	83,465	111,207	398,890	315,425
Office of the Principal	94	0	0	94	0	94	0
Fiscal Services	13,072	0	0	13,072	0	56,200	43,128
Operation of Plant	77,196	0	0	77,196	105,840	85,417	8,221
Maintenance of Plant	148	0	0	148	0	148	0
Transportation	132,431	0	0	132,431	162,937	143,606	11,175
<u>Operation of Non-Instructional Services</u>							
Food Service	908	0	0	908	0	908	0
Community Services	321,879	0	0	321,879	451,279	365,473	43,594
<u>Capital Outlay</u>							
Regular Capital Outlay	336,505	(204,677)	216,482	348,310	4,711,100	4,915,777	4,567,467
Total Expenditures	\$ 3,857,818	\$ (623,316)	\$ 397,501	\$ 3,632,003	\$ 10,146,412	\$ 10,637,392	\$ 7,005,389

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 40,282	\$ 623,316	\$ (397,501)	\$ 266,097	\$ 253,251	\$ 148,344	\$ 117,753
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (39,636)	\$ 0	\$ 0	\$ (39,636)	\$ (263,873)	\$ (157,777)	\$ 118,141
Total Other Financing Sources	\$ (39,636)	\$ 0	\$ 0	\$ (39,636)	\$ (263,873)	\$ (157,777)	\$ 118,141
Net Change in Fund Balance	\$ 646	\$ 623,316	\$ (397,501)	\$ 226,461	\$ (10,622)	\$ (9,433)	\$ 235,894
Fund Balance, July 1, 2021	1,025,029	(623,316)	0	401,713	1,000,000	1,000,000	(598,287)
Fund Balance, June 30, 2022	\$ 1,025,675	\$ 0	\$ (397,501)	\$ 628,174	\$ 989,378	\$ 990,567	\$ (362,393)

Exhibit I-10

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Johnson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 103,744	\$ 0	\$ 0	\$ 103,744	\$ 140,000	\$ 140,000	\$ (36,256)
Other Local Revenues	3,452	0	0	3,452	3,000	3,000	452
State of Tennessee	11,492	0	0	11,492	0	0	11,492
Federal Government	1,644,848	0	0	1,644,848	1,232,000	1,232,000	412,848
Total Revenues	\$ 1,763,536	\$ 0	\$ 0	\$ 1,763,536	\$ 1,375,000	\$ 1,375,000	\$ 388,536
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,268,086	\$ (17,166)	\$ 13,064	\$ 1,263,984	\$ 1,375,000	\$ 1,375,000	\$ 111,016
Total Expenditures	\$ 1,268,086	\$ (17,166)	\$ 13,064	\$ 1,263,984	\$ 1,375,000	\$ 1,375,000	\$ 111,016
Excess (Deficiency) of Revenues Over Expenditures	\$ 495,450	\$ 17,166	\$ (13,064)	\$ 499,552	\$ 0	\$ 0	\$ 499,552
Net Change in Fund Balance	\$ 495,450	\$ 17,166	\$ (13,064)	\$ 499,552	\$ 0	\$ 0	\$ 499,552
Fund Balance, July 1, 2021	1,191,840	(17,166)	0	1,174,674	1,063,220	1,063,220	111,454
Fund Balance, June 30, 2022	\$ 1,687,290	\$ 0	\$ (13,064)	\$ 1,674,226	\$ 1,063,220	\$ 1,063,220	\$ 611,006

Exhibit I-11

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 611,546	\$ 581,899	\$ 741,850	\$ (130,304)
Total Revenues	\$ 611,546	\$ 581,899	\$ 741,850	\$ (130,304)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 477,094	\$ 406,863	\$ 552,795	\$ 75,701
<u>Support Services</u>				
Attendance	33,992	63,226	65,099	31,107
Health Services	23,887	26,770	26,999	3,112
Regular Instruction Program	79,730	85,040	96,954	17,224
Total Expenditures	\$ 614,703	\$ 581,899	\$ 741,847	\$ 127,144
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,157)	\$ 0	\$ 3	\$ (3,160)
Net Change in Fund Balance	\$ (3,157)	\$ 0	\$ 3	\$ (3,160)
Fund Balance, July 1, 2021	4,753	2,169	2,169	2,584
Fund Balance, June 30, 2022	\$ 1,596	\$ 2,169	\$ 2,172	\$ (576)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Johnson County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-22
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Refunding Bonds, Series 2015	\$ 6,470,000	2 to 2.25 %	3-18-15	6-1-25	\$ 2,720,000	\$ 0	\$ 0	\$ 2,720,000	\$ 0
General Refunding Bonds, Series 2016	4,715,000	2	9-21-16	6-1-28	4,090,000	0	0	4,090,000	0
General Refunding Bonds, Series 2021	6,852,000	1.21	11-15-21	6-1-28	0	6,852,000	896,000	0	5,956,000
Total Payable through General Debt Service Fund					<u>\$ 6,810,000</u>	<u>\$ 6,852,000</u>	<u>\$ 896,000</u>	<u>\$ 6,810,000</u>	<u>\$ 5,956,000</u>
Total Bonds Payable					<u>\$ 6,810,000</u>	<u>\$ 6,852,000</u>	<u>\$ 896,000</u>	<u>\$ 6,810,000</u>	<u>\$ 5,956,000</u>
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Highway/Public Works Fund</u>									
Highway Equipment	149,200	3.25	10-28-19	10-28-23	\$ 89,459	\$ 0	\$ 28,871	\$ 0	\$ 60,588
Total Other Loans Payable					<u>\$ 89,459</u>	<u>\$ 0</u>	<u>\$ 28,871</u>	<u>\$ 0</u>	<u>\$ 60,588</u>

Note: Amounts previously reported as capital leases payable have been reclassified as other loans payable due to the implementation of GASB Statement No. 87.

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 934,000	\$ 72,068	\$ 1,006,068
2024	944,000	60,766	1,004,766
2025	966,000	49,344	1,015,344
2026	1,007,000	37,655	1,044,655
2027	1,044,000	25,470	1,069,470
2028	1,061,000	12,838	1,073,838
Total	<u>\$ 5,956,000</u>	<u>\$ 258,141</u>	<u>\$ 6,214,141</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 29,810	\$ 1,969	\$ 31,779
2024	30,778	1,000	31,778
Total	<u>\$ 60,588</u>	<u>\$ 2,969</u>	<u>\$ 63,557</u>

Exhibit J-3

Johnson County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2022

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-21	Additions	Deductions	Balance 6-30-22
<u>PRIMARY GOVERNMENT</u>									
<u>Community Development/Industrial Park Fund</u>									
Building Rental	TN Dept of Human Services	\$ 1,121,132	7-22-21	6-30-31	1.2 %	\$ 0	\$ 1,121,132	\$ 104,206	\$ 1,016,926
Building Rental	Jones Hardwood	324,000	4-1-16	12-30-31	1.2	0	213,206	19,362	193,844
Total Leases Receivable						<u>\$ 0</u>	<u>\$ 1,334,338</u>	<u>\$ 123,568</u>	<u>\$ 1,210,770</u>

Exhibit J-4

Johnson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Highway/Public Works	General Capital Projects	Bridge capital expenditures	\$ 173,250
General Capital Projects	Highway/Public Works	Debt retirement	<u>58,610</u>
Total Transfers Primary Government			<u>\$ 231,860</u>
<u>DISCRETELY PRESENTED JOHNSON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 39,636</u>
Total Transfers Discretely Presented Johnson County School Department			<u>\$ 39,636</u>

Exhibit J-5

Johnson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 90,416 (1)	\$ 400,000	Local Government Property and Casualty Fund
Road Superintendent	Section 8-24-102, <i>TCA</i>	86,110	400,000	Local Government Property and Casualty Fund
Director of Schools	State Board of Education and County Board of Education	126,400 (2)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	78,282	699,996	Western Surety Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	78,282	400,000	Local Government Property and Casualty Fund
Director of Accounts and Budgets	County Commission	75,032 (3)	400,000	Local Government Property and Casualty Fund
County Clerk	Section 8-24-102, <i>TCA</i>	78,282	400,000	Local Government Property and Casualty Fund
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	78,282	400,000	Local Government Property and Casualty Fund
Clerk and Master	Section 8-24-102, <i>TCA</i>	78,282	400,000	Local Government Property and Casualty Fund
Register of Deeds	Section 8-24-102, <i>TCA</i>	78,282	400,000	Local Government Property and Casualty Fund
Sheriff	Section 8-24-102, <i>TCA</i>	86,110 (4)	400,000	Local Government Property and Casualty Fund
Purchasing Agent	County Commission	43,489 (5)	400,000	Local Government Property and Casualty Fund
Employee Blanket Bonds:				
Public Employees Dishonesty - County Departments			400,000	Local Government Property and Casualty Fund
Public Employees Dishonesty - School Department			400,000	Tennessee Risk Management Trust

(1) Does not include \$800 local training supplement.

(2) Includes contractual payments for travel allowance of \$6,000; does not include Career Ladder Supplement of \$1,000 and stipends paid from School Federal Projects Fund as grant program director of \$16,300.

(3) Includes payment for accrued vacation leave of \$4,579.

(4) Does not include a \$800 law enforcement training supplement and \$800 local training supplement.

(5) Includes payment of accrued vacation leave of \$815.

