

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**WASHINGTON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2022**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**WASHINGTON COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

*MITCH MEREDITH, CPA*  
*Director of Accounts and Budgets*  
*Washington County, Tennessee*

**Independent Audit Performed by:**

***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](http://www.comptroller.tn.gov)**

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The library did not deposit some funds within three days of collection.
- 

### **WASHINGTON COUNTY**

- ◆ Unassigned fund balance for the General Fund did not meet criteria established in the county's minimum fund balance policy.
- 

### **OFFICE OF SUPERINTENDENT OF HIGHWAYS**

- ◆ The office had deficiencies related to time records.
- 



## **OFFICES OF DIRECTOR OF SCHOOLS AND COUNTY TRUSTEE**

- ◆ The School Federal Projects Fund had a cash overdraft at June 30, 2022, and the trustee paid checks from the School Federal Projects Fund that exceeded available funds.
- 

## **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Amounts withheld from contractor payments were not deposited into escrow accounts.
  - ◆ Payroll liability accounts were not reconciled accurately and timely.
- 





# INTRODUCTORY SECTION

**William J Grandy**  
County Mayor



Phone: 423-753-1666  
jgrandy@washingtoncountyttn.org

## *Washington County, Tennessee*

PO Box 219  
Jonesborough, TN 37659-0219

### **LETTER OF TRANSMITTAL**

December 2, 2022

TO: Members of the Board of County Commissioners and the Citizens of Washington County, Tennessee

The comprehensive annual financial report of Washington County Tennessee for the fiscal year ended June 30, 2022 is hereby submitted. This report consists of management's representation of the finances of Washington County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge the information is correct in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Washington County.

The county is required to undergo an annual audit in conformity with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the auditing 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).

This report includes all funds of the County as well as all its component units. Component units are legally separate entities for which the county is financially accountable and include the Washington County Board of Education and the Washington County Emergency Communications District.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an overview and analysis of the financial statements, our capital asset and debt administration and economic factors affecting Washington County. The MD&A supplements this letter of transmittal and should be read in conjunction with it.

### **Financial Information**

Management of Washington County is responsible for establishing and maintaining internal controls designed to ensure that all assets of the County are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements conforming to generally accepted accounting principles. The internal controls are designed to provide reasonable assurance that these objectives are met. Recognizing that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits is subject to estimates and judgments of management.

As a recipient of State and Federal funding the County is also responsible for insuring that its system of internal controls provides compliance with applicable laws and regulations related to the funding programs. As a part of the County's audit, tests are made to determine the adequacy of the controls including that portion relating to State and Federal programs and to determine County compliance with applicable laws and regulations.

## **Independent Audit**

The State of Tennessee requires (TCA 9-3-211) that an annual audit be made of the accounts, financial records and transactions of all County departments. The Comptroller of the Treasury of the State of Tennessee elected to perform this year's annual audit.

## **Budgeting Controls**

Washington County operates under the Fiscal Controls Acts of 1957, which include the County Budgeting Law of 1957 (TCA 5-12-101), the County Fiscal Procedure Law of 1957 (TCA 5-13-101), and the County Purchasing Law of 1957 (TCA 5-14-101). The objective of these statutes is to set forth a standard of budgetary controls and accounting and reporting in accordance with legal provisions and governmental accounting standards. The budgetary controls also ensure compliance with the annual budget appropriations approved by the County Commission. The General Fund, Solid Waste Fund, Highway Fund, Special Revenue Funds, Debt Service Funds, General Purpose School Fund and Capital Project Fund are included in the annual budget appropriations.

## **Profile of the Government**

Policy-making and legislative authority are vested in the Board of County Commissioners consisting of fifteen members elected from fifteen commission districts across the County. The Commission is responsible for, among other things, adopting resolutions, adopting the budget, establishing the tax levy, appointing committees, and confirming appointments of the County Mayor. County Commissioners are elected to a term of four years.

Operations of County Government are the responsibility of various elected and appointed County Officials including the County Mayor, Sheriff, Trustee, County Clerk, Register of Deeds, Assessor of Property, Circuit Court Clerk, Clerk and Master, Director of Schools, and the Chief Administrative Officer of the County Highway Department.

Washington County is limited in its scope and power to that granted by the Tennessee General Assembly. Therefore, the authority for any action taken by Washington County must come from within the scope of powers granted by the General Assembly, either in the form of a general law or private act.

## **Economic Conditions and Outlook**

Despite partial business shutdowns in FY2020 and 2021 as the result of the COVID-19 pandemic, Washington County's retail economy experienced a robust increase in FY2022 over FY2021 of 36%. Sales tax collections for July 2022 through October 2022 are up approximately 9% over the same prior year period. 100% of the county's rural local option sales tax collections is dedicated to education.

Property tax (ad valorem) is the primary revenue source for general county operations and provides a significant source of revenue for the county's two school systems. Therefore, changes in the county-wide assessed values are key metrics for projecting county property tax revenues. Real and personal property assessment values increased 1.0% in calendar year 2021 as compared to 2020. The tax rate for calendar year 2021 remained unchanged from 2020 at \$2.15 per \$100 of assessed value. The unemployment rate has improved greatly from the Covid-related high of 8.6% in June 2020 to 4.0% in June 2022. The previous high unemployment rate was 9.0% in June 2011. See Table 13 for a schedule of unemployment rates over the past 10 years.

According to data from the Bureau of Economic Analysis, Washington County ranks 12th out of the 95 Tennessee counties in per capita income.

Healthy reserves and conservative management and budgeting have allowed Washington County to maintain its strong financial position in 2022 and to continue the current level of services for the near-term. With the fiscal 2024 budget process commencing in just a few months, we will continue to monitor local economic activity, the county tax base and federal and state stimulus funds in order to establish conservative revenue estimates and carefully scrutinize new spending requests.

A priority for Washington County will continue to enhance our local economy and the tax base through strategically transformative investment opportunities in school facilities, retail development, public infrastructure and other economic development initiatives that stimulate private sector investment and long-term growth in the property and sales tax bases, create or retain jobs, and improve the quality of our workforce.

### **Long-term Financial Planning**

Long-term financial planning for the operating budgets of Washington County will continue to be based on conservative revenue projections, close scrutiny of new spending requests and preservation of fund balances. Investment opportunities that stimulate growth in the tax base or private sector job creation remain high priorities.

Long-term capital investments in new facilities and equipment or improvements to existing assets are now provided through the General and Educational Capital Projects Fund. Capital needs are prioritized on a rolling 5-year forecast and recurring revenue from the tax rate is allocated to provide funding. The county legislative body is carefully evaluating opportunities for investment of federal Covid-related stimulus funds received by the county from the American Rescue Plan Act (ARPA) and is taking a disciplined approach to identifying and funding the capital needs of Washington County. Such an approach will pay long-term dividends in the form of stable property tax rates, meeting capital needs in a timely manner and insuring existing assets are properly maintained and improved as required to sustain their functionality and prevent premature and costly replacement.

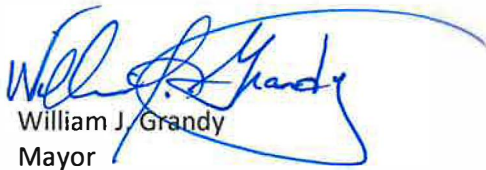
### **Financial Management Policies and Practices**

Unassigned fund balance in the General Fund and the restricted fund balance in the Debt Service Fund fall within the policy guidelines set forth by the Board of County Commissioners. These policies along with the Tennessee Maintenance of Effort statutes for education and highway funding have positioned Washington County to continue its high service level to the citizens amidst a challenging economic climate.

### **Acknowledgements**

The preparation of this Annual Comprehensive Financial Report (ACFR) could not have been accomplished without the effort and dedication of the Finance Department staff, the County Officials and their staff, and the Director of Schools and his staff. We express our sincere appreciation to each of these for their commitment to a job well done in serving the citizens of Washington County.

Respectfully submitted,

  
William J. Grandy  
Mayor

  
Mitchell G. Meredith  
Director of Finance & Administration



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Washington County  
Tennessee**

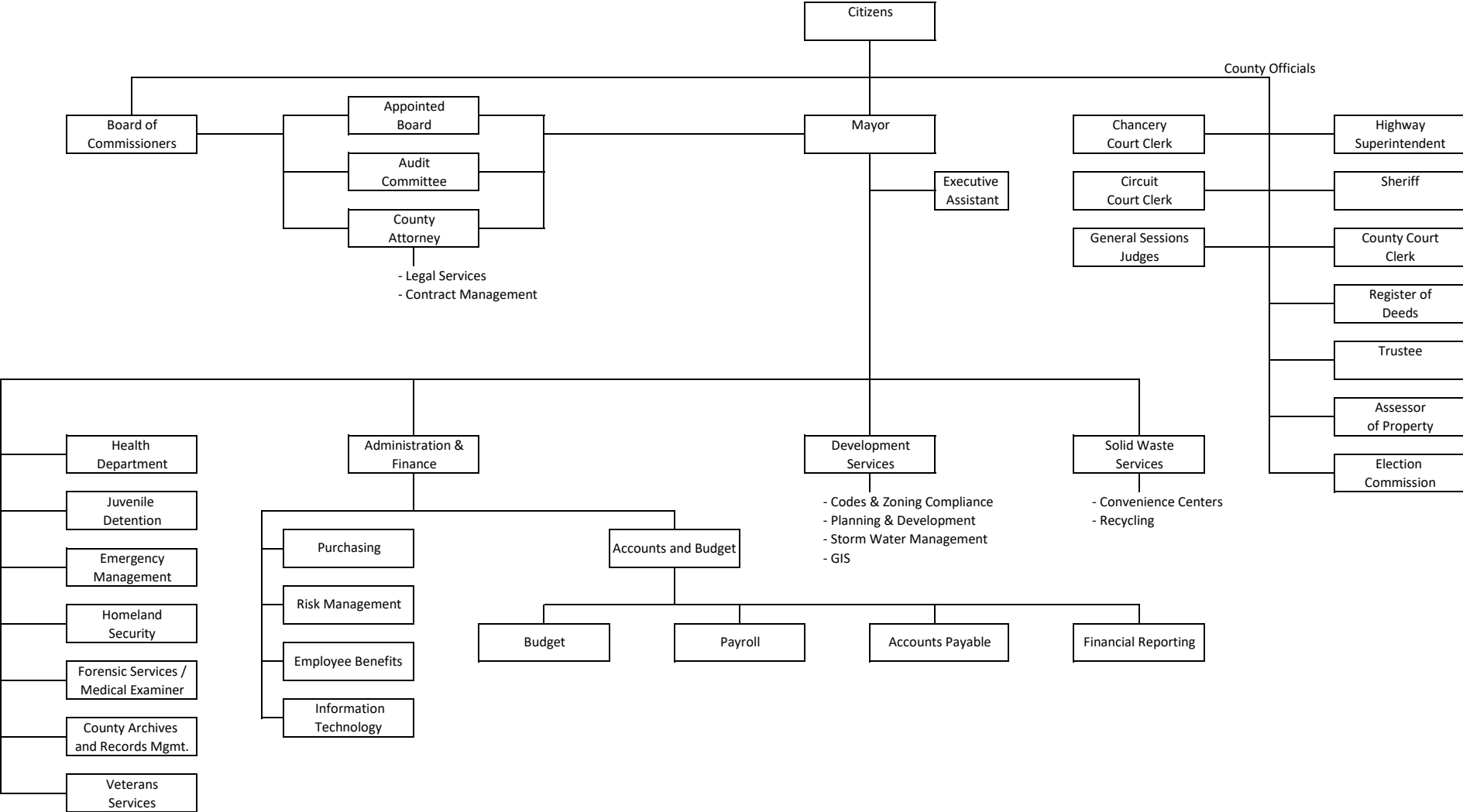
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

Washington County Government Organization Chart



Washington County Officials  
June 30, 2022

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**Officials**

William Grandy, County Mayor  
Richard Thompson, Interim Superintendent of Highways  
Jerry Boyd, Director of Schools  
Rick Storey, Trustee  
Scott Buckingham, Assessor of Property  
Kathy Storey, County Clerk  
Brenda Downes, Circuit, General Sessions, and Juvenile Courts Clerk  
Sarah Lawson, Clerk and Master  
Teresa Bowman, Register of Deeds  
Keith Sexton, Sheriff  
Mitch Meredith, Director of Accounts and Budgets  
Willie Shrewsbury, Purchasing Agent

**Board of County Commissioners**

Greg Matherly, Chairman	Kenneth Huffine
Ben Carder	Jodi Jones
Phil Carriger	Steve Light
Larry Cate	Freddie Malone
Bryan Davenport	Robbie Tester
Danny Edens	Jim Wheeler
Jerome Fitzgerald	Suzy Williams
Kent Harris	

**Board of Education**

Jason Day, Chairman	David Hammond
Annette Buchanan	Mike Masters
Mary Beth Dellinger	Mitch Meredith
Keith Ervin	Whitney Riddle
Chad Fleenor	

**Audit Committee**

Freddie Malone, Chairman	Lynn Hodge
Paige Carter	Jacqui Steadman
Richard Ray	

# FINANCIAL SECTION





JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

Washington County Mayor and  
Board of County Commissioners  
Washington 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 Washington 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 reports 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 Washington County, Tennessee, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, 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 discretely presented Washington County Emergency Communications District. We also did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Washington County School Department, which represent 1.15 percent, 1.53 percent, and 2.38 percent, respectively, of the assets, net position, and revenues of the discretely presented Washington County School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Washington County Emergency Communications District and the Internal School Fund of the Washington County School Department, are based solely on the reports of the other auditors. We were unable to determine Washington County Emergency Communications District's percentages of the assets, net position, and revenues of the aggregate discretely presented component units because the Washington County Industrial Development Board,

a component unit requiring discrete presentation, was not included in the county's financial statements.