Exhibit J-6

Johnson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,084,071	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	87,825	0	0	0	0	0
Trustee's Collections - Bankruptcy	1,207	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	23,186	0	0	0	0	0
Interest and Penalty	17,303	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	31,355	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	305,183	50,300	0	0	0	0
Hotel/Motel Tax	140,329	0	0	0	0	0
Wheel Tax	136,652	0	0	0	0	0
Litigation Tax - General	9,644	0	0	0	0	0
Litigation Tax - Special Purpose	27,793	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	10,486	0	0	0	0	0
Business Tax	104,970	0	0	0	0	0
Mixed Drink Tax	2,078	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	24,381	0	0	0	0	0
Wholesale Beer Tax	52,521	0	0	0	0	0
Total Local Taxes	\$ 4,058,984	\$ 50,300	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 67,467	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 2,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	561	0	0	0	0	0
Total Licenses and Permits	\$ 70,278	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,241	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Game and Fish Fines	640	0	0	0	0	0
Drug Control Fines	308	0	0	8,028	0	0
Jail Fees	687	0	0	0	0	0
DUI Treatment Fines	494	0	0	0	0	0
Data Entry Fee - Circuit Court	1,012	0	0	0	0	0
Courtroom Security Fee	2,102	0	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	13,157	0	0	0	0	0
Drug Control Fines	4,616	0	0	4,616	0	0
Drug Court Fees	225	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	6,512	0	0	0	0	0
Officers Costs	13,379	0	0	1,197	0	0
Game and Fish Fines	153	0	0	0	0	0
Drug Control Fines	4,455	0	0	4,456	0	0
Drug Court Fees	133	0	0	0	0	0
Jail Fees	8,917	0	0	0	0	0
DUI Treatment Fines	3,382	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 4,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	5,066	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	254	0	0	0	0	0
Data Entry Fee - Chancery Court	1,526	0	0	0	0	0
Courtroom Security Fee	111	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	379	0	0	137	0	0
Other Fines, Forfeitures, and Penalties	276	0	0	186	0	0
Total Fines, Forfeitures, and Penalties	\$ 75,272	\$ 0	\$ 0	\$ 18,620	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 546	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	0	579,792	0	0	0
Other General Service Charges	4,391	0	0	0	0	0
<u>Fees</u>						
Airport Fees	2,981	0	0	0	0	0
Copy Fees	1,210	0	0	0	0	0
Library Fees	0	8,660	0	0	0	0
Telephone Commissions	22,047	0	0	0	0	0
Vending Machine Collections	163	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	69
Data Processing Fee - Register	7,622	0	0	0	0	0
Probation Fees	131	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 471	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fee - Sheriff	2,250	0	0	0	0	0
Data Processing Fee - County Clerk	5,993	0	0	0	0	0
Vehicle Registration Reinstatement Fees	2,365	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	\$ 50,170	\$ 8,660	\$ 579,792	\$ 0	\$ 0	\$ 69
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 65,706	\$ 0	\$ 0	\$ 0	\$ 4,354	\$ 0
Lease/Rentals	72,400	0	0	0	0	0
Lease Interest	0	0	0	0	0	0
Sale of Materials and Supplies	625	0	9,073	0	0	0
Commissary Sales	52,534	0	0	0	0	0
Sale of Gasoline	426,799	0	0	0	0	0
Sale of Maps	160	0	0	0	0	0
Retirees' Insurance Payments	16,611	0	0	0	0	0
Rebates	759	0	0	0	0	0
Miscellaneous Refunds	24,710	95	0	0	0	0
Expenditure Credits	7,000	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	15,950	0	0	0
Sale of Property	1,375	0	0	0	0	0
Damages Recovered from Individuals	1,036,066	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 1,704,745	\$ 95	\$ 25,023	\$ 0	\$ 4,354	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 236,896	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	43,132	0	0	0	0	0
General Sessions Court Clerk	94,608	0	0	0	0	0
Clerk and Master	54,985	0	0	0	0	0
Register	112,375	0	0	0	0	0
Sheriff	140	0	0	0	0	0
Trustee	254,113	0	0	0	0	0
Total Fees Received From County Officials	\$ 796,249	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 74,383	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	76,927	0	0	0	0	0
Aging Programs	42,501	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	13,600	0	0	0	0	0
Other Public Safety Grants	4,260	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	44,200	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 5,862	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	21,443	0	0	0	0	0
Alcoholic Beverage Tax	56,061	0	0	0	0	0
State Revenue Sharing - T.V.A.	487,742	0	0	0	0	0
State Revenue Sharing - Telecommunications	13,077	0	0	0	0	0
Contracted Prisoner Boarding	274,393	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	530,941	1,577	10,884	0	0	0
Total State of Tennessee	\$ 1,679,748	\$ 1,577	\$ 10,884	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 2,567	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	27,169	0	0	0	0	0
COVID-19 Grant #4	6,910	0	0	0	0	0
<u>Direct Federal Revenue</u>						
American Rescue Plan Act Grant #6	0	0	0	0	199,868	0
American Rescue Plan Act Grant #7	0	19,172	0	0	0	0
Other Direct Federal Revenue	99,835	0	0	0	0	0
Total Federal Government	\$ 133,914	\$ 21,739	\$ 0	\$ 0	\$ 199,868	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 33,345	\$ 22,003	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	219,550	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	81,000	0	0
Total Other Governments and Citizens Groups	<u>\$ 252,895</u>	<u>\$ 22,003</u>	<u>\$ 0</u>	<u>\$ 81,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 8,822,255</u>	<u>\$ 104,374</u>	<u>\$ 615,699</u>	<u>\$ 99,620</u>	<u>\$ 204,222</u>	<u>\$ 69</u>

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	Community			
	Highway / Public Works	General Debt Service	General Capital Projects	Development/ Industrial Park	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 457,737	\$ 281,729	\$ 0	\$ 0	\$ 3,823,537
Trustee's Collections - Prior Year	0	14,932	8,405	0	0	111,162
Trustee's Collections - Bankruptcy	0	205	115	0	0	1,527
Circuit Clerk/Clerk and Master Collections - Prior Years	0	4,187	2,254	0	0	29,627
Interest and Penalty	0	2,853	1,636	0	0	21,792
Payments in-Lieu-of Taxes - Other	0	4,632	2,850	0	0	38,837
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	282,809	0	0	0	638,292
Hotel/Motel Tax	0	0	0	0	0	140,329
Wheel Tax	256,223	256,223	34,163	0	0	683,261
Litigation Tax - General	0	0	0	0	0	9,644
Litigation Tax - Special Purpose	0	0	0	0	0	27,793
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	10,486
Business Tax	0	0	0	0	0	104,970
Mixed Drink Tax	0	0	0	0	0	2,078
Mineral Severance Tax	173	0	0	0	0	173
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	3,602	2,216	0	0	30,199
Wholesale Beer Tax	0	0	0	0	0	52,521
Total Local Taxes	\$ 256,396	\$ 1,027,180	\$ 333,368	\$ 0	\$ 0	\$ 5,726,228
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,467

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
	Highway / Public Works	General Debt Service				
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,250
Other Permits	0	0	0	0	0	561
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	70,278
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,241
Game and Fish Fines	0	0	0	0	0	640
Drug Control Fines	0	0	0	0	0	8,336
Jail Fees	0	0	0	0	0	687
DUI Treatment Fines	0	0	0	0	0	494
Data Entry Fee - Circuit Court	0	0	0	0	0	1,012
Courtroom Security Fee	0	0	0	0	0	2,102
<u>Criminal Court</u>						
Officers Costs	0	0	0	0	0	13,157
Drug Control Fines	0	0	0	0	0	9,232
Drug Court Fees	0	0	0	0	0	225
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	6,512
Officers Costs	0	0	0	0	0	14,576
Game and Fish Fines	0	0	0	0	0	153
Drug Control Fines	0	0	0	0	0	8,911
Drug Court Fees	0	0	0	0	0	133
Jail Fees	0	0	0	0	0	8,917
DUI Treatment Fines	0	0	0	0	0	3,382

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	Community			
	Highway / Public Works	General Debt Service	General Capital Projects	Development/ Industrial Park	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,247
Courtroom Security Fee	0	0	0	0	0	5,066
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	254
Data Entry Fee - Chancery Court	0	0	0	0	0	1,526
Courtroom Security Fee	0	0	0	0	0	111
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	516
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	462
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	93,892
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	546
Tipping Fees	0	0	0	0	0	579,792
Other General Service Charges	0	0	0	0	0	4,391
<u>Fees</u>						
Airport Fees	0	0	0	0	0	2,981
Copy Fees	0	0	0	0	0	1,210
Library Fees	0	0	0	0	0	8,660
Telephone Commissions	0	0	0	0	0	22,047
Vending Machine Collections	0	0	0	0	0	163
Constitutional Officers' Fees and Commissions	0	0	0	0	0	69
Data Processing Fee - Register	0	0	0	0	0	7,622
Probation Fees	0	0	0	0	0	131

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	Community			
	Highway / Public Works	General Debt Service	General Capital Projects	Development/ Industrial Park	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	471
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	2,250
Data Processing Fee - County Clerk	0	0	0	0	0	5,993
Vehicle Registration Reinstatement Fees	0	0	0	0	0	2,365
<u>Education Charges</u>						
Other Charges for Services	89	0	0	0	0	89
Total Charges for Current Services	\$ 89	\$ 0	\$ 0	\$ 0	\$ 0	638,780
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	70,060
Lease/Rentals	0	0	0	107,137	0	179,537
Lease Interest	0	0	0	15,227	0	15,227
Sale of Materials and Supplies	4,275	0	0	0	0	13,973
Commissary Sales	0	0	0	0	0	52,534
Sale of Gasoline	0	0	0	0	0	426,799
Sale of Maps	0	0	0	0	0	160
Retirees' Insurance Payments	0	0	0	0	0	16,611
Rebates	0	0	0	0	0	759
Miscellaneous Refunds	158	0	0	5,361	0	30,324
Expenditure Credits	0	0	0	0	0	7,000
<u>Nonrecurring Items</u>						
Sale of Equipment	29,755	0	0	0	0	45,705
Sale of Property	0	0	0	133,875	0	135,250
Damages Recovered from Individuals	0	0	0	0	0	1,036,066

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Community Development/Industrial Park	Other Capital Projects	
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Total Other Local Revenues	\$ 34,188	\$ 0	\$ 5,000	\$ 261,600	\$ 0	\$ 2,035,005
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 236,896
Circuit Court Clerk	0	0	0	0	0	43,132
General Sessions Court Clerk	0	0	0	0	0	94,608
Clerk and Master	0	0	0	0	0	54,985
Register	0	0	0	0	0	112,375
Sheriff	0	0	0	0	0	140
Trustee	0	0	0	0	0	254,113
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 796,249
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,383
Airport Maintenance Program	0	0	0	0	0	76,927
Aging Programs	0	0	0	0	0	42,501
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	13,600
Other Public Safety Grants	0	0	0	0	0	4,260
<u>Public Works Grants</u>						
Bridge Program	0	0	509,967	0	0	509,967
State Aid Program	80,341	0	0	0	0	80,341
Litter Program	0	0	0	0	0	44,200

(Continued)

Exhibit J-6

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	Community			
	Highway / Public Works	General Debt Service	General Capital Projects	Development/ Industrial Park	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,862
Beer Tax	0	0	0	0	0	19,194
Vehicle Certificate of Title Fees	0	0	0	0	0	21,443
Alcoholic Beverage Tax	0	0	0	0	0	56,061
State Revenue Sharing - T.V.A.	0	0	0	0	0	487,742
State Revenue Sharing - Telecommunications	0	1,826	1,124	0	0	16,027
Contracted Prisoner Boarding	0	0	0	0	0	274,393
Gasoline and Motor Fuel Tax	2,156,555	0	0	0	0	2,156,555
Petroleum Special Tax	12,104	0	0	0	0	12,104
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	10,874	10,874
Other State Revenues	0	0	0	50,000	0	593,402
Total State of Tennessee	\$ 2,249,000	\$ 1,826	\$ 511,091	\$ 50,000	\$ 10,874	\$ 4,515,000
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 543	\$ 0	\$ 0	\$ 3,110
Homeland Security Grants	0	0	0	0	0	27,169
COVID-19 Grant #4	0	0	0	0	0	6,910
<u>Direct Federal Revenue</u>						
American Rescue Plan Act Grant #6	0	0	0	0	0	199,868
American Rescue Plan Act Grant #7	0	0	0	0	0	19,172
Other Direct Federal Revenue	20,069	175	107	0	0	120,186
Total Federal Government	\$ 20,069	\$ 175	\$ 650	\$ 0	\$ 0	\$ 376,415

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds			Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 264,154	\$ 24,000	\$ 0	\$ 0	\$ 343,502
Contracted Services	9,302	0	0	0	0	228,852
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	81,000
Total Other Governments and Citizens Groups	\$ 9,302	\$ 264,154	\$ 24,000	\$ 0	\$ 0	\$ 653,354
Total	\$ 2,569,044	\$ 1,293,335	\$ 874,109	\$ 311,600	\$ 10,874	\$ 14,905,201

Exhibit J-7

Johnson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,534,733	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,534,733
Trustee's Collections - Prior Year	80,276	0	0	0	0	80,276
Trustee's Collections - Bankruptcy	1,104	0	0	0	0	1,104
Circuit Clerk/Clerk and Master Collections - Prior Years	21,720	0	0	0	0	21,720
Interest and Penalty	15,435	0	0	0	0	15,435
Payments in-Lieu-of Taxes - Other	25,654	0	0	0	0	25,654
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,355,225	0	0	0	0	1,355,225
Mixed Drink Tax	2,078	0	0	0	0	2,078
<u>Statutory Local Taxes</u>						
Bank Excise Tax	19,948	0	0	0	0	19,948
Total Local Taxes	\$ 4,056,173	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,056,173
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,169
<u>Permits</u>						
Other Permits	6,432	0	0	0	0	6,432
Total Licenses and Permits	\$ 7,601	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,601
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 32,037	\$ 0	\$ 0	\$ 32,037
A la Carte Sales	0	0	63,264	0	0	63,264

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Contract for Instructional Services with Other LEA's	\$ 0	\$ 0	\$ 0	\$ 611,546	\$ 0	\$ 611,546
Receipts from Individual Schools	13,407	0	8,443	0	0	21,850
Community Service Fees - Children	44,789	0	0	0	0	44,789
Total Charges for Current Services	\$ 58,196	\$ 0	\$ 103,744	\$ 611,546	\$ 0	\$ 773,486
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (211,527)	\$ 0	\$ 3,452	\$ 0	\$ 0	\$ (208,075)
Retirees' Insurance Payments	14,462	0	0	0	0	14,462
Miscellaneous Refunds	271,126	0	0	0	0	271,126
Expenditure Credits	685	0	0	0	0	685
<u>Nonrecurring Items</u>						
Contributions and Gifts	30,788	0	0	0	0	30,788
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	504,029	504,029
Total Other Local Revenues	\$ 105,534	\$ 0	\$ 3,452	\$ 0	\$ 504,029	\$ 613,015
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 80,766	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,766
<u>State Education Funds</u>						
Basic Education Program	23,850,384	0	0	0	0	23,850,384
Early Childhood Education	203,585	0	0	0	0	203,585
Other State Education Funds	1,054,718	0	0	0	0	1,054,718
Career Ladder Program	32,286	0	0	0	0	32,286

(Continued)

Exhibit J-7

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
State Revenue Sharing - Telecommunications	\$ 10,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,116
Other State Grants	0	0	11,492	0	0	11,492
Total State of Tennessee	\$ 25,231,855	\$ 0	\$ 11,492	\$ 0	\$ 0	\$ 25,243,347
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,048,148	\$ 0	\$ 0	\$ 1,048,148
USDA - Commodities	0	0	108,961	0	0	108,961
Breakfast	0	0	481,402	0	0	481,402
USDA - Other	0	0	6,337	0	0	6,337
Vocational Education - Basic Grants to States	0	60,502	0	0	0	60,502
Title I Grants to Local Education Agencies	0	853,905	0	0	0	853,905
Special Education - Grants to States	0	456,423	0	0	0	456,423
Special Education Preschool Grants	0	36,748	0	0	0	36,748
Safe and Drug-free Schools - State Grants	0	212,783	0	0	0	212,783
Rural Education	0	92,794	0	0	0	92,794
Eisenhower Professional Development State Grants	0	106,116	0	0	0	106,116
COVID-19 Grant #1	0	62,037	0	0	0	62,037
COVID-19 Grant B	0	1,128,056	0	0	0	1,128,056
COVID-19 Grant D	38,000	39,589	0	0	0	77,589
American Rescue Plan Act Grant #1	0	405,164	0	0	0	405,164
American Rescue Plan Act Grant #2	0	35,977	0	0	0	35,977
American Rescue Plan Act Grant #4	0	5,630	0	0	0	5,630
Other Federal through State	7,101	402,376	0	0	0	409,477

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 61,173	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,173
Total Federal Government	<u>\$ 106,274</u>	<u>\$ 3,898,100</u>	<u>\$ 1,644,848</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,649,222</u>
 Total	 <u>\$ 29,565,633</u>	 <u>\$ 3,898,100</u>	 <u>\$ 1,763,536</u>	 <u>\$ 611,546</u>	 <u>\$ 504,029</u>	 <u>\$ 36,342,844</u>

Exhibit J-8

Johnson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	35,800	
Social Security		1,865	
Pensions		1,651	
Medical Insurance		6,571	
Employer Medicare		471	
Total County Commission			\$ 46,358

Other Boards and Committees

Board and Committee Members Fees	\$	2,860	
Social Security		22	
Pensions		24	
Medical Insurance		87	
Employer Medicare		5	
Total Other Boards and Committees			2,998

County Mayor/Executive

County Official/Administrative Officer	\$	90,416	
Secretary(ies)		24,827	
Social Security		7,012	
Pensions		6,104	
Medical Insurance		13,812	
Unemployment Compensation		78	
Employer Medicare		1,596	
Data Processing Services		3,634	
Lease Payments		585	
Printing, Stationery, and Forms		219	
Office Supplies		287	
Other Charges		100	
Office Equipment		586	
Total County Mayor/Executive			149,256

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
Employer Medicare		87	
Legal Services		39,600	
Total County Attorney			46,059

Election Commission

County Official/Administrative Officer	\$	70,454	
Deputy(ies)		28,717	
Clerical Personnel		785	
Election Commission		3,550	
Social Security		5,422	
Pensions		6,394	
Medical Insurance		16,359	
Unemployment Compensation		46	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	1,268	
Data Processing Services		18,200	
Lease Payments		363	
Legal Notices, Recording, and Court Costs		2,019	
Printing, Stationery, and Forms		933	
Office Supplies		1,561	
Liability Insurance		3,215	
In Service/Staff Development		1,244	
Other Charges		1,660	
Data Processing Equipment		1,441	
Office Equipment		850	
Total Election Commission			\$ 164,481

Register of Deeds

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		22,712	
Social Security		6,027	
Pensions		6,262	
Medical Insurance		13,124	
Unemployment Compensation		60	
Employer Medicare		1,410	
Data Processing Services		8,090	
Dues and Memberships		587	
Lease Payments		964	
Printing, Stationery, and Forms		5,881	
Office Supplies		1,490	
Total Register of Deeds			144,889

County Buildings

Custodial Personnel	\$	9,357	
Social Security		535	
Pensions		226	
Medical Insurance		3,597	
Unemployment Compensation		39	
Employer Medicare		125	
Maintenance Agreements		2,616	
Maintenance and Repair Services - Buildings		35,989	
Custodial Supplies		10,895	
Electricity		35,273	
Natural Gas		3,074	
Water and Sewer		7,679	
Other Charges		955	
Building Improvements		876	
Data Processing Equipment		15,108	
Furniture and Fixtures		5,412	
Total County Buildings			131,756

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	75,032	
Data Processing Personnel		63,184	
Social Security		7,639	
Pensions		8,293	
Medical Insurance		24,167	
Unemployment Compensation		126	
Employer Medicare		1,787	
Data Processing Services		17,845	
Lease Payments		1,430	
Printing, Stationery, and Forms		5,397	
Office Supplies		992	
Office Equipment		1,729	
Total Accounting and Budgeting			\$ 207,621

Purchasing

County Official/Administrative Officer	\$	43,489	
Social Security		2,523	
Pensions		2,609	
Medical Insurance		7,685	
Unemployment Compensation		42	
Employer Medicare		590	
Advertising		189	
Dues and Memberships		514	
Other Contracted Services		900	
Office Supplies		3,065	
Data Processing Equipment		1,171	
Office Equipment		215	
Total Purchasing			62,992

Property Assessor's Office

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		25,664	
Social Security		5,905	
Pensions		6,237	
Medical Insurance		16,013	
Unemployment Compensation		42	
Employer Medicare		1,381	
Advertising		52	
Data Processing Services		6,500	
Lease Payments		526	
Postal Charges		116	
Printing, Stationery, and Forms		280	
Office Supplies		142	
Total Property Assessor's Office			141,140

Reappraisal Program

Clerical Personnel	\$	25,778	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Salaries and Wages	\$	25,064	
Social Security		2,839	
Pensions		3,237	
Medical Insurance		14,379	
Unemployment Compensation		97	
Employer Medicare		664	
Contracts with Government Agencies		2,746	
Data Processing Services		4,966	
Other Contracted Services		3,434	
Total Reappraisal Program			\$ 83,204

County Trustee's Office

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		31,333	
Other Salaries and Wages		11,185	
Social Security		6,810	
Pensions		7,840	
Medical Insurance		14,918	
Unemployment Compensation		94	
Employer Medicare		1,593	
Advertising		300	
Data Processing Services		11,580	
Dues and Memberships		587	
Lease Payments		815	
Printing, Stationery, and Forms		1,053	
Other Contracted Services		3,455	
Office Supplies		585	
Office Equipment		386	
Total County Trustee's Office			170,816

County Clerk's Office

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		31,926	
Other Salaries and Wages		61,711	
Social Security		9,634	
Pensions		9,085	
Medical Insurance		26,432	
Unemployment Compensation		235	
Employer Medicare		2,253	
Data Processing Services		19,011	
Dues and Memberships		587	
Lease Payments		652	
Printing, Stationery, and Forms		2,780	
Office Supplies		1,269	
Data Processing Equipment		2,530	
Office Equipment		506	
Total County Clerk's Office			246,893

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	78,282	
Other Salaries and Wages		128,131	
Jury and Witness Expense		28,131	
Social Security		12,066	
Pensions		13,309	
Medical Insurance		37,057	
Unemployment Compensation		196	
Employer Medicare		2,865	
Advertising		780	
Data Processing Services		22,157	
Dues and Memberships		587	
Lease Payments		1,227	
Printing, Stationery, and Forms		584	
Office Supplies		4,639	
Other Supplies and Materials		14,380	
Other Charges		15	
Data Processing Equipment		17,920	
Office Equipment		3,886	
Total Circuit Court			\$ 366,212

General Sessions Court

Judge(s)	\$	99,360	
Social Security		6,058	
Pensions		5,962	
Medical Insurance		6,621	
Employer Medicare		1,417	
Contracts with Private Agencies		1,900	
Data Processing Services		5,324	
Dues and Memberships		425	
Lease Payments		450	
Printing, Stationery, and Forms		11,782	
Office Supplies		374	
Total General Sessions Court			139,673