### ***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 Washington County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Change in Accounting Principle***

As described in Note V. B., Washington 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.

### ***Emphasis of Matter***

We draw attention to Note 1.D.11. to the financial statements, which describes a reclassification of a portion of the beginning fund balance of the General Fund in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and a reclassification of a portion of the beginning Governmental Activities net position on the Government-wide Statement of Activities. These reclassifications were necessary due to a change in reporting of the Washington County Industrial Development Board from a blended component unit to a discretely presented component unit. Our opinion is not modified with respect to this matter.

We draw attention to Note 1.D.11. to the financial statements, which describes a restatement of \$647,652 to recognize the beginning lease obligation on the Government-wide Statement of Net Position. 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 Washington 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 Washington 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 Washington 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***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the county's net pension

liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and 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 Washington County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, budgetary comparison schedules of the General Debt Service and Education Capital Projects funds, combining and individual fund financial statements of the Washington 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, budgetary comparison schedules of the General Debt Service and Education Capital Projects funds, combining and individual fund financial statements of the Washington 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 and statistical sections 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 December 2, 2022, on our consideration of Washington 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 Washington 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 Washington County’s internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

December 2, 2022

JEM/tg

WASHINGTON COUNTY, TENNESSEE  
*Management's Discussion and Analysis*

As management of the Washington County, Tennessee Government, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Washington County, Tennessee Government for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in this Annual Comprehensive Financial Report. This discussion and analysis focuses on the primary government and the Washington County Board of Education, a discretely presented component unit. It does not include discussion of the Washington County Emergency Communications District, another discretely presented component unit.

**Financial Highlights**

**Primary Government**

- The assets and deferred outflows of the Washington County Primary Government exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$16,016,555 (net position). Washington County has the obligation on 100% of the debt while all the buildings owned by the Board of Education are recorded as assets on their books.
- Washington County Primary Government's total net position increased by \$38,987,928 primarily as the result of increases in capital assets net of depreciation, the retirement of long-term debt and receipt and recognition of revenues under the American Recovery Plan Act (ARPA) of \$25,129,577.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$74,983,677, an increase of \$27,396,058 over the prior year combined fund balances. The increase was due primarily to the receipt of the above noted ARPA funds. Of the \$74,983,677 of combined governmental ending fund balances, \$13,301,276 (18%) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the general fund unassigned fund balance was \$13,301,276 or 30% of the total general fund expenditures.
- The county legislative body's audit committee is independent of County management and is ultimately responsible for advising management in meeting its internal control and financial responsibilities. The committee consists of one member of the legislative body and four citizens who have significant experience and expertise in financial, accounting and internal control matters. The committee regularly reviews the County's various audit reports; meets with the County's independent auditors; deliberates financial, accounting and internal control matters; and makes recommendations to the Washington County legislative body for their consideration and implementation.
- The various budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.

**Component Unit-School Board**

- The assets and deferred outflows of the Washington County Board of Education, a component unit, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$132,303,029.
- The Washington County Board of Education's net position increased by \$18,540,322 primarily from a transfer of capital assets from the Washington County Primary Government, an increase in the net pension asset, and increased revenues from sales tax collections.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Washington County's basic financial statements. Washington County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial

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statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of Washington County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Washington County include general government, finance, administration of justice, public safety, public health and welfare, social, culture and recreation, agriculture and natural resources, highways, education, and interest on long term debt. The activities of the Washington County Board of Education, a discretely presented component unit, are governmental in nature while the Washington County Emergency Communications District, a discretely presented component unit are business-type activities.

The government-wide financial statements can be found on Exhibits A and B of this report.

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

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

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

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Washington County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, other general government fund, highway fund, education capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other five governmental funds (solid waste/sanitation, drug control, constitutional officers, rural debt service and general capital projects) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Washington County adopts an annual appropriated budget for each of its governmental funds except the constitutional officer's special revenue fund. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-7 of this report.

**Proprietary fund.** Washington County has one proprietary fund, an internal service fund (Employee Insurance – Health Fund) to account for the county's self-insured health programs. Because this service predominantly benefits governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements provide the same type of information as the government-wide financial statements but with greater detail. The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

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

The basic fiduciary fund financial statements can be found on Exhibits E-1 through E-2 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately behind Exhibit E of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on Exhibits F-1 through F-8 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on Exhibits G-1 through G-6 of this report.

Financial statements for the Washington County School Board of Education are presented on Exhibits J-1 through J-10 of this report. This component unit does not issue separate financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washington County, combined with the Board of Education, net position increased by \$57,528,250 to total \$148,319,584 at the close of the current fiscal year.



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By far the largest portion of the net position reflects our investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Washington County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Washington County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Washington County's Net Position**

	Primary Government		Component Unit - Washington County Board of Education	
	2022	2021	2022	2021
		<u>2022</u>	<u>2021</u>	<u>2022</u>
<b>Assets</b>				
Current and Other Assets	\$ 141,293,066	\$ 118,964,714	\$ 81,953,175	\$ 44,791,469
Capital Assets	79,285,228	77,929,432	94,062,077	91,463,860
Total Assets	<u>220,578,294</u>	<u>196,894,146</u>	<u>176,015,252</u>	<u>136,255,329</u>
<b>Deferred Outflows of Resources</b>				
Deferred Charge of Refunding	5,910,548	6,667,817	-	-
Pension Related Deferred Outflows	7,982,467	3,406,471	15,518,205	6,379,546
OPEB Contributions Deferred Outflows	433,130	507,623	3,764,396	2,578,120
Total Deferred Outflows of Resources	<u>14,326,145</u>	<u>10,581,911</u>	<u>19,282,601</u>	<u>8,957,666</u>
<b>Liabilities</b>				
Long-Term Liabilities Outstanding	151,664,029	152,603,814	11,801,281	9,695,614
Other Liabilities	3,121,931	26,019,797	3,277,642	4,031,879
Total Liabilities	<u>154,785,960</u>	<u>178,623,611</u>	<u>15,078,923</u>	<u>13,727,493</u>
<b>Deferred Inflows of Resources</b>				
Deferred Revenues – Property Taxes & Leases	49,709,151	48,221,065	13,252,656	13,407,919
Pension Related Deferred Inflows	12,286,079	1,511,595	33,888,712	3,570,016
OPEB Contributions Deferred Inflows	2,106,694	2,091,159	774,533	744,860
Total Deferred Inflows of Resources	<u>64,101,924</u>	<u>51,823,819</u>	<u>47,915,901</u>	<u>17,722,795</u>
<b>Net Position</b>				
Net Investment in Capital Assets	55,599,551	51,138,226	94,062,077	91,463,860
Restricted	27,020,312	18,190,408	42,128,089	11,294,953
Unrestricted	(66,603,308)	(92,300,007)	(3,887,137)	11,003,894
Total Net Position	<u>\$ 16,016,555</u>	<u>\$ (22,971,373)</u>	<u>\$ 132,303,029</u>	<u>\$ 113,762,707</u>

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The primary government's net increase in net position of \$38,987,928 was primarily due to the receipt of the aforementioned ARPA funds, an increase in its net pension assets as a result of historically high investment returns as discussed in Note V.G. of the accompanying Notes to the Financial Statements, continued strong tax collections, reductions in long-term debt and a conservative approach to operational costs. Net position was reduced \$721,845 as a result of a reclassification of beginning net position related to the removal of a formerly blended component unit, the Washington County Industrial Development Board, from the primary government. Additional information on the reclassification can be found in Note I.D.11 of the accompanying Notes to the Financial Statements. The Board of Education's net position increased by \$18,540,322. Key elements of these changes are as follows:

<b>Washington County's Change in Net Position</b>				
	Primary Government		Component Unit - Washington County Board of Education	
	2022	2021	2022	2021
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 12,263,556	\$ 11,047,224	\$ 1,164,659	\$ 1,361,621
Operating Grants and Contributions	31,563,093	9,371,195	16,485,266	11,570,985
Capital Grants and Contributions	1,248,412	2,135,732	8,800,395	3,013,174
General Revenues				
Property Taxes	49,255,602	49,034,782	13,403,275	13,617,417
Other Taxes	2,829,064	2,549,320	21,771,426	19,639,445
Grants and Contributions not Restricted to Specific Programs	8,812,901	2,539,569	40,889,024	40,182,163
Other	(127,121)	596,979	44,635	341,486
Total Revenues	<u>105,845,507</u>	<u>77,274,801</u>	<u>102,558,680</u>	<u>89,726,291</u>
<b>Expenses</b>				
General Government	7,936,986	6,207,838	-	-
Finance	3,327,610	3,298,803	-	-
Administration of Justice	4,426,121	4,699,935	-	-
Public Safety	22,324,656	23,018,475	-	-
Highway	8,257,626	8,141,482	-	-
Public Health and Welfare	5,837,810	6,174,715	-	-
Social, Cultural and Recreation	2,373,075	1,239,701	-	-
Agriculture and Natural Resources	670,445	585,286	-	-
Education	6,491,380	2,553,266	84,018,358	83,163,591
Interest on Long Term Debt	4,490,025	4,803,525	-	-
Total Expenses	<u>66,135,734</u>	<u>60,723,026</u>	<u>84,018,358</u>	<u>83,163,591</u>
Increase (Decrease) in Net Position	39,709,773	16,551,775	18,540,322	6,562,700
Net Position, Beginning	(22,971,373)	(39,523,148)	113,762,707	105,502,442
Reclassification, Notes I.D.11	(721,845)	-	-	-
Restatement for GASB 84, Internal School Fund	-	-	-	1,697,565
Net Position, Ending	<u>\$ 16,016,555</u>	<u>\$ (22,971,373)</u>	<u>\$ 132,303,029</u>	<u>\$ 113,762,707</u>

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**Financial Analysis of the Government's Funds**

As noted earlier, Washington County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Washington County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Washington County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The categories of fund balance are:

**Nonspendable** fund balance relates to amounts that cannot be spent because they are in a form that is not expected to be converted to cash (e.g., inventories and prepaid items), as well as the County's investment in joint venture.

**Restricted** fund balance includes amounts restricted for specific purposes by parties outside of the County (e.g., grantors, other governments) or imposed by law through constitutional provisions or enabling legislation.

**Committed** fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission.

**Assigned** fund balance consists of amounts constrained by the County's intent to be used for specific purposes but are not restricted or committed.

**Unassigned** fund balance is the residual balance in the General Fund.

Primary Government - Governmental Fund Balances			
June 30,			
	2022	2021	Variance
Nonspendable	\$ 78,230	\$ 104,894	\$ (26,664)
Restricted	22,955,368	21,609,551	1,345,817
Committed	31,286,929	7,061,488	24,225,441
Assigned	7,361,874	3,064,962	4,296,912
Unassigned	13,301,276	15,746,724	(2,445,448)
Total Fund Balances	\$ 74,983,677	\$ 47,587,619	\$ 27,396,058

The General, Other General Government, General Debt Service, Highway/Public Works, and Education Capital Projects funds are reported as major funds.

The General Fund is the chief operating fund of Washington County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,301,276 which is a decrease of \$2,445,448, from the prior year. The General Fund's nonspendable fund balance was \$75,855, restricted fund balance was \$1,035,349, committed fund balance was \$0, and assigned fund balance was \$7,361,874. The total fund balance was \$21,774,354. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of total General Fund expenditures while total fund balance represents 50% of that same amount. Total FY 2022 General Fund revenues were \$45,816,833 or \$2,029,743 more than FY 2021. The primary differences are due to \$4.1 million of FY 2022 opioid settlement funds received and the elimination of a FY 2021 Tennessee Governor Direct Assistance grant in the amount of \$1.9 million.

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The Other General Government Fund is a special revenue fund which accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act (ARPA). The county has received a cumulative allocation of \$25,129,577 from the U.S. Treasury under ARPA. The use of those funds has been committed by the county legislative body for a variety of transformative projects.

The General Debt Service Fund has a total fund balance of \$6,144,478 which is a decrease of \$691,843 from the prior year. The fund balance is restricted for the payment of debt service. The County levies a portion of its property tax specifically for debt service and produced total local tax revenue of \$13,919,534 in the current fiscal year. This represents an increase of \$1,374 over the prior year.

The Highway/Public Works Fund has a total fund balance of \$8,039,978 which is an increase of \$820,294 from the prior year. The fund balance is restricted for the payment of maintenance and capital cost for the County's approximately 973 miles of roads and bridges. The County levies a portion of its property tax specifically for Highway/Public Works Fund operations and produced total local tax revenue of \$5,034,773 in the current fiscal year. This represents a decrease of \$182,599 from the prior year.

The Education Capital Projects Fund has a total fund balance of \$6,502,453. The fund balance is restricted for the payment of capital cost for the Washington County Board of Education. The primary funding for the Education Capital Projects Fund is derived from tax levies and general or rural obligation bonds and/or notes. The County issued \$2,331,726 in the current fiscal year to fund energy efficiency upgrades in various Washington County Board of Education buildings. The County also levies a portion of its property tax specifically for Education Capital Project purposes and produced total local tax revenue of \$6,269,144 in the current fiscal year. This represents an increase of \$214,582 from the prior year.

**General Fund Budgetary Highlights**

The County Commission approved and adopted its 2022 annual operating budget in June 2021. The original General Fund operating budget was balanced by a transfer of \$2,050,000 from the General Capital Projects fund and a \$1,860,124 use of June 30, 2021, fund balance.

During the year, the County Commission approved a total of \$3,011,730 in amendments to the General Fund operating expenditures and a \$1,644,253 increase to the General Fund revenue budget. These amendments were primarily the result of grant funding provided from the state of Tennessee for an industrial site development project and public safety programs.

Actual revenues and other financing sources were more than budget by \$1,284,299 and actual expenditures were \$3,675,105 less than budget for an overall positive budget variance of \$4,959,405. The favorable variance in expenditures resulted from conservative spending by General Government, Constitutional Offices, Public Safety, and Public Health while the positive revenue variance was the result of state economic development grant funding.

Additional information on the General Fund Budgetary Highlights may be found on Exhibit C-5 of this report.

**Capital Asset and Debt Administration**

**Capital Assets.** Washington County Primary Government's investment in capital assets as of June 30, 2022, amounts to \$79,285,228 (net of accumulated depreciation) and \$94,062,077 for the Board of Education (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, and bridges as shown below.

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**Washington County's Capital Assets**

	Primary Government		Component Unit Washington County Board of Education	
	2022	2021	2022	2021
	Land	\$ 10,255,567	\$ 11,218,802	\$ 3,352,389
Buildings and Improvements	51,644,451	49,345,815	156,208,462	150,499,360
Infrastructure - Roads and Bridges	59,266,909	57,669,601	0	0
Other Capital Assets	32,328,604	30,411,400	18,123,778	17,529,821
Construction in Progress	3,185,151	4,359,384	1,664,841	23,420
Infrastructure - Right-to-Use-Assets	647,652	-	0	0
Less: Accumulated Depreciation/Amortization	(78,043,106)	(75,075,570)	(85,287,393)	(79,941,130)
<b>Totals</b>	<b>\$ 79,285,228</b>	<b>\$ 77,929,432</b>	<b>\$ 94,062,077</b>	<b>\$ 91,463,860</b>

Additional information on the Washington County Government's capital assets can be found in Note IV.C. of this report.

**Lease Obligations.** At the end of the current fiscal year, Washington County had total lease obligations outstanding of \$574,575. 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 and operating leases. The county recognized the restated beginning lease balance of \$647,652 as of July 1, 2021.

**Washington County's Lease Obligations**

	2022	2021	Increases	Decreases
Lease Obligations	\$ 574,575	\$ 0	647,652	(73,077)

Additional information on the Washington County Government's lease obligations can be found in Notes I.D.11 and IV.F. of this report.

**Long-term debt.** At the end of the current fiscal year, Washington County had total debt outstanding of \$135,127,515. Of this amount, \$132,405,000 is debt backed by the full faith and credit of the government. The primary government is obligated for the long-term debt related to the assets of Washington County Board of Education. Total education-related debt amounted to \$108,728,050 (80%) of outstanding debt.

**Washington County's Long-Term Debt**

	Primary Government			
	2022	2021	Increase	(Decrease)
General Obligation Bonds	\$ 132,405,000	\$ 141,185,000	\$ -	\$ (8,780,000)
Capital Outlay Notes	-	1,650,000	-	(1,650,000)
Other Loans	2,722,515	517,827	2,331,726	(127,038)
Nonexchange Financial Guarantee	-	367,580	-	(367,580)
<b>Total</b>	<b>\$ 135,127,515</b>	<b>\$ 143,720,407</b>	<b>\$ 2,331,726</b>	<b>\$ (10,924,618)</b>

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Since nearly all services rendered by the county are required by the state and require sizable investments in capital improvements, counties are not limited as to the amount of indebtedness. TENN. CODE ANN. § 9-21-103. However, when a county's debt ratio of outstanding debt to property values exceeds the state average or a national standard recognized by firms who trade municipal bonds, the county will pay a higher interest rate or be unable to issue additional bonds.

Any county debt issuance must first be authorized by resolution adopted by the county legislative body and then approved by the state Director of Local Finance, a division of the state Comptroller of the Treasury. Before the Director of Local Finance will approve notes, the county must adopt a balanced budget, which must also be approved by this same director. TENN. CODE ANN. § 9-21-403 to 404.

During fiscal 2022, Washington County made \$10,924,618 of scheduled debt retirements on its general obligation bonds, capital outlay notes, other loans and nonexchange financial guarantee.

Additional information on the Washington County's long-term debt can be found in Note IV.G. of this report.

**Capital Investment Plan**

Since 2016, Washington County has been funding a long-range Capital Investment Plan. The plan is a formal strategy of long-term financial planning that utilizes a rolling five year forecast of prioritized capital investment needs, estimated costs of each item and a predictable stream of revenue from which to fund the improvements. The plan establishes a systematic approach to funding capital maintenance and improvements to County-owned facilities, equipment and infrastructure in order to extend the useful life, improve functionality and minimize replacement costs. Creation of the Capital Investment Plan has also allowed the County to adopt a "pay as you go" strategy for many of the ongoing capital investment needs which will limit borrowing, minimize interest paid and provide long-term tax rate stability through disciplined budgeting of committed funding.

Major projects funded through the General Capital Projects fund completed or underway in fiscal 2022 include \$2.4 million for upgrades to heating, ventilation and air conditioning system in the county's detention center, a \$5 million multi-purpose park/athletic facility, \$120,000 roof replacement at the Health Department, and \$2.4 million in renovations to the historic Jonesborough courthouse. Total tax and other revenues collected in fiscal year 2022 for the General Capital Projects fund were approximately \$1,655,455.

Major projects funded through the Education Capital Projects fund completed or underway in fiscal 2022 include \$640,000 for school technology equipment, \$985,000 for school bus replacements, \$2.3 million for an LED lighting project, \$1.5 million for replacement of two high school's grass football fields with artificial turf, and \$524,000 in cafeteria kitchen equipment. Total tax and other revenues (including \$2.3 million of long-term debt) collected in fiscal year 2022 for the Education Capital Projects fund were approximately \$8.6 million.

The county is committed to replace an existing elementary and middle school with a new K-8 in Jonesborough, Tennessee. The project has been approved by the county legislative body in the amount of \$42.75 million. The facility is being constructed by the Town of Jonesborough and will be leased to the county for a period of up to 38 years. Lease payments will be funded from Education Capital Projects fund revenues. Completion of the facility is anticipated to be in December 2023. See item IV. C. in the notes to the financial statements.

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**Property Tax**

The property tax rate was unchanged in fiscal year 2022 from the previous year. The County Commission adopted a property tax rate for tax year 2021 (fiscal year 2022) of \$2.15 per \$100 of assessed value. A summary of Washington County's property tax rates for the past ten years can be found on Table 6 of the statistical schedules of these financial statements.

**Economic Factors**

- The County's primary source of revenue is an ad valorem tax on the assessed value of real and tangible property located within the geographic boundary of the county. The assessed value of the real and personal property tax base increased 1% in fiscal 2022.
- Retail sales for 2022 were up approximately 36% over 2021 due in large part to the implementation of online sales tax collection by the Tennessee General Assembly in October 2019. It should be noted that 100% of the sales tax collected by to the County is dedicated to education and is split, based on an average daily attendance factor, between the Washington County Board of Education and the Johnson City Board of Education.
- Based on data from the Bureau of Economic Analysis, Washington County ranked 12th in Tennessee in per capita personal income (\$47,940) which was a 7.5% increase from 2021. The American Community Survey estimated the five-year average (2015-19) median household income for Washington County to be \$48,923.
- The unemployment rate stood at 4.0% in June 2022 as compared to 5.0% in June 2021. Local unemployment at fiscal year-end was slightly higher than the state average of 3.3%. The relative stability of Washington County's employment picture can be attributed to the County's diversified and stable job base.
- The General Fund budget adopted for FY 2023 reflects a budget totaling \$50,205,494. The budget anticipates using \$8.6 million from fund balance.
- The property tax rate for next fiscal year (calendar 2022 property taxes) is \$2.15 and is allocated the same amounts as in FY 2022. See Table 6 in the Statistical Section of this report.

Healthy reserves, conservative management and budgeting, and the diverse and stable tax base of the local economy allowed Washington County to maintain its strong financial position in 2021 and to continue the current level of services for the near-term.

**Requests for Information**

This financial report is designed to provide a general overview of the Washington County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Office of the Director of Accounts and Budgets  
Washington County Office Building  
P.O. Box 219  
Jonesborough, TN 37659

Complete financial statements for the component unit may be obtained from the following:

Washington County Emergency Communications District  
4722 Lake Park Drive  
Johnson City, Tennessee 37615

# BASIC FINANCIAL STATEMENTS



Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Washington County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 347,467	\$ 2,019,119	\$ 2,718,001
Equity in Pooled Cash and Investments	78,799,624	22,162,955	0
Inventories	0	67,818	0
Accounts Receivable	303,226	82,565	0
Due from Other Governments	2,180,903	7,190,141	0
Property Taxes Receivable	50,261,038	13,677,062	0
Allowance for Uncollectible Property Taxes	(686,922)	(186,926)	0
Prepaid Items	78,230	0	238,973
Leases Receivable	1,017,775	0	0
Restricted Assets:			
Amounts Accumulated for Pension Benefits	0	542,018	0
Net Pension Asset - Agent Plan	8,991,725	3,827,957	442,741
Net Pension Asset - Teacher Retirement Plan	0	499,764	0
Net Pension Asset - Teacher Legacy Pension Plan	0	32,070,702	0
Capital Assets:			
Assets Not Depreciated:			
Land	10,255,567	3,352,389	0
Construction in Progress	3,185,151	1,664,841	0
Assets Net of Accumulated Depreciation/Amortization:			
Buildings and Improvements	29,434,592	82,561,766	2,063,302
Infrastructure	25,099,739	0	0
Other Capital Assets	10,741,647	6,483,081	439,859
Intangible Right-to-Use Assets	568,532	0	0
Total Assets	<u>\$ 220,578,294</u>	<u>\$ 176,015,252</u>	<u>\$ 5,902,876</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 5,910,548	\$ 0	\$ 0
Pension Changes in Experience	892,950	496,615	212,561
Pension Changes in Assumptions	5,277,282	10,995,661	928,217
Pension Changes in Proportion	0	161,730	0
Pension Contributions After Measurement Date	1,812,235	3,864,199	286,397
OPEB Changes in Experience	0	779,421	23,122
OPEB Changes in Assumptions	433,130	2,231,480	0
OPEB Changes in Proportion	0	391,365	0
OPEB Contributions after Measurement Date	0	362,130	0
Total Deferred Outflows of Resources	<u>\$ 14,326,145</u>	<u>\$ 19,282,601</u>	<u>\$ 1,450,297</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Washington County School Department	Emergency Communica- tions District
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 1,301,818	\$ 492,806	\$ 7,292
Accrued Payroll	689,789	134,383	75,401
Accrued Interest Payable	405,940	0	0
Payroll Deductions Payable	123,631	2,124,865	0
Cash Overdraft	0	370,528	0
Contracts Payable	280,702	21,000	0
Retainage Payable	12,430	68,247	0
Due to State of Tennessee	0	34,993	0
Compensated Absences Payable	0	0	255,153
Claims and Judgments Payable	247,984	0	0
Other Current Liabilities	59,266	30,820	0
Unearned Revenue	371	0	0
Noncurrent Liabilities:			
Due Within One Year - Leases	73,697	0	0
Due Within One Year - Debt	7,862,757	0	0
Due Within One Year - Other	744,891	180,881	0
Due in More Than One Year - Leases	500,878	0	0
Due in More Than One Year - Debt	137,276,756	0	0
Due in More Than One Year - Other	5,205,050	11,620,400	1,143,606
Total Liabilities	\$ 154,785,960	\$ 15,078,923	\$ 1,481,452
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Current Property Taxes	\$ 48,701,415	\$ 13,252,656	\$ 0
Deferred Lease Receivable	1,007,736	0	0
Pension Changes in Experience	955,415	3,172,987	328,815
Pension Changes in Investment Earnings	11,330,664	30,687,037	956,053
Pension Changes in Proportion	0	28,688	0
OPEB Changes in Experience	1,645,850	0	167,264
OPEB Changes in Assumptions	460,844	582,755	54,616
OPEB Changes in Proportion	0	191,778	0
Total Deferred Inflows of Resources	\$ 64,101,924	\$ 47,915,901	\$ 1,506,748
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	\$ 55,599,551	\$ 94,062,077	\$ 2,503,161
Restricted for:			
General Government	417,327	0	0
Finance	104,492	0	0
Administration of Justice	241,433	0	0
Public Safety	625,863	0	0
Highways/Public Works	1,341,569	0	0
Debt Service	5,960,263	0	0
Capital Projects	9,337,640	0	0
Education	0	5,187,648	0
Pensions	8,991,725	36,940,441	442,741
Unrestricted	(66,603,308)	(3,887,137)	1,419,071
Total Net Position	\$ 16,016,555	\$ 132,303,029	\$ 4,364,973