Chancery Court

County Official/Administrative Officer	\$	78,282	
Deputy(ies)		28,475	
Social Security		6,334	
Pensions		6,430	
Medical Insurance		11,369	
Unemployment Compensation		42	
Employer Medicare		1,481	
Data Processing Services		16,861	
Dues and Memberships		587	
Lease Payments		815	
Printing, Stationery, and Forms		1,762	
Office Supplies		1,628	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Data Processing Equipment	\$ 15,631	
Office Equipment	1,002	
Total Chancery Court	\$ 170,699	

Juvenile Court

Youth Service Officer(s)	\$ 37,648	
Social Workers	29,640	
Secretary(ies)	8,172	
Social Security	3,904	
Pensions	5,577	
Medical Insurance	16,679	
Unemployment Compensation	98	
Employer Medicare	913	
Contracts with Private Agencies	36,658	
Data Processing Services	386	
Lease Payments	821	
Travel	4,890	
Office Supplies	27	
Workers' Compensation Insurance	1,255	
Other Charges	12,219	
Total Juvenile Court	158,887	

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 86,110
Deputy(ies)	487,541
Investigator(s)	126,328
Guards	66,731
Secretary(ies)	74,440
Clerical Personnel	123,623
Overtime Pay	94,787
Other Salaries and Wages	34,924
Board and Committee Members Fees	21,796
Social Security	64,916
Pensions	73,766
Medical Insurance	118,529
Unemployment Compensation	1,394
Employer Medicare	15,408
Communication	39,701
Data Processing Services	5,780
Dues and Memberships	1,500
Lease Payments	1,017
Maintenance and Repair Services - Vehicles	218,154
Postal Charges	930
Printing, Stationery, and Forms	1,552
Travel	263
Other Contracted Services	12,465

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Supplies	\$	2,178	
Office Supplies		2,025	
Uniforms		4,295	
Software		56,199	
Other Supplies and Materials		6,182	
In Service/Staff Development		13,317	
Other Charges		2,211	
Data Processing Equipment		30,207	
Land		120,000	
Law Enforcement Equipment		78,023	
Office Equipment		125	
Total Sheriff's Department			\$ 1,986,417

Administration of the Sexual Offender Registry

Criminal Investigation of Applicants - TBI	\$	1,000	
Total Administration of the Sexual Offender Registry			1,000

Jail

Guards	\$	328,129	
Maintenance Personnel		39,469	
Part-time Personnel		17,993	
Overtime Pay		72,064	
Social Security		27,492	
Pensions		21,966	
Medical Insurance		52,448	
Unemployment Compensation		933	
Employer Medicare		6,386	
Lease Payments		795	
Maintenance and Repair Services - Buildings		73,993	
Medical and Dental Services		273,892	
Custodial Supplies		14,167	
Electricity		53,144	
Food Supplies		154,060	
Natural Gas		16,819	
Office Supplies		1,601	
Water and Sewer		31,268	
Other Supplies and Materials		11,772	
In Service/Staff Development		811	
Data Processing Equipment		1,401	
Food Service Equipment		3,379	
Office Equipment		1,684	
Other Equipment		3,198	
Other Construction		2,800	
Total Jail			1,211,664

Juvenile Services

School Resource Officer	\$	175,091	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Social Security	\$	10,362	
Pensions		14,815	
Medical Insurance		25,140	
Unemployment Compensation		286	
Employer Medicare		2,423	
Workers' Compensation Insurance		9,044	
In Service/Staff Development		16,935	
Total Juvenile Services			\$ 254,096

Commissary

Food Supplies	\$	14,081	
Other Supplies and Materials		3,750	
Total Commissary			17,831

Fire Prevention and Control

Contracts with Other Public Agencies	\$	1,000	
Contributions		148,350	
Liability Insurance		9,600	
Other Equipment		80,862	
Total Fire Prevention and Control			239,812

Civil Defense

Supervisor/Director	\$	43,427	
Secretary(ies)		13,879	
Social Security		3,330	
Pensions		3,440	
Medical Insurance		10,776	
Unemployment Compensation		63	
Employer Medicare		779	
Communication		500	
Dues and Memberships		110	
Lease Payments		881	
Maintenance Agreements		6,500	
Maintenance and Repair Services - Vehicles		2,448	
Office Supplies		27	
Uniforms		517	
Other Supplies and Materials		682	
In Service/Staff Development		490	
Total Civil Defense			87,849

Other Emergency Management

Contracts with Other Public Agencies	\$	95,000	
Total Other Emergency Management			95,000

Inspection and Regulation

Secretary(ies)	\$	13,814	
Social Security		797	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Pensions	\$	829	
Medical Insurance		3,711	
Unemployment Compensation		21	
Employer Medicare		186	
Lease Payments		286	
Medical and Dental Services		2,060	
Office Supplies		8	
Total Inspection and Regulation			\$ 21,712

County Coroner/Medical Examiner

Medical Personnel	\$	5,300	
Social Security		329	
Employer Medicare		77	
Ambulance Services		298	
Drugs and Medical Supplies		1,336	
Other Equipment		24,464	
Total County Coroner/Medical Examiner			31,804

Other Public Safety

Consultants	\$	3,244	
Contracts with Other Public Agencies		21,903	
Printing, Stationery, and Forms		27	
Instructional Supplies and Materials		2,703	
Office Supplies		266	
Software		12,980	
In Service/Staff Development		1,268	
Other Equipment		1,914	
Total Other Public Safety			44,305

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	20,405	
Other Salaries and Wages		100,375	
Social Security		5,892	
Pensions		6,846	
Medical Insurance		19,262	
Unemployment Compensation		126	
Employer Medicare		1,378	
Other Fringe Benefits		10,929	
Communication		1,767	
Contracts with Other Public Agencies		36,981	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		4,158	
Pest Control		727	
Postal Charges		1,508	
Travel		859	
Custodial Supplies		2,916	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Drugs and Medical Supplies	\$	8	
Electricity		14,932	
Office Supplies		1,574	
Water and Sewer		928	
Workers' Compensation Insurance		663	
Total Local Health Center			\$ 232,434

Rabies and Animal Control

Contracts with Other Public Agencies	\$	600	
Total Rabies and Animal Control			600

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$	5,939	
Instructional Supplies and Materials		416	
Total Alcohol and Drug Programs			6,355

Appropriation to State

Contracts with Other Public Agencies	\$	35,298	
Total Appropriation to State			35,298

Other Public Health and Welfare

Other Supplies and Materials	\$	5,255	
Total Other Public Health and Welfare			5,255

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	34,486	
Bus Drivers		26,471	
Part-time Personnel		9,336	
Other Salaries and Wages		19,228	
Social Security		4,945	
Pensions		4,764	
Life Insurance		16	
Medical Insurance		21,263	
Unemployment Compensation		239	
Employer Medicare		1,196	
Other Fringe Benefits		135	
Communication		2,461	
Data Processing Services		3,400	
Lease Payments		225	
Travel		606	
Electricity		4,609	
Gasoline		3,257	
Natural Gas		2,443	
Office Supplies		1,622	
Water and Sewer		677	
Workers' Compensation Insurance		851	
Other Charges		2,524	
Total Senior Citizens Assistance			144,754

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contracts with Other Public Agencies	\$	25,000	
Contributions		1,500	
Total Other Social, Cultural, and Recreational			\$ 26,500

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	2,804	
Contracts with Other Public Agencies		98,468	
Dues and Memberships		310	
Lease Payments		707	
Other Contracted Services		460	
Office Supplies		1	
Office Equipment		979	
Total Agricultural Extension Service			103,729

Soil Conservation

Secretary(ies)	\$	19,430	
Other Salaries and Wages		10,260	
Social Security		1,590	
Pensions		1,781	
Medical Insurance		10,244	
Unemployment Compensation		81	
Employer Medicare		372	
Total Soil Conservation			43,758

Other Operations

Tourism

Contributions	\$	15,000	
Dues and Memberships		550	
Other Charges		5,850	
Total Tourism			21,400

Airport

Communication	\$	2,075	
Maintenance and Repair Services - Buildings		15,508	
Electricity		1,198	
Liability Insurance		1,250	
Airport Improvement		67,714	
Total Airport			87,745

Veterans' Services

Secretary(ies)	\$	13,814	
Other Salaries and Wages		10,660	
Social Security		1,458	
Pensions		829	
Medical Insurance		3,711	
Unemployment Compensation		64	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Employer Medicare	\$	341	
Data Processing Services		449	
Lease Payments		286	
Office Supplies		8	
Total Veterans' Services			\$ 31,620

Other Charges

Maintenance and Repair Services - Equipment	\$	4,652	
Diesel Fuel		322,975	
Electricity		285	
Gasoline		92,640	
Trustee's Commission		96,542	
Workers' Compensation Insurance		80,702	
Total Other Charges			597,796

Contributions to Other Agencies

Contributions	\$	15,000	
Total Contributions to Other Agencies			15,000

Employee Benefits

Handling Charges and Administrative Costs	\$	564	
Life Insurance		1,933	
Medical Insurance		18,287	
Other Fringe Benefits		10,605	
Total Employee Benefits			31,389

COVID-19 Grant #3

Airport Improvement	\$	6,910	
Total COVID-19 Grant #3			6,910

Miscellaneous

Advertising	\$	1,582	
Audit Services		7,359	
Bank Charges		510	
Communication		35,569	
Contributions		1,000	
Dues and Memberships		7,776	
Engineering Services		1,856	
Legal Notices, Recording, and Court Costs		884	
Maintenance and Repair Services - Buildings		4,482	
Maintenance and Repair Services - Vehicles		554	
Pauper Burials		1,800	
Postal Charges		32,482	
Printing, Stationery, and Forms		777	
Travel		156	
Duplicating Supplies		7,717	
Electricity		1,566	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Gasoline	\$	4,998	
Liability Insurance		138,865	
Premiums on Corporate Surety Bonds		3,750	
In Service/Staff Development		9,204	
Other Charges		2,958	
Total Miscellaneous			\$ 265,845

Highways

Litter and Trash Collection

Part-time Personnel	\$	1,588	
Other Salaries and Wages		24,731	
Social Security		1,383	
Pensions		1,484	
Medical Insurance		6,353	
Unemployment Compensation		52	
Employer Medicare		323	
Communication		1,552	
Maintenance and Repair Services - Vehicles		1,346	
Other Contracted Services		7,222	
Other Supplies and Materials		2,906	
Workers' Compensation Insurance		2,696	
Other Charges		2,304	
Total Litter and Trash Collection			53,940

Capital Projects

General Administration Projects

Other Charges	\$	364	
Total General Administration Projects			364

Total General Fund \$ 8,136,116

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Custodial Personnel	\$	480	
Other Salaries and Wages		44,651	
Social Security		2,670	
Pensions		1,452	
Life Insurance		21	
Medical Insurance		6,621	
Unemployment Compensation		134	
Employer Medicare		624	
Retirement - Hybrid Stabilization		14	
Other Fringe Benefits		180	
Communication		5,193	
Data Processing Services		4,206	
Dues and Memberships		270	

(Continued)

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Lease Payments	\$	721	
Maintenance and Repair Services - Buildings		1,363	
Postal Charges		302	
Other Contracted Services		400	
Electricity		5,224	
Library Books/Media		2,956	
Office Supplies		1,550	
Periodicals		333	
Water and Sewer		580	
Software		116	
Other Supplies and Materials		951	
Trustee's Commission		821	
Workers' Compensation Insurance		258	
Data Processing Equipment		795	
Regular Instruction Equipment		3,284	
Total Libraries			\$ 86,170

Capital Projects

Social, Cultural, and Recreation Projects

Library Books/Media	\$	9,859	
Regular Instruction Equipment		9,518	
Total Social, Cultural, and Recreation Projects			19,377

Total Public Library Fund \$ 105,547

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	10,772	
Equipment Operators		75,157	
Overtime Pay		7,925	
Other Salaries and Wages		3,106	
Social Security		5,712	
Pensions		5,532	
Life Insurance		53	
Medical Insurance		19,362	
Unemployment Compensation		163	
Employer Medicare		1,336	
Retirement - Hybrid Stabilization		50	
Other Fringe Benefits		90	
Architects		3,375	
Communication		2,054	
Data Processing Services		1,285	
Freight Expenses		239,716	
Lease Payments		282	
Maintenance and Repair Services - Buildings		5,976	
Maintenance and Repair Services - Equipment		17,363	

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Medical and Dental Services	\$	100	
Printing, Stationery, and Forms		164	
Disposal Fees		198,070	
Other Contracted Services		38,721	
Custodial Supplies		946	
Diesel Fuel		6,182	
Electricity		2,020	
Gasoline		2,219	
Office Supplies		1,632	
Uniforms		4,172	
Water and Sewer		837	
Other Supplies and Materials		2,183	
Liability Insurance		9,973	
Trustee's Commission		5,830	
Workers' Compensation Insurance		6,825	
Other Charges		3,000	
Total Sanitation Management			<u>\$ 682,183</u>

Total Solid Waste/Sanitation Fund \$ 682,183

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	5,000	
Veterinary Services		1,145	
Trustee's Commission		301	
In Service/Staff Development		20,186	
Law Enforcement Equipment		68,162	
Total Drug Enforcement			<u>\$ 94,794</u>

Total Drug Control Fund 94,794

Other General Government Special Revenue Fund

Capital Projects

General Administration Projects

Bonus Payments	\$	111,499	
Social Security		6,727	
Pensions		4,968	
Unemployment Compensation		57	
Employer Medicare		1,617	
Total General Administration Projects			<u>\$ 124,868</u>

Public Health and Welfare Projects

Medical and Dental Services	\$	75,000	
Total Public Health and Welfare Projects			<u>75,000</u>

Total Other General Government Special Revenue Fund 199,868

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses \$ 69
 Total County Clerk's Office \$ 69

Total Constitutional Officers - Fees Fund

\$ 69

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer \$ 86,110
 Supervisor/Director 36,097
 Clerical Personnel 40,029
 Overtime Pay 3,245
 Other Salaries and Wages 26,372
 Social Security 11,067
 Pensions 11,847
 Medical Insurance 34,318
 Unemployment Compensation 643
 Employer Medicare 2,588
 Retirement - Hybrid Stabilization 450
 Data Processing Services 1,416
 Dues and Memberships 2,866
 Lease Payments 647
 Travel 8
 Office Supplies 1,776
 Office Equipment 865

Total Administration

\$ 260,344

Highway and Bridge Maintenance

Laborers \$ 684,140
 Overtime Pay 28,576
 Social Security 41,633
 Pensions 45,239
 Medical Insurance 123,879
 Unemployment Compensation 4,590
 Employer Medicare 9,737
 Retirement - Hybrid Stabilization 3,816
 Other Contracted Services 27,468
 Asphalt - Liquid 289,083
 Crushed Stone 270,679
 Pipe 79,270
 Road Signs 9,155

Total Highway and Bridge Maintenance

1,617,265

Operation and Maintenance of Equipment

Laundry Service \$ 2,742
 Diesel Fuel 103,390
 Equipment and Machinery Parts 113,897

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Garage Supplies	\$	14,950	
Gasoline		32,261	
Lubricants		9,351	
Tires and Tubes		23,543	
Total Operation and Maintenance of Equipment			\$ 300,134

Other Charges

Communication	\$	5,547	
Medical and Dental Services		1,685	
Electricity		8,137	
Water and Sewer		437	
Liability Insurance		35,707	
Trustee's Commission		22,270	
Other Charges		4,557	
Total Other Charges			78,340

Employee Benefits

Life Insurance	\$	496	
Other Fringe Benefits		2,940	
Workers' Compensation Insurance		69,954	
Total Employee Benefits			73,390

Capital Outlay

Highway Equipment	\$	11,660	
Right-of-Way		2,000	
State Aid Projects		76,609	
Total Capital Outlay			90,269

Principal on Debt

Highways and Streets

Principal on Other Loans	\$	28,871	
Total Highways and Streets			28,871

Interest on Debt

Highways and Streets

Interest on Other Loans	\$	2,907	
Total Highways and Streets			2,907

Total Highway/Public Works Fund \$ 2,451,520

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	268,000	
Total General Government			\$ 268,000

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 628,000	
Total Education		\$ 628,000

Interest on Debt

General Government

Interest on Bonds	\$ 70,575	
Total General Government		70,575

Education

Interest on Bonds	\$ 45,240	
Total Education		45,240

Other Debt Service

General Government

Trustee's Commission	\$ 15,211	
Other Debt Issuance Charges	48,782	
Total General Government		<u>63,993</u>

Total General Debt Service Fund \$ 1,075,808

General Capital Projects Fund

Capital Projects

General Administration Projects

Internet Connectivity	\$ 10,000	
Trustee's Commission	6,172	
Law Enforcement Equipment	49,281	
Total General Administration Projects		\$ 65,453

Public Safety Projects

Communication Equipment	\$ 419	
Total Public Safety Projects		419

Social, Cultural, and Recreation Projects

Other Supplies and Materials	\$ 347	
Building Improvements	6,004	
Total Social, Cultural, and Recreation Projects		6,351

Agriculture and Natural Resources Projects

Architects	\$ 500	
Total Agriculture and Natural Resources Projects		500

Other General Government Projects

Building Improvements	\$ 46,817	
Total Other General Government Projects		46,817

Highway and Street Capital Projects

Bridge Construction	\$ 7,697	
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(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects (Cont.)

Right-of-Way	\$ 2,000	
State Aid Projects	642,712	
Total Highway and Street Capital Projects		\$ 652,409

Capital Projects - Donated

Capital Projects Donated to School Department

Transportation Equipment	\$ 170,912	
Total Capital Projects Donated to School Department		170,912

Total General Capital Projects Fund \$ 942,861

Community Development/Industrial Park Fund

Capital Projects

General Administration Projects

Maintenance and Repair Services - Buildings	\$ 9,303	
Remittance of Revenue Collected	4,900	
Electricity	4,402	
Water and Sewer	1,546	
Trustee's Commission	224	
Other Charges	8,486	
Total General Administration Projects		\$ 28,861

Other General Government Projects

Architects	\$ 6,000	
Total Other General Government Projects		6,000

Total Community Development/Industrial Park Fund 34,861

Other Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Other Charges	\$ 2,627	
Total Social, Cultural, and Recreation Projects		\$ 2,627

Total Other Capital Projects Fund 2,627

Total Governmental Funds - Primary Government \$ 13,726,254

Exhibit J-9

Johnson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Johnson County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	5,574,383	
Career Ladder Program		18,300	
Educational Assistants		143,570	
Other Salaries and Wages		27,657	
Non-certified Substitute Teachers		108,009	
Social Security		345,332	
Pensions		499,096	
Medical Insurance		992,201	
Unemployment Compensation		1,596	
Employer Medicare		80,981	
Evaluation and Testing		17,115	
Maintenance and Repair Services - Equipment		486	
Tuition		98,368	
Other Contracted Services		10,289,996	
Instructional Supplies and Materials		143,429	
Textbooks - Bound		63,542	
Other Supplies and Materials		26,486	
Other Charges		9,383	
Regular Instruction Equipment		14,001	
Total Regular Instruction Program			\$ 18,453,931

Alternative Instruction Program

Educational Assistants	\$	26,298	
Social Security		1,597	
Pensions		1,752	
Medical Insurance		6,539	
Unemployment Compensation		56	
Employer Medicare		374	
Other Charges		300	
Total Alternative Instruction Program			36,916

Special Education Program

Teachers	\$	585,447	
Career Ladder Program		2,000	
Educational Assistants		124,894	
Speech Pathologist		184,668	
Other Salaries and Wages		27,904	
Non-certified Substitute Teachers		21,605	
Social Security		56,474	
Pensions		74,937	
Medical Insurance		152,661	
Unemployment Compensation		1,047	
Employer Medicare		13,213	
Contracts with Private Agencies		72,681	
Other Contracted Services		774	
Instructional Supplies and Materials		11,197	
Total Special Education Program			1,329,502

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	561,007	
Career Ladder Program		1,000	
Clerical Personnel		17,659	
Other Salaries and Wages		89,799	
Non-certified Substitute Teachers		5,957	
Social Security		40,229	
Pensions		54,023	
Medical Insurance		113,125	
Unemployment Compensation		636	
Employer Medicare		9,412	
Lease Payments		3,541	
Maintenance and Repair Services - Equipment		1,819	
Other Contracted Services		4,821	
Instructional Supplies and Materials		17,074	
T&I Construction Materials		1,367	
Other Supplies and Materials		13,371	
Other Charges		3,034	
Vocational Instruction Equipment		5,540	
Total Career and Technical Education Program			\$ 943,414

Support Services

Attendance

Supervisor/Director	\$	76,445	
Social Security		4,687	
Pensions		7,874	
Medical Insurance		7,459	
Unemployment Compensation		34	
Employer Medicare		1,096	
Communication		479	
Travel		123	
Other Supplies and Materials		600	
In Service/Staff Development		2,134	
Other Charges		1,925	
Total Attendance			102,856

Health Services

Medical Personnel	\$	139,726	
Other Salaries and Wages		40,576	
Social Security		10,868	
Pensions		10,456	
Medical Insurance		45,438	
Unemployment Compensation		239	
Employer Medicare		2,542	
Travel		938	
Other Contracted Services		2,473	
Drugs and Medical Supplies		8,750	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Supplies and Materials	\$	10,409	
Workers' Compensation Insurance		1	
In Service/Staff Development		2,395	
Other Charges		3,193	
Other Equipment		1,542	
Total Health Services			\$ 279,546

Other Student Support

Career Ladder Program	\$	350	
Guidance Personnel		269,005	
Other Salaries and Wages		83,829	
Social Security		21,586	
Pensions		34,582	
Medical Insurance		52,726	
Unemployment Compensation		237	
Employer Medicare		5,048	
Contracts with Government Agencies		157,432	
Evaluation and Testing		13,934	
Travel		1,475	
Other Contracted Services		43,570	
Other Supplies and Materials		28,223	
In Service/Staff Development		276	
Other Charges		12,483	
Other Equipment		37,883	
Total Other Student Support			762,639