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

Exhibit B

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

Functions/Programs						Net (Expense) Revenue and Changes in Net Position	
	Program Revenues			Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions			Washington County School Department	Emergency Communica- tions District
Primary Government:							
Governmental Activities:							
General Government	\$ 7,936,986	\$ 2,659,339	\$ 25,079,788	\$ 0	\$ 19,802,141	\$ 0	\$ 0
Finance	3,327,610	3,987,226	0	0	659,616	0	0
Administration of Justice	4,426,121	2,442,264	186,593	0	(1,797,264)	0	0
Public Safety	22,324,656	2,131,067	1,825,247	131,741	(18,236,601)	0	0
Public Health and Welfare	5,837,810	522,361	939,500	17,619	(4,358,330)	0	0
Social, Cultural, and Recreational Services	2,373,075	10,029	38,701	0	(2,324,345)	0	0
Agriculture and Natural Resources	670,445	0	17,500	0	(652,945)	0	0
Highways	8,257,626	511,270	3,451,193	1,099,052	(3,196,111)	0	0
Education	6,491,380	0	0	0	(6,491,380)	0	0
Debt Service:							
Interest on Long-term Debt	4,490,025	0	24,571	0	(4,465,454)	0	0
<b>Total Primary Government</b>	<b>\$ 66,135,734</b>	<b>\$ 12,263,556</b>	<b>\$ 31,563,093</b>	<b>\$ 1,248,412</b>	<b>\$ (21,060,673)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:							
Washington County School Department	\$ 84,018,358	\$ 1,164,659	\$ 16,485,266	\$ 8,800,395	\$ 0	\$ (57,568,038)	\$ 0
Emergency Communications District	3,937,242	4,617,166	0	0	0	0	679,924
<b>Total Component Units</b>	<b>\$ 87,955,600</b>	<b>\$ 5,781,825</b>	<b>\$ 16,485,266</b>	<b>\$ 8,800,395</b>	<b>\$ 0</b>	<b>\$ (57,568,038)</b>	<b>\$ 679,924</b>

(Continued)

Exhibit B

Washington 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	Component Units	
					Governmental Activities	Washington County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 36,331,573	\$ 13,403,275	\$ 0	
Property Taxes Levied for Debt Service				12,924,029	0	0	
Local Option Sales Taxes				20,860	21,274,727	0	
Litigation Tax- General				147,912	0	0	
Litigation Tax- Special Purpose				52	0	0	
Litigation Tax- Jail, Workhouse, or Courthouse				260,463	0	0	
Litigation Tax- Courtroom Security				174,389	0	0	
Mixed Drink Tax				0	3,422	0	
Wholesale Beer Tax				355,402	0	0	
Business Tax				1,741,812	493,277	0	
Interstate Telecommunications Tax				0	0	0	
Mineral and Coal Severance Tax				22,707	0	0	
Other Local Taxes				105,467	0	0	
Grants and Contributions Not Restricted to Specific Programs				8,812,901	40,889,024	0	
Unrestricted Investment Income (Loss)				(536,863)	(118,606)	1,486	
Lease Interest				25,707	0	0	
Miscellaneous				384,035	163,241	14,447	
Gain on Investments				0	0	0	
Gain on Sale of Capital Assets				0	0	0	
<b>Total General Revenues</b>				<b>\$ 60,770,446</b>	<b>\$ 76,108,360</b>	<b>\$ 15,933</b>	
Change in Net Position				\$ 39,709,773	\$ 18,540,322	\$ 695,857	
Net Position, July 1, 2021				(22,971,373)	113,762,707	3,669,116	
Reclassification - See Notes I.D.11				(721,845)	0	0	
<b>Net Position, June 30, 2022</b>				<b>\$ 16,016,555</b>	<b>\$ 132,303,029</b>	<b>\$ 4,364,973</b>	

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

Exhibit C-1

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

	Major Funds				
		Other	Highway /	General	Education
	General	General Government Fund	Public Works	Debt Service	Capital Projects
<u>ASSETS</u>					
Cash	\$ 232	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	21,375,768	24,035,913	8,021,315	5,407,381	6,558,109
Accounts Receivable	84,538	0	28,504	0	0
Due from Other Governments	1,516,402	0	615,906	7,662	3,520
Due from Other Funds	402,432	0	756	710,000	0
Property Taxes Receivable	23,882,905	0	4,816,540	13,189,067	6,059,841
Allowance for Uncollectible Property Taxes	(326,410)	0	(66,987)	(180,256)	(82,820)
Prepaid Items	75,855	0	124	2,226	0
Leases Receivable - Long-term	178,087	0	839,688	0	0
Total Assets	\$ 47,189,809	\$ 24,035,913	\$ 14,255,846	\$ 19,136,080	\$ 12,538,650
<u>LIABILITIES</u>					
Accounts Payable	\$ 734,548	\$ 0	\$ 482,497	\$ 0	\$ 0
Accrued Payroll	536,195	0	131,527	0	0
Payroll Deductions Payable	97,851	0	22,269	0	0
Contracts Payable	0	0	5,000	0	67,083
Retainage Payable	0	0	0	0	0
Due to Other Funds	1,819	0	0	0	0
Other Current Liabilities	59,266	0	0	0	0
Total Liabilities	\$ 1,429,679	\$ 0	\$ 641,293	\$ 0	\$ 67,083
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 23,141,807	\$ 0	\$ 4,662,902	\$ 12,779,804	\$ 5,871,802

(Continued)

Exhibit C-1

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

	Major Funds				
		Other	Highway /	General	Education
	General	General Government Fund	Public Works	Debt Service	Capital Projects
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 383,525	\$ 0	\$ 80,139	\$ 211,798	\$ 97,312
Deferred Leases Receivable	176,202	0	831,534	0	0
Other Deferred/Unavailable Revenue	284,242	0	0	0	0
Total Deferred Inflows of Resources	<u>\$ 23,985,776</u>	<u>\$ 0</u>	<u>\$ 5,574,575</u>	<u>\$ 12,991,602</u>	<u>\$ 5,969,114</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 75,855	\$ 0	\$ 124	\$ 2,226	\$ 0
Restricted:					
Restricted for General Government	417,327	0	0	0	0
Restricted for Finance	104,492	0	0	0	0
Restricted for Administration of Justice	241,433	0	0	0	0
Restricted for Public Safety	272,097	0	0	0	0
Restricted for Highways/Public Works	0	0	1,437,378	0	0
Restricted for Debt Service	0	0	0	6,142,252	0
Restricted for Capital Projects	0	0	0	0	6,502,453
Committed:					
Committed for Public Health and Welfare	0	0	0	0	0
Committed for Highways/Public Works	0	0	6,602,476	0	0
Committed for Capital Outlay	0	1,442,608	0	0	0
Committed for Other Purposes	0	22,593,305	0	0	0
Assigned:					
Assigned for General Government	6,729,921	0	0	0	0
Assigned for Finance	25,158	0	0	0	0
Assigned for Administration of Justice	90,908	0	0	0	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Education Capital Projects
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 448,428	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Public Health and Welfare	31,446	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	3,884	0	0	0	0
Assigned for Agriculture and Natural Resources	32,129	0	0	0	0
Unassigned	13,301,276	0	0	0	0
Total Fund Balances	<u>\$ 21,774,354</u>	<u>\$ 24,035,913</u>	<u>\$ 8,039,978</u>	<u>\$ 6,144,478</u>	<u>\$ 6,502,453</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 47,189,809</u>	<u>\$ 24,035,913</u>	<u>\$ 14,255,846</u>	<u>\$ 19,136,080</u>	<u>\$ 12,538,650</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 347,235	\$	347,467
Equity in Pooled Cash and Investments	9,386,351		74,784,837
Accounts Receivable	126,386		239,428
Due from Other Governments	37,413		2,180,903
Due from Other Funds	1,750		1,114,938
Property Taxes Receivable	2,312,685		50,261,038
Allowance for Uncollectible Property Taxes	(30,449)		(686,922)
Prepaid Items	25		78,230
Leases Receivable - Long-term	0		1,017,775
Total Assets	\$ 12,181,396	\$	129,337,694
<u>LIABILITIES</u>			
Accounts Payable	\$ 55,703	\$	1,272,748
Accrued Payroll	22,067		689,789
Payroll Deductions Payable	3,511		123,631
Contracts Payable	208,619		280,702
Retainage Payable	12,430		12,430
Due to Other Funds	1,113,119		1,114,938
Other Current Liabilities	0		59,266
Total Liabilities	\$ 1,415,449	\$	3,553,504
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,245,100	\$	48,701,415

(Continued)



Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other		
	Govern- mental Funds		
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>			
Deferred Delinquent Property Taxes	\$ 34,346	\$	807,120
Deferred Leases Receivable	0		1,007,736
Other Deferred/Unavailable Revenue	0		284,242
Total Deferred Inflows of Resources	<u>\$ 2,279,446</u>	\$	<u>50,800,513</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 25	\$	78,230
Restricted:			
Restricted for General Government	0		417,327
Restricted for Finance	0		104,492
Restricted for Administration of Justice	0		241,433
Restricted for Public Safety	353,766		625,863
Restricted for Highways/Public Works	0		1,437,378
Restricted for Debt Service	9,927		6,152,179
Restricted for Capital Projects	7,474,243		13,976,696
Committed:			
Committed for Public Health and Welfare	648,540		648,540
Committed for Highways/Public Works	0		6,602,476
Committed for Capital Outlay	0		1,442,608
Committed for Other Purposes	0		22,593,305
Assigned:			
Assigned for General Government	0		6,729,921
Assigned for Finance	0		25,158
Assigned for Administration of Justice	0		90,908

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Public Safety  
Assigned for Public Health and Welfare  
Assigned for Social, Cultural, and Recreational Services  
Assigned for Agriculture and Natural Resources

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 448,428	
0	31,446	
0	3,884	
0	32,129	
0	13,301,276	
<u>\$ 8,486,501</u>	<u>\$ 74,983,677</u>	
<u>\$ 12,181,396</u>	<u>\$ 129,337,694</u>	

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

Exhibit C-2

Washington 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)		\$	74,983,677
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	10,255,567	
Add: construction in progress		3,185,151	
Add: buildings and improvements net of accumulated depreciation		29,434,592	
Add: infrastructure net of accumulated depreciation		25,099,739	
Add: other capital assets net of accumulated depreciation		10,741,647	
Add: intangible right-to-use assets net of accumulated amortization		<u>568,532</u>	79,285,228
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(2,722,515)	
Less: bonds payable		(132,405,000)	
Less: leases payable		(574,575)	
Add: deferred amount on refunding		5,910,548	
Less: unamortized premium on debt		(10,011,998)	
Less: OPEB liability		(3,622,158)	
Less: compensated absences payable		(2,327,783)	
Less: accrued interest on bonds and notes		<u>(405,940)</u>	(146,159,421)
(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	\$	7,982,467	
Less: deferred inflows of resources related to pensions		(12,286,079)	
Add: deferred outflows of resources related to OPEB		433,130	
Less: deferred inflows of resources related to OPEB		<u>(2,106,694)</u>	(5,977,176)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			8,991,725
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			1,091,362
(6) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			<u>3,801,160</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>16,016,555</u></u>

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

Exhibit C-3

Washington 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	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 25,540,240	\$ 0	\$ 5,034,773	\$ 13,919,534	\$ 6,269,144
Licenses and Permits	1,017,339	0	627	1,718	789
Fines, Forfeitures, and Penalties	529,285	0	0	0	0
Charges for Current Services	734,003	0	0	0	0
Other Local Revenues	264,999	(238,914)	165,698	(27,729)	(39,065)
Fees Received From County Officials	6,775,553	0	0	0	0
State of Tennessee	8,949,222	0	5,613,321	0	0
Federal Government	1,748,906	25,129,577	0	0	0
Other Governments and Citizens Groups	257,286	0	364,439	0	54,000
Total Revenues	<u>\$ 45,816,833</u>	<u>\$ 24,890,663</u>	<u>\$ 11,178,858</u>	<u>\$ 13,893,523</u>	<u>\$ 6,284,868</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 5,216,707	\$ 0	\$ 0	\$ 0	\$ 0
Finance	3,343,850	0	0	0	0
Administration of Justice	4,727,702	0	0	0	0
Public Safety	22,726,467	0	0	0	0
Public Health and Welfare	3,919,424	0	0	0	0
Social, Cultural, and Recreational Services	1,091,842	0	0	0	0
Agriculture and Natural Resources	673,755	0	0	0	0
Other Operations	1,645,489	854,940	0	0	0
Highways	0	0	10,370,957	0	0
Debt Service:					
Principal on Debt	73,077	0	0	9,235,000	0
Interest on Debt	15,170	0	0	5,155,392	0
Other Debt Service	0	0	0	275,974	0