Regular Instruction Program

Supervisor/Director	\$	223,646	
Career Ladder Program		3,000	
Librarians		195,425	
Social Security		25,433	
Pensions		42,085	
Medical Insurance		52,183	
Unemployment Compensation		209	
Employer Medicare		5,948	
Travel		3,102	
Other Contracted Services		46,398	
Library Books/Media		24,000	
Periodicals		6,001	
Other Supplies and Materials		5,273	
In Service/Staff Development		17,923	
Other Charges		13,631	
Other Equipment		4,261	
Total Regular Instruction Program			668,518

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	58,492	
Psychological Personnel		61,116	
Secretary(ies)		15,452	
Other Salaries and Wages		70,668	
Social Security		12,356	
Pensions		14,597	
Medical Insurance		12,754	
Unemployment Compensation		264	
Employer Medicare		2,890	
Travel		2,424	
Other Contracted Services		1,898	
Other Supplies and Materials		11,805	
In Service/Staff Development		2,669	
Other Charges		381	
Total Special Education Program			\$ 267,766

Career and Technical Education Program

Supervisor/Director	\$	76,445	
Social Security		4,659	
Pensions		7,874	
Medical Insurance		7,442	
Unemployment Compensation		34	
Employer Medicare		1,090	
In Service/Staff Development		1,507	
Total Career and Technical Education Program			99,051

Technology

Supervisor/Director	\$	50,190	
Computer Programmer(s)		16,669	
Clerical Personnel		4,591	
Other Salaries and Wages		21,587	
Social Security		5,627	
Pensions		5,596	
Medical Insurance		22,743	
Unemployment Compensation		108	
Employer Medicare		1,316	
Travel		1,598	
Other Contracted Services		7,219	
Other Supplies and Materials		4,264	
Other Charges		1,128	
Data Processing Equipment		1,430	
Regular Instruction Equipment		1,020	
Other Equipment		18,011	
Total Technology			163,097

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$ 80,766	
Total Other Programs		\$ 80,766

Board of Education

Secretary to Board	\$ 1,160	
Other Salaries and Wages	1,780	
Board and Committee Members Fees	12,000	
Social Security	765	
Pensions	377	
Life Insurance	7,987	
Medical Insurance	473	
Unemployment Compensation	1	
Employer Medicare	214	
Other Fringe Benefits	14,883	
Audit Services	12,051	
Bank Charges	255	
Dues and Memberships	12,847	
Legal Services	12,422	
Travel	216	
Other Contracted Services	3,658	
Liability Insurance	196,370	
Trustee's Commission	95,559	
Workers' Compensation Insurance	115,891	
In Service/Staff Development	10,550	
Other Charges	5,075	
Regular Instruction Equipment	756	
Total Board of Education		505,290

Director of Schools

County Official/Administrative Officer	\$ 126,400	
Career Ladder Program	1,000	
Clerical Personnel	22,740	
Social Security	9,194	
Pensions	14,487	
Medical Insurance	14,918	
Unemployment Compensation	68	
Employer Medicare	2,150	
Communication	28,133	
Lease Payments	3,282	
Postal Charges	2,368	
Other Contracted Services	19,817	
Office Supplies	1,194	
In Service/Staff Development	8,874	
Other Charges	10,365	
Administration Equipment	289	
Total Director of Schools		265,279

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	444,722	
Career Ladder Program		4,000	
Accountants/Bookkeepers		3,000	
Assistant Principals		238,816	
Secretary(ies)		169,328	
Clerical Personnel		63	
Social Security		51,385	
Pensions		77,548	
Medical Insurance		129,565	
Unemployment Compensation		636	
Employer Medicare		12,022	
Communication		73,244	
Dues and Memberships		120	
Lease Payments		8,129	
Postal Charges		606	
Travel		67	
Other Contracted Services		4,953	
Office Supplies		939	
Other Supplies and Materials		115	
In Service/Staff Development		4,963	
Other Charges		99	
Administration Equipment		2,410	
Total Office of the Principal			\$ 1,226,730

Fiscal Services

Supervisor/Director	\$	37,755	
Accountants/Bookkeepers		33,364	
Social Security		4,097	
Pensions		4,267	
Medical Insurance		13,302	
Unemployment Compensation		53	
Employer Medicare		958	
Office Supplies		998	
In Service/Staff Development		1,562	
Other Charges		14	
Total Fiscal Services			96,370

Human Services/Personnel

Supervisor/Director	\$	12,585	
Clerical Personnel		34,187	
Social Security		2,552	
Pensions		2,806	
Medical Insurance		10,300	
Unemployment Compensation		38	
Employer Medicare		597	
Travel		63	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Office Supplies	\$	539	
In Service/Staff Development		1,285	
Other Charges		179	
Total Human Services/Personnel			\$ 65,131

Operation of Plant

Guards	\$	72,209	
Custodial Personnel		388,510	
Other Salaries and Wages		7,361	
Social Security		27,578	
Pensions		27,577	
Medical Insurance		133,368	
Unemployment Compensation		887	
Employer Medicare		6,591	
Other Contracted Services		105,907	
Custodial Supplies		54,220	
Electricity		532,236	
Natural Gas		103,889	
Water and Sewer		48,884	
Other Supplies and Materials		6,720	
In Service/Staff Development		9	
Other Charges		228	
Food Service Equipment		3,333	
Plant Operation Equipment		26,313	
Total Operation of Plant			1,545,820

Maintenance of Plant

Maintenance Personnel	\$	170,669	
Social Security		10,232	
Pensions		11,174	
Medical Insurance		34,603	
Unemployment Compensation		156	
Employer Medicare		2,393	
Maintenance and Repair Services - Buildings		8,145	
Other Contracted Services		8,237	
General Construction Materials		575	
Other Supplies and Materials		140,639	
In Service/Staff Development		2,891	
Other Charges		1,093	
Maintenance Equipment		10,174	
Total Maintenance of Plant			400,981

Transportation

Supervisor/Director	\$	2,400	
Mechanic(s)		80,052	
Bus Drivers		287,197	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Clerical Personnel	\$	26,074	
Social Security		23,410	
Pensions		23,781	
Medical Insurance		129,236	
Unemployment Compensation		856	
Employer Medicare		5,475	
Communication		2,753	
Medical and Dental Services		2,439	
Travel		36	
Other Contracted Services		4,189	
Diesel Fuel		140,892	
Equipment and Machinery Parts		2,353	
Garage Supplies		3,595	
Gasoline		18,590	
Lubricants		9,431	
Tires and Tubes		30,464	
Vehicle Parts		58,017	
Other Supplies and Materials		1,451	
In Service/Staff Development		3,949	
Other Charges		10,461	
Transportation Equipment		14,624	
Total Transportation			\$ 881,725

Central and Other

Clerical Personnel	\$	12,141	
Social Security		735	
Pensions		729	
Medical Insurance		3,277	
Unemployment Compensation		12	
Employer Medicare		172	
Travel		244	
Other Contracted Services		404	
Data Processing Supplies		649	
Other Supplies and Materials		1,550	
In Service/Staff Development		2,526	
Total Central and Other			22,439

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	54,480
Accountants/Bookkeepers		25,244
Other Salaries and Wages		687
Social Security		4,544
Pensions		6,879
Medical Insurance		15,827
Unemployment Compensation		91

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$	1,063	
Travel		1,373	
Other Supplies and Materials		85	
In Service/Staff Development		2,078	
Total Food Service			\$ 112,351

Community Services

Educational Assistants	\$	2,000	
Other Salaries and Wages		60,690	
Social Security		3,822	
Pensions		3,511	
Medical Insurance		9,014	
Unemployment Compensation		115	
Employer Medicare		894	
Food Supplies		1,787	
Other Charges		1,161	
Total Community Services			82,994

Early Childhood Education

Supervisor/Director	\$	12,647	
Teachers		88,437	
Educational Assistants		28,753	
Other Salaries and Wages		438	
Social Security		7,930	
Pensions		10,517	
Medical Insurance		30,702	
Unemployment Compensation		146	
Employer Medicare		1,855	
Instructional Supplies and Materials		7,199	
In Service/Staff Development		949	
Other Charges		21,314	
Total Early Childhood Education			210,887

Capital Outlay

Regular Capital Outlay

Transportation Equipment	\$	19,893	
Other Capital Outlay		132,697	
Total Regular Capital Outlay			152,590

Other Debt Service

Education

Other Debt Service	\$	264,154	
Total Education			264,154

Total General Purpose School Fund \$ 29,020,743

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	452,230	
Educational Assistants		136,285	
Other Salaries and Wages		74,920	
Non-certified Substitute Teachers		12,403	
Social Security		36,432	
Pensions		41,441	
Medical Insurance		77,726	
Unemployment Compensation		659	
Employer Medicare		8,520	
Other Fringe Benefits		3,145	
Instructional Supplies and Materials		237,812	
Software		99,954	
Other Supplies and Materials		17,264	
Other Charges		33,633	
Regular Instruction Equipment		56,341	
Total Regular Instruction Program			\$ 1,288,765

Alternative Instruction Program

Other Fringe Benefits	\$	19	
Total Alternative Instruction Program			19

Special Education Program

Teachers	\$	114,448	
Educational Assistants		65,605	
Speech Pathologist		30,000	
Other Salaries and Wages		65,484	
Non-certified Substitute Teachers		4,556	
Social Security		16,427	
Pensions		19,353	
Medical Insurance		36,797	
Unemployment Compensation		462	
Employer Medicare		3,842	
Other Fringe Benefits		1,334	
Instructional Supplies and Materials		29,287	
Other Charges		799	
Special Education Equipment		37,964	
Total Special Education Program			426,358

Career and Technical Education Program

Vocational Instruction Equipment	\$	45,393	
Total Career and Technical Education Program			45,393

Support Services

Attendance

Other Salaries and Wages	\$	66,840	
Social Security		3,836	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Pensions	\$	6,885	
Medical Insurance		8,314	
Unemployment Compensation		22	
Employer Medicare		897	
Other Fringe Benefits		16	
Total Attendance			\$ 86,810

Health Services

Medical Personnel	\$	100,773	
Other Salaries and Wages		18,261	
Social Security		7,227	
Pensions		6,124	
Medical Insurance		22,378	
Unemployment Compensation		255	
Employer Medicare		1,690	
Other Fringe Benefits		1,032	
Drugs and Medical Supplies		17,909	
Health Equipment		14,304	
Total Health Services			189,953

Other Student Support

Other Salaries and Wages	\$	62,592	
Social Security		3,043	
Pensions		3,680	
Medical Insurance		7,459	
Unemployment Compensation		14	
Employer Medicare		712	
Other Fringe Benefits		269	
Travel		8,000	
Other Supplies and Materials		11,230	
In Service/Staff Development		7,109	
Other Charges		2,321	
Total Other Student Support			106,429

Regular Instruction Program

Supervisor/Director	\$	43,176	
Instructional Computer Personnel		16,669	
Secretary(ies)		8,242	
Clerical Personnel		16,000	
Other Salaries and Wages		77,896	
In-service Training		35,735	
Social Security		12,221	
Pensions		17,333	
Medical Insurance		7,948	
Unemployment Compensation		166	
Employer Medicare		2,858	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Fringe Benefits	\$	767	
Travel		1,107	
Other Contracted Services		39,589	
Other Supplies and Materials		5,389	
In Service/Staff Development		29,498	
Other Charges		4,204	
Other Equipment		3,602	
Total Regular Instruction Program			\$ 322,400

Special Education Program

Other Salaries and Wages	\$	30,160	
Social Security		1,869	
Pensions		2,229	
Medical Insurance		369	
Unemployment Compensation		93	
Employer Medicare		437	
Other Fringe Benefits		355	
Other Supplies and Materials		814	
In Service/Staff Development		858	
Total Special Education Program			37,184

Career and Technical Education Program

Other Fringe Benefits	\$	5	
Total Career and Technical Education Program			5

Technology

Other Salaries and Wages	\$	22,029	
Social Security		1,366	
Pensions		1,322	
Medical Insurance		7,369	
Unemployment Compensation		59	
Employer Medicare		319	
Other Fringe Benefits		118	
Internet Connectivity		11,575	
Software		15,621	
Other Supplies and Materials		29,900	
Other Equipment		382,591	
Total Technology			472,269

Office of the Principal

Other Fringe Benefits	\$	94	
Total Office of the Principal			94

Fiscal Services

Other Contracted Services	\$	13,072	
Total Fiscal Services			13,072

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	50,766	
Social Security		3,093	
Pensions		2,994	
Medical Insurance		15,080	
Unemployment Compensation		111	
Employer Medicare		723	
Other Fringe Benefits		2,334	
Other Supplies and Materials		2,095	
Total Operation of Plant			\$ 77,196

Maintenance of Plant

Other Fringe Benefits	\$	148	
Total Maintenance of Plant			148

Transportation

Bus Drivers	\$	40,902	
Other Salaries and Wages		30,697	
Social Security		3,929	
Pensions		4,943	
Medical Insurance		45,807	
Unemployment Compensation		243	
Employer Medicare		919	
Other Fringe Benefits		3,276	
Other Charges		1,715	
Total Transportation			132,431

Operation of Non-Instructional Services

Food Service

Other Fringe Benefits	\$	908	
Total Food Service			908

Community Services

Supervisor/Director	\$	15,600	
Teachers		208,399	
Clerical Personnel		11,100	
Educational Assistants		25,803	
Social Security		16,841	
Pensions		22,853	
Medical Insurance		4,767	
Unemployment Compensation		85	
Employer Medicare		3,978	
Other Fringe Benefits		1,402	
Food Supplies		1,518	
Instructional Supplies and Materials		3,987	
Other Supplies and Materials		3,001	
In Service/Staff Development		2,545	
Total Community Services			321,879

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	132,728	
Building Construction		5,600	
Plant Operation Equipment		38,100	
Other Capital Outlay		160,077	
Total Regular Capital Outlay			<u>\$ 336,505</u>

Total School Federal Projects Fund \$ 3,857,818

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	349,167	
In-service Training		800	
Social Security		20,332	
Pensions		20,776	
Medical Insurance		174,336	
Unemployment Compensation		904	
Employer Medicare		4,755	
Communication		892	
Maintenance and Repair Services - Equipment		27,992	
Transportation - Other than Students		3,978	
Travel		1,457	
Other Contracted Services		72,327	
Food Preparation Supplies		57,965	
Food Supplies		391,427	
Office Supplies		3,250	
Uniforms		2,765	
USDA - Commodities		108,961	
Other Supplies and Materials		714	
Workers' Compensation Insurance		11,691	
In Service/Staff Development		2,396	
Other Charges		5,702	
Food Service Equipment		5,499	
Total Food Service			<u>\$ 1,268,086</u>

Total Central Cafeteria Fund 1,268,086

Other Education Special Revenue Fund

Instruction

Regular Instruction Program

Teachers	\$	184,537	
Educational Assistants		63,892	
Other Salaries and Wages		23,712	
Non-certified Substitute Teachers		3,670	
Social Security		14,952	
Pensions		24,601	

(Continued)

Exhibit J-9

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

Other Education Special Revenue Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	71,692	
Unemployment Compensation		363	
Employer Medicare		3,500	
Other Fringe Benefits		2,471	
Instructional Supplies and Materials		8,680	
Other Charges		75,024	
Total Regular Instruction Program			\$ 477,094

Support Services

Attendance

Social Workers	\$	19,454	
Social Security		1,174	
Pensions		1,147	
Medical Insurance		7,459	
Unemployment Compensation		36	
Employer Medicare		274	
Other Fringe Benefits		187	
Lease Payments		622	
Travel		1,015	
Other Supplies and Materials		2,624	
Total Attendance			33,992

Health Services

Medical Personnel	\$	16,308	
Social Security		1,011	
Pensions		978	
Medical Insurance		1,848	
Unemployment Compensation		13	
Employer Medicare		236	
Other Fringe Benefits		603	
Drugs and Medical Supplies		2,890	
Total Health Services			23,887

Regular Instruction Program

Supervisor/Director	\$	56,588	
Social Security		3,368	
Pensions		5,829	
Medical Insurance		7,459	
Unemployment Compensation		29	
Employer Medicare		788	
Other Fringe Benefits		286	
Travel		110	
Other Supplies and Materials		936	
In Service/Staff Development		4,337	
Total Regular Instruction Program			79,730

Total Other Education Special Revenue Fund \$ 614,703

(Continued)

Exhibit J-9

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

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges

\$ 525,264

Total Community Services

\$ 525,264

Total Internal School Fund

\$ 525,264

Total Governmental Funds - Johnson County School Department

\$ 35,286,614

Exhibit J-10

Johnson County, Tennessee
Schedule of Detailed Additions, Deductions, and Changes
in Net Position - City Custodial Fund
For the Year Ended June 30, 2022

	Cities - Sales Tax Fund
<hr/>	
<u>Additions</u>	
Local Option Sales Tax	\$ 715,850
Total Additions	<u>\$ 715,850</u>
 <u>Deductions</u>	
Remittance of Revenues Collected	\$ 708,692
Trustee's Commissions	7,158
Total Deductions	<u>\$ 715,850</u>
 Excess of Additions Over (Under) Deductions	 \$ 0
Net Position, July 1, 2021	<u>0</u>
 Net Position, June 30, 2022	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 3, 2022. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Johnson County School Department, as described in our report on Johnson County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Johnson County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson County's internal control.

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2022-001(A-D) and 2022-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2022-001(E) and 2022-002.

Johnson County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Johnson County's responses to the findings identified in our audit, which are described in the accompanying Schedule of Findings and Questioned Costs. Johnson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2022

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Johnson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Johnson County's major federal programs for the year ended June 30, 2022. Johnson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Johnson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Johnson County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Johnson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements. We issued our report thereon dated November 3, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 3, 2022

JEM/tg

Johnson County, Tennessee, and the Johnson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (9)
For the Year-Ended June 30, 2022

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Direct Award:				
Forest Service Schools and Roads Cluster: (4) Schools and Roads - Grants to States	10.665	N/A	\$ 0	\$ 80,275
Community Facilities Loans and Grants Cluster: (4) Community Facilities Loans and Grants	10.766	N/A	0	543
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	0	357,364
National School Lunch Program	10.555	N/A	0	795,424 (5)
National School Lunch Program (School Programs Emergency Operational Costs Reimbursement Program)	10.555	N/A	0	3,274 (5)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	0	3,063
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	108,961 (5)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70508-00	0	9,724 (7)
Total U.S. Department of Agriculture				<u>\$ 1,358,628</u>
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	(3)	0	\$ 309,112 (6)
Total U.S. Department of Defense				<u>\$ 309,112</u>
U.S. Department of the Interior:				
Direct Award:				
Payments in-Lieu-of Taxes	15.226	N/A	0	\$ 80,012
Total U.S. Department of the Interior				<u>\$ 80,012</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	(3)	0	\$ 4,260
Total U.S. Department of Transportation				<u>\$ 4,260</u>
U.S. Department of Treasury:				
Direct Award:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	75,000	\$ 199,868
Passed-through State Department of Finance and Administration:				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	0	1,451 (5)
Passed-through State Department of Tourism:				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	0	6,910 (5)
Passed-through State Department of Education:				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	0	8,243 (5)
Total U.S. Department of Treasury				<u>\$ 216,472</u>
Appalachian Regional Commission:				
Passed-through Governor's Books from Birth Foundation:				
Appalachian Regional Development	23.001	N/A	0	\$ 308
Total Appalachian Regional Commission				<u>\$ 308</u>
U.S. Institute of Museums and Library Services:				
Passed-through Department of State, Tennessee State Library and Archives:				
Grants to States	45.310	(3)	0	\$ 2,567 (5)
COVID 19 - Grants to States	45.310	(3)	0	19,172 (5)
Total U.S. Institute of Museums and Library Services				<u>\$ 21,739</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	0	\$ 854,074
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	0	456,651 (5)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	0	35,977 (5)
Special Education - Preschool Grants	84.173	N/A	0	36,795
Career and Technical Education - Basic Grants to States	84.048	N/A	0	60,502

(Continued)

Johnson County, Tennessee, and the Johnson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (9) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Education (Cont.):				
Passed-through State Department of Education (Cont.):				
Twenty-First Century Community Learning Centers	84.287	(3)	\$ 0	\$ 212,565
Rural Education	84.358	N/A	0	64,365
Improving Teacher Quality State Grants	84.367	N/A	0	106,235
Student Support and Academic Enrichment Program	84.424	N/A	0	28,330
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Early Literacy Network)	84.425D	N/A	0	39,589 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Support (ESSER ARP)	84.425D	N/A	0	13,072 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	0	100,037 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	1,118,150 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	404,902 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth - (ESSER ARP)	84.425W	N/A	0	5,630 (5)
Passed-through State Higher Education Commission:				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(3)	0	125,060
Total U.S. Department of Education				<u>\$ 3,661,934</u>
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Injury Prevention and Control Research and State and Community Based Programs				
Family Planning Services	93.136	GG-22-70508-00	0	\$ 1,106 (7)
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases ARP)	93.217	GG-22-70508-00	0	3,341 (7)
Medicaid Cluster: (4)	93.323	(3)	0	150,830
Medical Assistance Program	93.778	GG-22-70508-00	0	9,429 (7)
HIV Prevention Activities - Health Department Based	93.940	GG-22-70508-00	0	17,917 (7)
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70508-00	0	12,604 (7)
Passed-through State Department of Education:				
Temporary Assistance for Needy Families	93.558	(3)	0	116,872
Passed-through Upper East Tennessee Human Development Agency:				
Head Start Cluster: (4)				
Head Start	93.600	(3)	0	614,703
Total U.S. Department of Health and Human Services				<u>\$ 926,802</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	52021-22217	0	\$ 27,169
Total U.S. Department of Homeland Security				<u>\$ 27,169</u>
Total Expenditures of Federal Awards				<u>\$ 6,606,436</u>