(Continued)

Exhibit C-3

Washington 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	Education Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,637,220
Capital Projects - Donated	77,735	0	0	0	639,961
Total Expenditures	<u>\$ 43,511,218</u>	<u>\$ 854,940</u>	<u>\$ 10,370,957</u>	<u>\$ 14,666,366</u>	<u>\$ 5,277,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,305,615</u>	<u>\$ 24,035,723</u>	<u>\$ 807,901</u>	<u>\$ (772,843)</u>	<u>\$ 1,007,687</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,331,726
Insurance Recovery	7,522	0	12,393	0	0
Transfers In	0	0	0	81,000	0
Transfers Out	(225,620)	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (218,098)</u>	<u>\$ 0</u>	<u>\$ 12,393</u>	<u>\$ 81,000</u>	<u>\$ 2,331,726</u>
Net Change in Fund Balances	\$ 2,087,517	\$ 24,035,723	\$ 820,294	\$ (691,843)	\$ 3,339,413
Reclassification - See Note I.D.11	(721,845)	0	0	0	0
Fund Balance, July 1, 2021	<u>20,408,682</u>	<u>190</u>	<u>7,219,684</u>	<u>6,836,321</u>	<u>3,163,040</u>
Fund Balance, June 30, 2022	<u>\$ 21,774,354</u>	<u>\$ 24,035,913</u>	<u>\$ 8,039,978</u>	<u>\$ 6,144,478</u>	<u>\$ 6,502,453</u>

(Continued)

Exhibit C-3

Washington 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	\$ 2,403,997	\$	53,167,688
Licenses and Permits	302		1,020,775
Fines, Forfeitures, and Penalties	10,843		540,128
Charges for Current Services	157,788		891,791
Other Local Revenues	993,262		1,118,251
Fees Received From County Officials	0		6,775,553
State of Tennessee	122,127		14,684,670
Federal Government	0		26,878,483
Other Governments and Citizens Groups	997,619		1,673,344
Total Revenues	<u>\$ 4,685,938</u>	<u>\$</u>	<u>106,750,683</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	5,216,707
Finance	0		3,343,850
Administration of Justice	6,918		4,734,620
Public Safety	15,807		22,742,274
Public Health and Welfare	1,708,763		5,628,187
Social, Cultural, and Recreational Services	0		1,091,842
Agriculture and Natural Resources	0		673,755
Other Operations	0		2,500,429
Highways	0		10,370,957
Debt Service:			
Principal on Debt	1,322,039		10,630,116
Interest on Debt	24,571		5,195,133
Other Debt Service	0		275,974

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<hr/>				
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 3,225,655	\$		7,862,875
Capital Projects - Donated			4,700	722,396
Total Expenditures	<u>\$ 6,308,453</u>	<u>\$</u>		<u>80,989,115</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>\$ (1,622,515)</u>	<u>\$</u>	<u>25,761,568</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$		2,331,726
Insurance Recovery			4,694	24,609
Transfers In			176,620	257,620
Transfers Out			<u>(32,000)</u>	<u>(257,620)</u>
Total Other Financing Sources (Uses)	<u>\$ 149,314</u>	<u>\$</u>		<u>2,356,335</u>
Net Change in Fund Balances	\$ (1,473,201)	\$		28,117,903
Reclassification - See Note I.D.11			0	(721,845)
Fund Balance, July 1, 2021			<u>9,959,702</u>	<u>47,587,619</u>
Fund Balance, June 30, 2022	<u>\$ 8,486,501</u>	<u>\$</u>		<u>74,983,677</u>

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

Washington 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)		\$ 28,117,903
(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	\$ 12,219,518	
Less: current-year depreciation expense	(4,556,095)	
Less: current-year amortization	<u>(79,120)</u>	7,584,303
(2) The effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Less: capital assets transferred to the Discretely Presented Washington County School Department	\$ (5,709,102)	
Less: book value of other capital assets disposed	<u>(1,167,057)</u>	(6,876,159)
(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	\$ 1,091,362	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(2,036,402)</u>	(945,040)
(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 payments on bonds	\$ 8,780,000	
Add: principal payments on notes	1,650,000	
Add: principal payments on other loans	127,038	
Add: principal payments on leases	73,077	
Add: change in nonexchange financial guarantee	367,580	
Less: other loan proceeds	(2,331,726)	
Add: change in unamortized premium on debt issuances	1,397,188	
Less: change in deferred amount on refunding debt	<u>(757,269)</u>	9,305,888
(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	\$ 89,657	
Change in OPEB liability	214,415	
Change in net pension asset/liability	8,224,777	
Change in deferred outflows related to pensions	4,575,996	
Change in deferred inflows related to pensions	(10,774,484)	
Change in deferred outflows related to OPEB	(74,493)	
Change in deferred inflows related to OPEB	(15,535)	
Change in compensated absences payable	<u>215,875</u>	2,456,208
(6) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>66,670</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 39,709,773</u>

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



Exhibit C-5

Washington 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	\$ 25,540,240	\$ 0	\$ 0	\$ 25,540,240	\$ 25,252,070	\$ 25,252,070	\$ 288,170
Licenses and Permits	1,017,339	0	0	1,017,339	817,500	817,500	199,839
Fines, Forfeitures, and Penalties	529,285	0	0	529,285	632,200	636,400	(107,115)
Charges for Current Services	734,003	0	0	734,003	596,500	602,500	131,503
Other Local Revenues	264,999	0	0	264,999	452,500	452,500	(187,501)
Fees Received From County Officials	6,775,553	0	0	6,775,553	6,580,000	6,630,000	145,553
State of Tennessee	8,949,222	0	0	8,949,222	4,912,561	6,231,843	2,717,379
Federal Government	1,748,906	0	0	1,748,906	1,442,500	1,604,301	144,605
Other Governments and Citizens Groups	257,286	0	0	257,286	153,500	256,470	816
<b>Total Revenues</b>	<b>\$ 45,816,833</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,816,833</b>	<b>\$ 40,839,331</b>	<b>\$ 42,483,584</b>	<b>\$ 3,333,249</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 96,737	\$ 0	\$ 125	\$ 96,862	\$ 155,790	\$ 155,790	\$ 58,928
Board of Equalization	2,300	0	0	2,300	6,210	6,210	3,910
County Mayor/Executive	280,507	0	0	280,507	278,710	294,708	14,201
County Attorney	314,132	0	0	314,132	327,371	327,371	13,239
Election Commission	787,816	(25)	7,202	794,993	772,918	848,920	53,927
Register of Deeds	587,771	0	1,749	589,520	592,882	615,064	25,544
Planning	222,011	0	654	222,665	220,633	224,151	1,486
Codes Compliance	424,703	(174)	1,016	425,545	514,014	510,496	84,951
County Buildings	419,199	0	16,206	435,405	442,700	484,700	49,295
Other General Administration	1,888,664	(6,500)	1,330	1,883,494	2,344,671	2,020,746	137,252
Preservation of Records	192,867	0	0	192,867	246,503	197,779	4,912
<u>Finance</u>							
Accounting and Budgeting	535,732	0	21,728	557,460	613,999	659,323	101,863
Purchasing	218,689	0	500	219,189	221,434	222,334	3,145
Property Assessor's Office	329,611	0	1,076	330,687	352,980	366,765	36,078
Reappraisal Program	626,865	0	710	627,575	660,166	670,065	42,490
County Trustee's Office	530,281	0	1,125	531,406	560,474	560,552	29,146

(Continued)

Exhibit C-5

Washington 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>Finance (Cont.)</u>							
County Clerk's Office	\$ 1,102,672	\$ 0	\$ 20	\$ 1,102,692	\$ 1,095,187	\$ 1,153,435	\$ 50,743
<u>Administration of Justice</u>							
Circuit Court	2,242,224	(569)	2,280	2,243,935	2,248,505	2,322,739	78,804
General Sessions Judge	675,550	0	0	675,550	711,727	706,841	31,291
Drug Court	93,596	0	0	93,596	85,006	95,006	1,410
Chancery Court	803,211	0	1,527	804,738	865,299	888,641	83,903
District Attorney General	77,410	0	0	77,410	70,000	77,524	114
Other Administration of Justice	160,172	0	0	160,172	214,830	195,011	34,839
Courtroom Security	627,693	0	0	627,693	730,767	742,243	114,550
Victim Assistance Programs	47,846	0	0	47,846	45,000	49,200	1,354
<u>Public Safety</u>							
Sheriff's Department	9,215,686	(171,974)	273,583	9,317,295	9,815,926	9,406,274	88,979
Administration of the Sexual Offender Registry	2,800	0	0	2,800	0	6,000	3,200
Jail	10,512,126	(75,355)	173,583	10,610,354	9,771,908	10,708,013	97,659
Juvenile Services	418,777	0	1,264	420,041	505,061	505,061	85,020
Work Release Program	10,464	0	0	10,464	11,970	11,970	1,506
Fire Prevention and Control	990,500	0	0	990,500	1,011,500	1,011,500	21,000
Civil Defense	197,234	0	0	197,234	259,912	246,112	48,878
Rescue Squad	86,000	0	0	86,000	86,000	86,000	0
Other Emergency Management	20,135	0	0	20,135	128,000	75,265	55,130
County Coroner/Medical Examiner	290,618	0	0	290,618	293,000	293,000	2,382
Other Public Safety	982,127	0	0	982,127	992,533	992,533	10,406
<u>Public Health and Welfare</u>							
Local Health Center	1,672,505	(607)	30,491	1,702,389	2,285,939	2,285,939	583,550
Rabies and Animal Control	250,000	0	0	250,000	250,000	250,000	0
Ambulance/Emergency Medical Services	1,871,753	0	0	1,871,753	1,871,753	1,871,753	0
Regional Mental Health Center	17,000	0	0	17,000	17,000	17,000	0
General Welfare Assistance	37,800	0	0	37,800	25,000	40,000	2,200
Sanitation Education/Information	70,366	0	955	71,321	72,020	72,020	699

(Continued)

Exhibit C-5

Washington 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>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 121,000	\$ 0	\$ 0	\$ 121,000	\$ 121,000	\$ 121,000	\$ 0
Libraries	855,842	(11,212)	3,885	848,515	860,559	862,017	13,502
Other Social, Cultural, and Recreational	115,000	0	0	115,000	115,000	115,000	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	445,865	0	359	446,224	453,120	453,120	6,896
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	192,848	0	0	192,848	202,513	202,513	9,665
Storm Water Management	28,462	0	31,767	60,229	33,500	59,500	(729)
Other Agriculture and Natural Resources	5,080	0	0	5,080	5,000	5,080	0
<u>Other Operations</u>							
Tourism	7,000	0	0	7,000	7,000	7,000	0
Other Economic and Community Development	690,285	0	15,000	705,285	634,062	2,205,864	1,500,579
Airport	553,755	0	0	553,755	578,223	578,223	24,468
Veterans' Services	57,327	0	258	57,585	94,900	94,900	37,315
Contributions to Other Agencies	40,500	0	0	40,500	52,500	52,500	12,000
Employee Benefits	10,319	0	0	10,319	11,000	11,000	681
COVID-19 Grant #4	199,272	(199,047)	0	225	0	0	(225)
COVID-19 Grant #7	87,031	0	0	87,031	0	100,000	12,969
<u>Principal on Debt</u>							
General Government	73,077	0	0	73,077	0	73,077	0
<u>Interest on Debt</u>							
General Government	15,170	0	0	15,170	0	15,170	0
<u>Capital Projects - Donated</u>							
Capital Projects Donated to Other Entities	77,735	0	0	77,735	0	77,735	0
Total Expenditures	\$ 43,511,218	\$ (465,463)	\$ 588,393	\$ 43,634,148	\$ 44,945,175	\$ 47,309,253	\$ 3,675,105
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,305,615	\$ 465,463	\$ (588,393)	\$ 2,182,685	\$ (4,105,844)	\$ (4,825,669)	\$ 7,008,354

(Continued)

Exhibit C-5

Washington 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>Other Financing Sources (Uses)</u>							
Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0
Insurance Recovery	7,522	0	0	7,522	0	6,472	1,050
Transfers In	0	0	0	0	2,050,000	2,050,000	(2,050,000)
City General Fund Transfer	0	0	0	0	95,720	0	0
Transfers Out	(225,620)	0	0	(225,620)	0	(225,621)	1
Total Other Financing Sources	\$ (218,098)	\$ 0	\$ 0	\$ (218,098)	\$ 2,245,720	\$ 1,830,851	\$ (2,048,949)
Net Change in Fund Balance	\$ 2,087,517	\$ 465,463	\$ (588,393)	\$ 1,964,587	\$ (1,860,124)	\$ (2,994,818)	\$ 4,959,405
Reclassification - See Note I.D.11	(721,845)	0	0	(721,845)	0	0	(721,845)
Fund Balance, July 1, 2021	20,408,682	(465,463)	0	19,943,219	18,414,186	18,414,186	1,529,033
Fund Balance, June 30, 2022	\$ 21,774,354	\$ 0	\$ (588,393)	\$ 21,185,961	\$ 16,554,062	\$ 15,419,368	\$ 5,766,593

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

Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ (238,914)	\$ 0	\$ (238,914)	\$ 0	\$ 0	\$ (238,914)
Federal Government	25,129,577	0	25,129,577	0	11,129,257	14,000,320
Total Revenues	\$ 24,890,663	\$ 0	\$ 24,890,663	\$ 0	\$ 11,129,257	\$ 13,761,406
<u>Expenditures</u>						
<u>Other Operations</u>						
American Rescue Plan Act Grant #1	\$ 854,940	\$ 1,442,608	\$ 2,297,548	\$ 0	\$ 7,069,519	\$ 4,771,971
Total Expenditures	\$ 854,940	\$ 1,442,608	\$ 2,297,548	\$ 0	\$ 7,069,519	\$ 4,771,971
Excess (Deficiency) of Revenues Over Expenditures	\$ 24,035,723	\$ (1,442,608)	\$ 22,593,115	\$ 0	\$ 4,059,738	\$ 18,533,377
Net Change in Fund Balance	\$ 24,035,723	\$ (1,442,608)	\$ 22,593,115	\$ 0	\$ 4,059,738	\$ 18,533,377
Fund Balance, July 1, 2021	190	0	190	0	0	190
Fund Balance, June 30, 2022	\$ 24,035,913	\$ (1,442,608)	\$ 22,593,305	\$ 0	\$ 4,059,738	\$ 18,533,567

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

Exhibit C-7

Washington 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	\$ 5,034,773	\$ 0	\$ 0	\$ 5,034,773	\$ 4,932,002	\$ 4,948,902	\$ 85,871
Licenses and Permits	627	0	0	627	800	800	(173)
Other Local Revenues	165,698	0	0	165,698	260,000	260,000	(94,302)
State of Tennessee	5,613,321	0	0	5,613,321	3,088,735	5,846,662	(233,341)
Other Governments and Citizens Groups	364,439	0	0	364,439	0	0	364,439
<b>Total Revenues</b>	<b>\$ 11,178,858</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,178,858</b>	<b>\$ 8,281,537</b>	<b>\$ 11,056,364</b>	<b>\$ 122,494</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 888,078	\$ (10,450)	\$ 0	\$ 877,628	\$ 981,721	\$ 1,025,571	\$ 147,943
Highway and Bridge Maintenance	2,420,311	(7,000)	10,448	2,423,759	3,142,378	3,251,378	827,619
Operation and Maintenance of Equipment	842,695	(1,621)	1,188	842,262	927,996	939,996	97,734
Asphalt Plant Operations	3,120,127	0	195	3,120,322	3,600,042	3,680,042	559,720
Traffic Control	101,087	(3,950)	0	97,137	144,388	144,388	47,251
Capital Outlay	2,998,659	(1,592,470)	1,454,717	2,860,906	480,500	5,497,827	2,636,921
<b>Total Expenditures</b>	<b>\$ 10,370,957</b>	<b>\$ (1,615,491)</b>	<b>\$ 1,466,548</b>	<b>\$ 10,222,014</b>	<b>\$ 9,277,025</b>	<b>\$ 14,539,202</b>	<b>\$ 4,317,188</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 807,901	\$ 1,615,491	\$ (1,466,548)	\$ 956,844	\$ (995,488)	\$ (3,482,838)	\$ 4,439,682
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,393	\$ 0	\$ 0	\$ 12,393	\$ 0	\$ 0	\$ 12,393
<b>Total Other Financing Sources</b>	<b>\$ 12,393</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,393</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,393</b>
Net Change in Fund Balance	\$ 820,294	\$ 1,615,491	\$ (1,466,548)	\$ 969,237	\$ (995,488)	\$ (3,482,838)	\$ 4,452,075
Fund Balance, July 1, 2021	7,219,684	(1,615,491)	0	5,604,193	7,567,262	7,567,262	(1,963,069)
<b>Fund Balance, June 30, 2022</b>	<b>\$ 8,039,978</b>	<b>\$ 0</b>	<b>\$ (1,466,548)</b>	<b>\$ 6,573,430</b>	<b>\$ 6,571,774</b>	<b>\$ 4,084,424</b>	<b>\$ 2,489,006</b>

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

Exhibit D-1

Washington County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2022

	<u>Governmental Activities - Internal Service Fund</u> Employee Insurance - Health Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 4,014,787
Accounts Receivable	<u>63,798</u>
Total Assets	<u>\$ 4,078,585</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 29,070
Claims and Judgments Payable	247,984
Unearned Revenue	<u>371</u>
Total Liabilities	<u>\$ 277,425</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 3,801,160</u>
Total Net Position	<u>\$ 3,801,160</u>

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

Exhibit D-2

Washington County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Health Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 6,437,966
Retiree Insurance Payments	60,994
Total Operating Revenues	<u>\$ 6,498,960</u>
<u>Operating Expenses</u>	
Pest Control	\$ 330
Internet Connectivity	500
Rentals	18,022
Drugs and Medical Supplies	18,596
Water and Sewer	567
Electricity	1,536
Other Charges	2,179
Medical Claims	5,358,665
Handling Charges and Administrative Costs	610,623
Office Supplies	1,266
Communication	1,153
Contracts with Private Agencies	397,723
Total Operating Expenses	<u>\$ 6,411,160</u>
Operating Income (Loss)	<u>\$ 87,800</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income (Loss)	<u>\$ (21,130)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (21,130)</u>
Change in Net Position	\$ 66,670
Net Position, July 1, 2021	<u>3,734,490</u>
Net Position, June, 30, 2022	<u><u>\$ 3,801,160</u></u>

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



Exhibit D-3

Washington County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
	Employee Insurance - Health Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 6,499,331
Excess Risk Insurance Recovery	650,997
Payments for Administrative Costs	(613,578)
Payments for Claims	(6,012,596)
Payments for Vendors	(434,462)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 89,692</u>
<u>Cash Flows from Investing Activities</u>	
Investment Loss in County Cash and Investment Pool	\$ (21,130)
Net Cash Provided By (Used In) Investing Activities	<u>\$ (21,130)</u>
Increase (Decrease) in Cash	\$ 68,562
Cash, July 1, 2021	<u>3,946,225</u>
Cash, June 30, 2022	<u><u>\$ 4,014,787</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 87,800
Adjustments to Reconcile Net Operating Income (loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	93,620
Increase (Decrease) in Accounts Payable	4,455
Increase (Decrease) in Claims and Judgements Payable	(96,554)
Increase (Decrease) in Unearned Revenue	371
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 89,692</u></u>

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

Exhibit E-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 9,202,896
Equity in Pooled Cash and Investments	3,093,597
Accounts Receivable	100,728
Due from Other Governments	9,514,164
Taxes Receivable	12,701,071
Allowance for Uncollectible Taxes	<u>(173,587)</u>
Total Assets	<u>\$ 34,438,869</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 4,121
Due to Other Taxing Units	<u>12,547,129</u>
Total Liabilities	<u>\$ 12,551,250</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 12,306,951</u>
Total Deferred Inflows of Resources	<u>\$ 12,306,951</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 9,580,668</u>
Total Net Position	<u><u>\$ 9,580,668</u></u>

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

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

Custodial  
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 33,567,925
ADA - Educational Funds Collected for Cities	33,287,585
Fines/Fees and Other Collections	28,434,107
Drug Task Force Collections	75,506
District Attorney General Collections	31,026
Total Additions	<u>\$ 95,396,149</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 33,567,925
Payments to City School Systems	33,287,585
Payments to State	19,752,064
Payments to Individuals and Others	5,560,881
Payment of Drug Task Force Expenses	69,693
Payment of District Attorney General Expenses	25,229
Total Deductions	<u>\$ 92,263,377</u>
 Net Increase (Decrease) in Fiduciary Net Position	 \$ 3,132,772
Net Position, July 1, 2021	<u>6,447,896</u>
 Net Position, June 30, 2022	 <u>\$ 9,580,668</u>

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

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**WASHINGTON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**WASHINGTON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements (Cont.)**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Washington 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 Washington County:

**A. Reporting Entity**

Washington County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Washington County (the primary government) and its component units. The financial activity of the Washington County Industrial Development Board, a component unit requiring discrete presentation, is not material to the aggregate discretely presented component units and has been excluded from this report since audited financial statements were not available in time for inclusion. 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 Washington County School Department operates the public school system in the county, and the voters of Washington 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 Washington County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Washington County, and the Washington 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 Washington County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Washington County Commission appoints the board members. Financial activity of the board has thus far been limited to the extension of industrial recruitment incentives to businesses on behalf of Washington County.

The Washington 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. Although required by GAAP, the financial statements of the Washington County Industrial Development Board were not available in time for inclusion as previously mentioned. Complete financial statements of the Washington County Emergency Communications District and the Washington County Industrial Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Washington County Emergency Communications District  
P.O. Box 448  
Johnson City, TN 37605

Washington County Industrial Development Board  
100 E. Main Street  
Jonesborough, TN 37659

**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 Washington 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 Washington 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.

Washington County issues all debt for the discretely presented Washington County School Department. During the year, Washington County issued an Energy Efficient Schools Initiative Loan for the benefit of the Washington County School Department totaling \$2,331,726. Other significant transactions between the primary government and the school department during the year include: \$980,000 paid from the General Purpose School Fund to the county's Rural Debt Service Fund; and \$90,000 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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 Washington County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Washington County reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other



governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 60 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. Washington 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.

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

Washington 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.

**Education Capital Projects Fund** – This fund accounts for school construction, renovation, and other capital projects subsequently contributed to the discretely presented Washington County School Department.

Additionally, Washington County reports the following fund types:

**Internal Service Fund** – The Employee Insurance - Health Fund accounts for the primary government’s self-insured health program. Premiums charged to the various county funds and employee payroll deductions are placed in this fund to pay the claims of county employees.

**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 Washington County, Johnson City school system’s share of educational revenues, assets held in a custodial capacity for the East Tennessee Railway Authority, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General.

The discretely presented Washington 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. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund is self-insurance premiums. Operating expenses for the internal service fund include various self-insured insurance program expenses and fiscal agent charges.

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows of the internal service fund, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 Washington County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Washington 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. Washington County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

## **2. Receivables and Payables**

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

All property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.70 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 60 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 governmental funds and government-wide financial statements.

Most payables are disaggregated on the face of the financial statements. Other current liabilities of the General Fund consist of funds totaling \$57,068 from asset seizures that have not been awarded to the county, and the remaining balance for benefit plan payments not drawn as of June 30, 2022. Other current liabilities of the discretely presented school department's General Purpose School Fund consist of balances of insurance premium payments and clearing accounts not drawn as of June 30, 2022. Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's nonmajor governmental funds and the discretely presented school department's School Federal Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held as Equity in Pooled Cash and Investments in the applicable funds.

**3. Inventories and Prepaid Items**

Inventories of the discretely presented Washington County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

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 consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Washington County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Washington County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Washington County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

**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, and infrastructure assets (e.g., roads, bridges, and library books), and intangible right-to-use assets (e.g., lease assets) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and with an initial individual cost of \$10,000 or more for all assets other than infrastructure, which is a cost of \$50,000 or more. 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. Right-to-use assets are amortized over the shorter of the lease term or useful life.

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
System Infrastructure	40
Vehicles	5-10
Office Equipment	5-7
Computer Equipment	5
Right-to-Use Assets	5-20

**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, assumptions, and proportion; 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 of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items

are from the following sources: current and delinquent property taxes; deferred lease receivables; pension changes in experience, investment earnings, and proportion; OPEB changes in experiences, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Washington County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. 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.

It is the policy of the Washington County School Department to permit noncertified employees to accumulate a limited amount of earned but unused vacation benefits that lapse at the end of each calendar year. 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 for amounts that have matured at the end of the fiscal year. Also, the general policy of the school department permits all personnel 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, Lease Obligations, and Long-term Obligations**

In the government-wide financial statements, long-term debt, lease obligations, 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.

Lease obligations are recognized in the government-wide financial statements. At the commencement of a lease, a lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable and lease obligations, 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 special termination benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **9. Net Position and Fund Balance**

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

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

The government-wide Statement of Net Position reports \$27,020,312 of restricted net position for the primary government, of which \$1,389,115 is restricted by enabling legislation.

As of June 30, 2022, Washington County had \$108,728,050 in outstanding debt for capital purposes for the discretely presented

Washington County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (Johnson City School System) based on an average daily attendance proration. The debt is a liability of Washington County, but the capital assets acquired are reported in the financial statements of the school department and the Johnson City School System. Therefore, Washington 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 in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. In prior years, the Highway/Public Works Fund received and utilized a portion of capital outlay note proceeds from the General Obligation Capital Outlay Note, Series 2013. The resolution for the issuance of this note approved by the county commission required the Highway/Public Works Fund to make annual contributions to the General Debt Service Fund for its respective share of the debt principal and interest requirements. At June 30, 2022, the Highway/Public Works Fund had paid all future requirements through the final maturity date of the note, July 15, 2025. As a result, \$567,300 of the total \$6,142,252 balance of the Restricted for Debt Service account of the General Debt Service Fund represents amounts restricted for future payments of the Highway/Public Works Fund's portion of the associated debt requirements.