<u>State Grants</u>		<u>Contract Number</u>		
Juvenile Service Program - State Commission on Children and Youth	N/A	(3)	\$	4,500
Safe Baby - State Commission on Children and Youth	N/A	(3)		69,883
Airport Maintenance - State Department of Transportation	N/A	AERM-46-0424-19		76,927
State Bridge Program - State Department of Transportation	N/A	(3)		509,967
Aging Program - First Tennessee Development District	N/A	(3)		42,501
State Aid Program - State Department of Transportation	N/A	(3)		80,341
Local Health Center - State Department of Health	N/A	GG-22-70508-00		67,571 (7)
State Direct Appropriation Grant FY 2021 - Department of Finance and Administration	N/A	(3)		331,399
Litter Program - State Department of Transportation	N/A	(3)		44,200
Supporting Postsecondary Access in Rural Communities Grant - State Higher Education Commission	N/A	(3)		124,703
Help America Vote Act - Secretary of State	N/A	(3)		2,220
Local Parks and Recreation Grant - State Department of Economic and Community Development	N/A	(3)		2,627
Library Technology Grant - State Department of Secretary of State	N/A	(3)		1,577
Safe Resource Officer - State Department of Education	N/A	(3)		171,957
Family Resource Center Grant - State Department of Education	N/A	(3)		29,501
Safe Schools Act - State Department of Education	N/A	(3)		45,106
Tourism Development Grant - State Department of Tourist Development	N/A	(3)		300

(Continued)

Johnson County, Tennessee, and the Johnson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (9) (Cont.)

<u>State Grants (Cont.)</u>		<u>Contract Number</u>	<u>Expenditures</u>
Lottery for Education After School Program - State Department of Education	N/A	(3)	\$ 114,446
Summer Learning Camps - State Department of Education	N/A	(3)	188,069
Coordinated School Health - State Department of Education	N/A	(3)	92,567
Early Childhood Development - State Department of Education	N/A	(3)	<u>203,585</u>
Total State Grants			<u>\$ 2,203,947</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Johnson County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Forest Service Schools and Roads Cluster total \$80,275; Community Facilities Loans and Grants Cluster total \$543; Child Nutrition Cluster total \$1,265,023; Special Education Cluster total \$529,423; Medicaid Cluster total \$9,429; Head Start Cluster total \$614,703.
(5) Total for FAL No. 10.555, \$907,659; FAL No. 21.019, \$16,604; FAL No. 45.310, \$21,739; Total FAL No. 84.027, \$492,628; Total FAL No. 84.425, \$1,681,380.
(6) During the year ended June 30, 2022, Johnson County received excess military equipment from the U.S. Department of Defense valued at \$309,112.
(7) Total for federal GG-22-70508-00 is \$54,121. Total state and federal is \$121,692.
(8) SUBRECIPIENTS

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Provided to Subrecipient</u>	<u>Subrecipient</u>
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	\$75,000	Johnson County Emergency and Rescue Squad, Inc.

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Provided to Consolidated Administration</u>
(9) CONSOLIDATED ADMINISTRATION		
The following amounts were consolidated for administration purposes:		
Title I Grants to Local Educational Agencies	84.010	\$ 80,116
Rural Education	84.358	489
Improving Teacher Quality State Grants	84.367	1,955
Student Support and Academic Enrichment Program	84.424	98
Total amounts consolidated for administration purposes		<u>\$ 82,658</u>

Johnson County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Johnson County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

2021	222	2021-001	Two current employees were paid for unused vacation days contrary to provisions in the county's personnel policy.	N/A	Corrected
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OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF ACCOUNTS AND BUDGETS

2021	223	2021-002	The offices had deficiencies in purchasing procedures.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2021	224	2021- 003	Expenditures exceeded appropriations.	N/A	Corrected

OFFICE OF DIRECTOR OF SCHOOLS

2021	224	2021-004	The school department did not maintain adequate control over its capital assets records.	N/A	Corrected
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OFFICE OF SHERIFF

2021	225	2021-005	Time records were not on file to support payroll disbursements.	N/A	Corrected
2021	226	2021-006	The office did not review a list of voided transactions.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

JOHNSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2022-001

THE OFFICES HAD DEFICIENCIES IN PURCHASING PROCEDURES

(A. through D. - Internal Control – Significant Deficiency Under *Government Auditing Standards*; E. – Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 41 disbursements totaling \$186,701 from a population of approximately 6,447 vendor checks totaling \$29,031,661. Due to previous years questions related to some purchasing activities, we selected an additional 5 disbursements totaling \$53,332. Our examination revealed the following deficiencies in purchasing procedures, which are the result of a lack of management oversight, the failure of management to correct the audit finding noted in the prior-year report, and the failure to implement their corrective action plan.

- A. Purchase orders were not issued in a total of 10 applicable instances. Purchases exceeded amount of approved purchase order in four applicable instances. Purchase orders are necessary to control who has purchasing authority and to document purchasing commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. We noted nine instances where invoices were paid without documentation that goods had been received and/or services had been rendered. These practices weaken controls over the purchasing process and increases the risks of paying for something that was never received.
- C. Four instances were noted where purchases were coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

- D. We noted that sales tax was paid on six purchases even though the county has tax exempt status. Additionally, we noted interest charges were assessed on two credit card billing statements and were paid. The payment of sales tax and interest charges increases the costs of goods and services and results in the unnecessary expenditure of county funds.

- E. We noted one instance where travel expenses were paid based solely on a credit card billing statement for airline tickets without detailed documentation to determine if these charges were properly approved travel expenses. In addition, one of the airline tickets was for the spouse of an employee. The absence of proper travel documentation and approval increases the risks of fraud and unauthorized purchases. Expenses related to cost of airline ticket for employee's spouse are personal expenses and should not have been paid by the school department. It should be noted that the school department received payment from employee for spouse's airline ticket in January 2022.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, purchase orders should be issued for all applicable purchases before purchases are made. Purchase orders should indicate total dollar amounts of items to be purchased with any necessary revisions adequately documented. The receipt of goods and services should be documented before invoices are paid. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions. Sales tax should not be paid, and invoices should be processed in a timely manner to avoid interest charges. Credit card charges for travel should be adequately documented and officials should ensure they are properly approved before they are paid. Personal expenses should not be paid by the school department.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Johnson County operates under the County Fiscal Procedure Law and Purchasing Law of 1957. Under these statutes, the Office of Director of Accounts and Budgets is responsible for all fiscal transactions. Under the Purchasing Law of 1957, the school system had invoked exemption from centralized purchasing. This exception creates indirect oversight of purchasing procedures from the Office of Director of Accounts and Budgets.

We concur with the finding.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2022-002 **CAPITAL ASSETS SUBSIDIARY ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**
(Noncompliance Under *Government Auditing Standards*)

Subsidiary capital asset records for county were not closed and available for audit by August 31, 2022, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records shall be available for audit no later than two months after the close of the June 30 fiscal year. The capital assets accounting records were made available to auditors on October 3, 2022. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Management should close its subsidiary capital asset records and have those records available for audit by the following August 31.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur with the finding.

OFFICE OF SHERIFF

FINDING 2022-003 **THE OFFICE DID NOT REVIEW A LIST OF VOIDED TRANSACTIONS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated a report that displayed transactions that were voided by users. To ensure that these transactions were necessary, this report should be reviewed for inappropriate activity. During the prior audit period, management was made aware of the importance of this process; however, a review was not performed. This deficiency was the result of a lack of management oversight and failure of management to correct the audit finding noted in the prior-year audit report.

RECOMMENDATION

Management should review the report of voided transactions on a routine basis. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – SHERIFF

We do concur with this finding and recommendation. This was again an oversight on administration's part as we seldom have any void receipts. The administrative assistant was aware there was a void receipt report that could not be found; however, she did not review the voids as she had been made aware. In corrective actions, a void report will be printed and reviewed every month. This will be investigated and evaluated by administration, and myself, the Sheriff. We also this year will be implementing our internal controls in this area due to the finding being last year as well. Therefore, we will ask a second person to see that the report is printed and reviewed. All voids will be accounted for and signed off by not only the administrator and myself, but as well a third person to verify the report has been printed and reviewed.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2022.

Johnson County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

2022-001	The offices had deficiencies in purchasing procedures.	240
2022-002	Capital assets subsidiary accounting records were not closed and available for audit by August 31, 2022.	241

OFFICE OF SHERIFF

2022-003	The office did not review a list of voided transactions.	242
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Johnson County Director of Accounts & Budgets

211 North Church Street



Mountain City, TN 37683

Corrective Action Plan

FINDING: The Offices Had Deficiencies in Purchasing Procedures

Response and Corrective Action Plan Prepared by:
Russell Robinson, Director of Accounts and Budgets

Person Responsible for Implementing the Corrective Action:
Russell Robinson, Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:
Implementation of correction action plan will begin immediately

Repeat Finding:
Yes

Reason Corrective Action was not Taken in the Prior Year:

Steps were taken by management in prior year to correct; however, the issue remains unresolved due to unanticipated circumstances which caused delays.

Planned Corrective Action:

1. Guidance will be provided to all departments concerning utilization of purchase requisitions and purchase orders for all applicable purchases. All purchase orders will be approved prior to any purchase commitments and are properly authorized by all parties.
2. Guidance will be provided to departments on the importance of the utilization of the County tax-exempt status from sales tax. Departments will be required to provide documentation on any late fees or interest charges paid using taxpayer funds.
3. Guidance will be provided to departments on the correct category and object code classification of expenditures.
4. Guidance will be provided to departments on the importance of providing documentation that goods and/or services were received in accordance to purchasing requirements.
5. Guidance will be provided to departments that at no time are county funds to be obligated for non-employee travel expenses.

Signature: _____

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Johnson County
Director of Accounts & Budgets

211 North Church Street

Mountain City, TN 37683



Corrective Action Plan

FINDING: Subsidiary accounting records were not closed and available for audit by August 31, 2022

Response and Corrective Action Plan Prepared by:
Russell Robinson, Director of Accounts and Budgets

Person Responsible for Implementing the Corrective Action:
Russell Robinson, Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:
Implementation of correction action plan will begin immediately

Repeat Finding:
No

Planned Corrective Action:

The Director of Accounts and Budgets will complete and make available subsidiary capital asset records by August 31, 2023 as required by TCA 9-2-102 for fiscal year ending June 30, 2023.

Signature: _____

BEST PRACTICE

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

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

JOHNSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING FOR ALL DEPARTMENTS

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

The Fiscal Control Acts of 1957 also include provisions for centralized purchasing for funds maintained by the county mayor and road superintendent. However, purchasing procedures for the school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the county commission, resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing for all county departments.