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. Committed for Other Purposes in the Other General Government Fund represents funds received and committed for revenue loss under the American Rescue Plan Act.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the General Fund consists of amounts assigned for encumbrances (\$588,393), amounts assigned by the county commission for various purposes within the general government (\$792,519), and amounts appropriated for use in the 2022-23 year budget (\$5,980,962). Assigned fund balance in the discretely presented school department’s General Purpose School Fund consists of amounts assigned for encumbrances (\$15,750) and amounts appropriated for use in the 2022-23 year budget (\$8,901,707).

Unassigned Fund Balance – the residual classification of the General Fund of the primary government and General Purpose School Fund of the discretely presented school department. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. The General Fund and General Purpose School Fund are the only funds that report positive unassigned fund balance. However, in governmental funds other than the General and General Purpose School funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance, which would be a deficit.

**10. Minimum Fund Balance Policy**

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

General Fund – Beginning unassigned fund balance will be four months budgeted average expenditures for the year and will not at any point be less than 15 percent of projected annual expenditures.

General Debt Service Fund – Beginning cash or investments will be 40 percent of the current year debt service obligations or an amount equal to the debt service fund expenditure requirements during the first six months of the fiscal year, whichever is greater.

Employee Insurance - Health Fund – Minimum unrestricted net position will be equal to the collective balance of six month average prior year expenditures for medical and pharmacy claims, medical and pharmacy claims incurred and not reported, employee health clinic operating costs, plus the equivalent of one large stop loss claim.

## **11. Reclassification and Restatement**

In prior years, the Industrial Development Board was reported as a blended component unit, with operations being accounted for in the General Fund. Effective July 1, 2021, the Industrial Development Board, being a separate legal entity, will be presented as a discretely presented component unit with all operations being removed out of the General Fund. A reclassification of \$721,845 has been reported to the beginning fund balance of the General Fund in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances, and to the beginning net position of the governmental activities in the Statement of Activities to reflect this change. For the current fiscal year, activity for the Industrial Development Board has been excluded from this report since audited financial statements were not available in time for inclusion.

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 and operating leases. As a result, the beginning lease obligation balance of \$647,652 was recognized as of July 1, 2021.

## **E. Pension Plans**

### **Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Washington County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Washington County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan.

For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Washington County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plans**

**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 Washington County. For this purpose, Washington County recognizes benefit payments when due and payable in accordance with benefit terms. Washington County's OPEB plan is not administered through a trust.

**Discretely Presented Washington 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 Washington 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 Washington County School Department**

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

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

**Primary Government**

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

**Discretely Presented Washington County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2022, Washington County and the Washington County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 588,393
Other General Government	1,442,608
Highway/Public Works	1,466,548
Education Capital Projects	1,645,174
Nonmajor Governmental Funds	1,860,523
School Department:	
Major Funds:	
General Purpose School	15,750
School Federal Projects	4,286,497
Nonmajor Governmental Funds	40,276

**B. Fund Deficit**

The School Federal Projects Fund (special revenue fund) of the discretely presented Washington County School Department had a deficit unassigned fund balance of \$68,247 at June 30, 2022. This deficit unassigned fund balance resulted from the recognition of a liability and expenditure for retainage payable amounts withheld from contractor payments. The deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2022.

The School Federal Projects Fund also reported a budgetary basis deficit of \$3,354,744 as of June 30, 2022. This was due to the recognition of encumbrances in the amount of \$4,286,497 as budgetary basis expenditures. The future expenditures represented by the encumbrances will be funded by federal grants.

**C. Cash Overdraft**

The discretely presented school department's School Federal Projects Fund had a cash overdraft of \$370,528 at June 30, 2022. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2022.

**D. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the Storm Water Management and COVID-19 Grant #4 major appropriation categories (the legal level of control) in the General Fund by \$729 and \$225, respectively, and the Capital Projects Donated to School Department major appropriation category in the Education Capital Projects Fund by \$38,628. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Fund and General Capital Projects Fund.

**E. The Unassigned Fund Balance of the General Fund was Less than Required by County Policy**

The unassigned fund balance of the General Fund amounted to \$13,301,276 at June 30, 2022. This was approximately \$3,407,981 less than the minimum amount required by the county's fund balance policy. This is further discussed in the audit findings and recommendations in the Single Audit section of this report.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Washington County and the Washington 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 and investments reflected on the balance sheets or statements of net position represent 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.

**Investment Balances.** As of June 30, 2022, Washington County had the following investments carried at amortized cost using a Stable Net Asset Value and at fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Washington County and the discretely presented Washington County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
U.S. Treasury Bill	N/A	12-1-22	\$ 5,055,536
Investments at Fair Value:			
U.S. Treasury Note	N/A	1-31-23	2,464,750
U.S. Treasury Note	N/A	4-15-23	2,449,700
U.S. Treasury Note	N/A	5-15-23	9,763,300
U.S. Treasury Note	N/A	7-15-23	2,428,025
U.S. Treasury Note	N/A	10-31-23	2,416,025
U.S. Treasury Note	N/A	11-30-23	<u>9,660,200</u>
Total			<u>\$ 34,237,536</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)
U.S. Treasury Notes	\$ 29,182,000	\$ 29,182,000	\$ 0	\$ 0
Total	<u>\$ 29,182,000</u>	<u>\$ 29,182,000</u>	<u>\$ 0</u>	<u>\$ 0</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.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Washington County's investment policy allows the investment committee, using its discretion, to set a maximum maturity term, for all investments in order to match investments to anticipated future cash flow needs. These limits must fall within the limits imposed by state statutes.

**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. Washington County's investment policy requires that the investment committee seek to minimize risk by pre-qualifying, approving, and conducting business with only financial

institutions, brokers, dealers, intermediaries and/or advisers with exceptional reputations. Investments are held by the broker (Raymond James) through the Federal Reserve book-entry system for the benefit of the county. SIPC coverage is provided up to \$500,000 and excess SIPC coverage is provided by the broker in an aggregate firm limit of \$750 million for all customers, including a sub-limit of \$1.9 million per customer for cash above basic SIPC, for the wrongful abstraction of customer funds.

**TCRS Stabilization Trust**

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Washington 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 Washington County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 168,026
Developed Market International Equity	N/A	N/A	75,883
Emerging Market International Equity	N/A	N/A	21,681
U.S. Fixed Income	N/A	N/A	108,403
Real Estate	N/A	N/A	54,202
Short-term Securities	N/A	N/A	5,420
NAV - Private Equity and Strategic Lending	N/A	N/A	108,403
Total			\$ 542,018

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the

Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/ag21066.pdf>.

**B. Leases Receivable**

On January 1, 2004, Washington County entered into a lease agreement for the use of a county owned quarry. As of July 1, 2021, the remaining term was 22 years and six months, and the county will receive annual payments of \$51,474. An initial lease receivable was recorded in the amount of \$870,101 during the current fiscal year. Washington County recognized \$30,413 in lease revenue and \$21,061 in interest revenue during the current fiscal year related to this lease. The lease receivable was discounted using an annual interest rate of 2.6899 percent. As of June 30, 2022, the lease receivable balance was \$839,688.

On June 1, 2018, Washington County entered into a lease agreement for the use of county owned land. As of July 1, 2021, the remaining term was 21 years and eleven months, and the county will receive annual payments of \$11,142. An initial lease receivable was recorded in the amount of \$184,582 during the current fiscal year. Washington County recognized \$6,495 in lease revenue and \$4,647 in interest revenue during the current fiscal year related to this lease. The lease receivable was discounted using an annual interest rate of 2.6899 percent. As of June 30, 2022, the lease receivable balance was \$178,087.

Washington County reports deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$831,534 for the quarry lease and \$176,202 for the land lease.

The future receipts of the leases receivable include:

Year Ending June 30	Principal	Interest	Total
2023	\$ 35,677	\$ 26,939	\$ 62,616
2024	36,648	25,968	62,616
2025	37,647	24,969	62,616
2026	38,671	23,945	62,616
2027	39,724	22,892	62,616
2028-2032	215,451	97,628	313,079
2033-2037	246,435	66,645	313,080
2038-2042	281,863	31,215	313,078
2043-2044	85,659	1,756	87,415
Total	<u>\$ 1,017,775</u>	<u>\$ 321,957</u>	<u>\$ 1,339,732</u>

**C. Capital Assets**

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

**Primary Government - Governmental Activities:**

	Restated Balance 7-1-21 *	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 11,218,802	\$ 8,615	\$ (971,850)	\$ 10,255,567
Construction in Progress	4,359,384	8,225,099	(9,399,332)	3,185,151
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 15,578,186</b>	<b>\$ 8,233,714</b>	<b>\$ (10,371,182)</b>	<b>\$ 13,440,718</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 49,345,815	\$ 8,007,738	\$ (5,709,102)	\$ 51,644,451
Infrastructure	57,669,601	1,597,308	0	59,266,909
Other Capital Assets	30,411,400	3,780,090	(1,862,886)	32,328,604
<b>Total Capital Assets Depreciated</b>	<b>\$ 137,426,816</b>	<b>\$ 13,385,136</b>	<b>\$ (7,571,988)</b>	<b>\$ 143,239,964</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,854,709	\$ 1,355,150	\$ 0	\$ 22,209,859
Infrastructure	32,736,291	1,430,879	0	34,167,170
Other Capital Assets	21,484,570	1,770,066	(1,667,679)	21,586,957
<b>Total Accumulated Depreciation</b>	<b>\$ 75,075,570</b>	<b>\$ 4,556,095</b>	<b>\$ (1,667,679)</b>	<b>\$ 77,963,986</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 62,351,246</b>	<b>\$ 8,829,041</b>	<b>\$ (5,904,309)</b>	<b>\$ 65,275,978</b>
Intangible Right-to-Use Assets:				
Leased Buildings	\$ 647,652	\$ 0	\$ 0	\$ 647,652
Less: Accumulated Amortization	0	79,120	0	79,120
<b>Net Intangible Right-to-Use Assets</b>	<b>\$ 647,652</b>	<b>\$ (79,120)</b>	<b>\$ 0</b>	<b>\$ 568,532</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 78,577,084</b>	<b>\$ 16,983,635</b>	<b>\$ (16,275,491)</b>	<b>\$ 79,285,228</b>

\* The balance 7-1-21 has been restated to include \$647,652 of intangible right-to-use assets due to the transition requirements of GASB Statement No. 87.

Decreases to buildings and improvements are for capital assets contributed to the school department upon completion and before being placed in service and depreciated.

During the 2021-22 year, the Education Capital Projects Fund purchased \$639,961 of data processing equipment which did not meet capitalization thresholds and donated those items to the school department.

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

**Governmental Activities:**

General Government	\$ 574,422
Finance	39,724
Administration of Justice	8,340
Public Safety	1,669,700
Public Health and Welfare	245,921
Social, Cultural, and Recreational Services	148,156
Agriculture and Natural Resources	2,995
Highways/Public Works	<u>1,945,957</u>
 Total Depreciation and Amortization Expense - Governmental Activities	 <u><u>\$ 4,635,215</u></u>

**Net Investment in Capital Assets**

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Capital Assets (both tangible and intangible)	\$ 79,285,228
Add:	
Unspent debt proceeds	4,753,541
Less:	
Outstanding principal of capital debt and other capital borrowings	(26,399,465)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(2,039,753)</u>
 Net Investment in Capital Assets	 <u><u>\$ 55,599,551</u></u>

**Discretely Presented Washington County School Department -  
Governmental Activities:**

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 3,352,389	\$ 0	\$ 0	\$ 3,352,389
Construction in Progress	23,420	2,359,238	(717,817)	1,664,841
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 3,375,809</b>	<b>\$ 2,359,238</b>	<b>\$ (717,817)</b>	<b>\$ 5,017,230</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 150,499,360	\$ 5,709,102 (1)	\$ 0	\$ 156,208,462
Other Capital Assets	17,529,821	1,259,924	(665,967)	18,123,778
<b>Total Capital Assets Depreciated</b>	<b>\$ 168,029,181</b>	<b>\$ 6,969,026</b>	<b>\$ (665,967)</b>	<b>\$ 174,332,240</b>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 68,969,978	\$ 4,676,718	\$ 0	\$ 73,646,696
Other Capital Assets	10,971,152	1,311,370	(641,825)	11,640,697
<b>Total Accumulated Depreciation</b>	<b>\$ 79,941,130</b>	<b>\$ 5,988,088</b>	<b>\$ (641,825)</b>	<b>\$ 85,287,393</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 88,088,051</b>	<b>\$ 980,938</b>	<b>\$ (24,142)</b>	<b>\$ 89,044,847</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 91,463,860</b>	<b>\$ 3,340,176</b>	<b>\$ (741,959)</b>	<b>\$ 94,062,077</b>

(1) Increases totaling \$5,709,102 are for a school building and improvements contributed from the primary government.

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



**Governmental Activities:**

Instruction	\$ 4,676,720
Support Services	1,186,410
Operation of Non-instructional Services	<u>124,958</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,988,088</u>

**D. Construction Commitments**

At June 30, 2022, the General Fund had an uncompleted construction contract of \$15,000 for site development. The Highway/Public Works Fund had uncompleted construction contracts of approximately \$923,545 for road and bridge construction. The General Capital Projects Fund had uncompleted construction contracts of approximately \$251,552 for courthouse renovations, \$99,070 for health department renovations, \$10,065 for election office redesign, \$518,320 for sheriff department renovations, \$16,368 for waterline development, \$449,617 for detention center renovations, and \$515,072 for school construction. Funding for the future expenditures of the General Fund, Highway/Public Works Fund, and General Capital Projects Fund is being provided by available fund balance and from future local taxes.

The School Federal Projects Fund of the discretely presented school department reports encumbrances of \$4,286,497 for HVAC upgrades and replacements at the two county high schools. Funding for the future expenditures is being provided by a federal grant.

In order to enhance public use amenities within Washington County, the county has entered into an interlocal agreement with the town of Jonesborough, Tennessee for the construction and operation of certain public facilities, namely park and athletic facilities and a K-8 school. The school facility is intended to replace the current Jonesborough Elementary (constructed in 1971) and Jonesborough Middle (constructed in 1950) schools. Under the interlocal agreement, the town must be able to acquire specific land and design and construct a K-8 school acceptable to the Washington County Board of Education along with a park and athletic facility for an aggregate maximum cost of \$42,750,000. Upon the fulfillment of the town's obligation, the county will lease the K-8 facility for a period of up to 38 years for the benefit of the Washington County Board of Education. The annual lease payments will be an amount equal to the town's debt service, including interest, on a maximum borrowed amount of \$42,750,000 over a term not to exceed 38 years. At the end of the term, the county has the option of receiving title to the building. The Washington County Board of Education will be responsible for funding the K-8 facility operating costs and the county will be responsible for funding the athletic and park facility operating costs. The town has also agreed to manage and maintain certain other park and athletic facilities owned by the

county. The county’s annual payment for the operation and maintenance of all of the county’s park and athletic facilities is fixed at \$500,400 per year for a minimum period of 10 years and could extend to 38 years. County lease payments will not begin until K-8 occupancy, which is expected to be July of 2023. The county commission has authorized appropriations from the General Capital Projects Fund of up to \$1,059,500 towards the facility design costs, including architect, engineering, planning, legal and other professional fees. As of June 30, 2022, the county has spent \$544,428 of this appropriation which includes reimbursements to the town totaling \$426,343. The remaining balance totaling \$515,072 has been recognized as an encumbrance in the General Capital Projects Fund.

**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	\$ 402,432
Nonmajor governmental	General	1,750
Highway/Public Works	"	69
"	Nonmajor governmental	687
General Debt Service	"	710,000

These 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.

**Interfund Transfers:**

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

**Primary Government**

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 49,000	\$ 176,620
Nonmajor governmental funds	32,000	0
<b>Total</b>	<b>\$ 81,000</b>	<b>\$ 176,620</b>

Transfers to the General Debt Service Fund represent contributions from various funds toward debt service principal and interest requirements. Transfers to the Nonmajor Governmental Funds represent contributions for operation and capital needs.

**Discretely Presented Washington County School Department**

Transfer Out	Transfer In
	General Purpose School Fund
School Federal Projects Fund	\$ 809,395
<b>Total</b>	<b>\$ 809,395</b>

Transfers to the General Purpose School Fund represent indirect cost.

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. Lease Obligations**

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 and operating leases. See footnote V.B. – Accounting Changes for details of GASB Statement 87, *Leases*.

On May 1, 2017, the county entered into a lease agreement for the use of office space for EMA. As of July 1, 2021, the remaining term was 16 years, and the

county will make annual payments of \$13,800. An initial lease liability was recorded in the amount of \$179,669 during the current fiscal year. Washington County recognized \$9,492 in lease principal and \$4,308 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2022, the lease liability balance was \$170,177.

On November 1, 2020, the county entered into a lease agreement for the use of property as a maintenance garage for the sheriff's department. As of July 1, 2021, the remaining term was four years and four months, and the county will make annual payments of \$39,600. An initial lease liability was recorded in the amount of \$162,051 during the current fiscal year. Washington County recognized \$35,932 in lease principal and \$3,668 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2022, the lease liability balance was \$126,119.

On June 16, 2021, the county entered into a lease agreement for the use of office spaces for the trustee and county clerk. The lease is for 10 years, and the county will make annual payments of \$34,847. An initial lease liability was recorded in the amount of \$305,932 during the current fiscal year. Washington County recognized \$27,653 in lease principal and \$7,194 in lease interest during the current fiscal year related to this lease. As of June 30, 2022, the lease liability balance was \$278,279.

The present values of the leases were determined using a discount rate of 2.6899 percent, the same as the county's incremental borrowing rate. These leased assets and accumulated amortization of the right-to-use asset is outlined in Note IV.C.

The future lease payments on these asset leases include:

Year Ending June 30	County Leases		
	Principal	Interest	Total
2023	\$ 73,697	\$ 14,551	\$ 88,248
2024	75,701	12,547	88,248
2025	77,765	10,483	88,248
2026	53,276	8,572	61,848
2027	41,242	7,406	48,648
2028-2032	188,399	19,993	208,392
2033-2037	64,495	4,506	69,001
Total	\$ 574,575	\$ 78,058	\$ 652,633

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2022, was as follows:

**Governmental Activities:**

	<u>Leases</u>
Balance, July 1, 2021 - Restated Due to Transition	
Requirements of GASB Statement No. 87	\$ 647,652
Reductions	<u>(73,077)</u>
Balance, June 30, 2022	<u>\$ 574,575</u>
Balance Due Within One Year	<u>\$ 73,697</u>

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2022	\$ 574,575
Less: Balance Due Within One Year - Leases	<u>(73,697)</u>
Noncurrent Liabilities - Due in	
More Than One Year - Leases - Exhibit A	<u>\$ 500,878</u>

**G. 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 July 28, 2020, Washington County had entered into a five-year financed purchase agreement for a phone system, with the General Capital Projects 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 - Washington 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 21 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 - Washington 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. Washington County had no outstanding capital outlay notes at June 30, 2022. Other loans outstanding were issued for original terms of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Other loans included in long-term debt as of June 30, 2022, will be retired from the General Capital Projects and Rural Debt Service funds.

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	2.3 to 5 %	6-1-37	\$ 31,950,000	\$ 26,935,000
General Obligation Bonds - Refunding	1.7 to 4	6-1-37	118,840,000	105,470,000
Direct Borrowing and Direct Placement: Other Loans	0 to 0.5	7-1-29	2,976,592	2,722,515

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 following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 7,435,000	\$ 4,818,878	\$ 12,253,878
2024	7,055,000	4,513,143	11,568,143
2025	7,345,000	4,221,468	11,566,468
2026	7,385,000	3,917,488	11,302,488
2027	7,690,000	3,607,387	11,297,387
2028-2032	43,520,000	13,015,487	56,535,487
2033-2037	51,975,000	4,839,912	56,814,912
Total	\$ 132,405,000	\$ 38,933,763	\$ 171,338,763

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 427,757	\$ 9,933	\$ 437,690
2024	456,666	9,264	465,930
2025	458,323	7,608	465,931
2026	342,613	5,952	348,565
2027	334,608	4,284	338,892
2028-2030	702,548	3,499	706,047
Total	\$ 2,722,515	\$ 40,540	\$ 2,763,055

There is \$6,152,179 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$996 based on the 2020 federal census. Total debt and lease obligations per capita, including, bonds, other loans, and unamortized premium on debt, totaled \$1,075, for residents living inside the Johnson City school district and \$1,116 for residents living outside the Johnson City school district based on the 2020 federal census.

During the year, the school department contributed \$980,000 to the county Rural Debt Service Fund to be applied toward the retirement of school related debt.

#### Changes in Long-term Debt

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

#### **Governmental Activities:**

	Bonds	Notes - Direct Placement
Balance, July 1, 2021	\$ 141,185,000	\$ 1,650,000
Additions	0	0
Reductions	(8,780,000)	(1,650,000)
Balance, June 30, 2022	\$ 132,405,000	\$ 0
Balance Due Within One Year	\$ 7,435,000	\$ 0

**Governmental Activities:**

	Nonexchange Financial Guarantee	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 367,580	\$ 517,827
Additions	0	2,331,726
Reductions	(367,580)	(127,038)
Balance, June 30, 2022	\$ 0	\$ 2,722,515
Balance Due Within One Year	\$ 0	\$ 427,757

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 135,127,515
Less: Balance Due Within One Year - Debt	(7,862,757)
Add: Unamortized Premium on Debt	10,011,998
	10,011,998
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 137,276,756

Defeasance of Nonexchange Financial Guarantee Obligation

During the year, Washington County completed payments necessary to defease its obligation under a nonexchange financial guarantee for 22.5 percent of the outstanding Aerospace Park Bonds, series 2018, issued by the Tri-Cities Airport Authority. The Airport Authority is a joint venture discussed in Note V.E. Washington County used existing county funds to provide resources to purchase U.S. government securities that were placed into an irrevocable trust to provide for all future debt service payments on the outstanding bonds for which Washington County is obligated under the agreement. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled until the remaining outstanding bonds are called and redeemed on May 1, 2026. Accordingly, the trust account and the defeased nonexchange financial guarantee are not included in the county's financial statements. At June 30, 2022, the county's nonexchange financial guarantee for the following outstanding bonds was considered defeased:

	Amount
Tri-Cities Airport Authority Aerospace Park Bonds, Series 2018 - Washington County Portion	\$ 1,640,000



**H. Long-term Obligations**

Changes in Long-term Obligations

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

**Governmental Activities:**

	<u>Compensated Absences</u>	<u>Other Post- Employment Benefits</u>
Balance, July 1, 2021	\$ 2,543,658	\$ 3,836,573
Additions	1,911,998	405,697
Reductions	<u>(2,127,873)</u>	<u>(620,112)</u>
Balance, June 30, 2022	<u>\$ 2,327,783</u>	<u>\$ 3,622,158</u>
Balance Due Within One Year	<u>\$ 744,891</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 5,949,941
Less: Balance Due Within One Year - Other	<u>(744,891)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 5,205,050</u>

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

**Discretely Presented Washington County School Department**

Changes in Long-term Obligations

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

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits	Retirement Incentive
Balance, July 1, 2021	\$ 206,771	\$ 9,695,614	\$ 25,163
Additions	373,941	2,449,741	24,275
Reductions	(430,027)	(524,955)	(19,242)
Balance, June 30, 2022	<u>\$ 150,685</u>	<u>\$ 11,620,400</u>	<u>\$ 30,196</u>
Balance Due Within One Year	<u>\$ 150,685</u>	<u>\$ 0</u>	<u>\$ 30,196</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 11,801,281
Less: Balance Due Within One Year - Other	<u>(180,881)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 11,620,400</u>

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

**I. Pledges of Future Revenues – Discretely Presented Washington County School Department**

The Washington County School Department has pledged to provide funding for the debt service requirements on the Other Loans – Energy Efficient School Initiative debt, with funds received from the energy savings generated by the district-wide energy efficient lighting project. Total principal and interest remaining on the debt is \$2,372,266 with annual requirements ranging from \$310,651 in the next fiscal year to \$28,263 in the final year of FY 2029-30.

**J. On-Behalf Payments – Discretely Presented Washington County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Washington 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 by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were \$161,889. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. 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.

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

Washington County has chosen to establish the Employee Insurance – Health Fund to account for its self-insured employee health program. The Employee Insurance - Health Fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. The county has obtained excess risk insurance coverage with an aggregate individual stop loss limit of \$200,000 per person for covered claims and an annual aggregate maximum liability amount of \$1,000,000. All full-time employees of the primary government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees.

Liabilities of the self-insurance fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. This fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability of unpaid claims. The process used to compute claims liabilities does not necessarily result in an

exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

**Employee Insurance - Health Fund**

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2020-2021	\$ 396,724	\$ 5,004,454	\$ (5,056,640)	\$ 344,538
2021-2022	344,538	5,358,665	(5,455,219)	247,984

Current year claims and estimates, along with payments, are presented net of excess risk insurance recovery of \$533,945. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Discretely Presented Washington County School Department**

For the past two years, the school department elected to purchase commercial insurance for the risks of losses to which it is exposed for general liability, property, casualty, and workers' compensation. Settled claims did not exceed this commercial coverage during those two years. In previous years, the school department had obtained coverage for those risks from the Tennessee Risk Management Trust, a public entity risk pool.

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.

On February 20, 2014, Sullivan County issued \$2,975,000 of Airport Revenue and Tax Refunding Bonds for the Tri-Cities Airport (a joint venture described in Note V.E.). Washington County is contingently liable for 20 percent of the principal and interest on these bonds in the event revenues of the airport authority are not sufficient to cover the payments. The other governments participating in the joint venture are contingently liable for the remaining 80 percent of the principal and interest requirements. Final maturity for the bonds is May 1, 2023. The outstanding balance of the bonds was \$370,000 at June 30, 2022.

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. Changes in Administration**

On August 31, 2021, Edwin Graybeal left the Office of Sheriff. Leighta Laitinen served as interim sheriff beginning September 1, 2021, until the county commission appointed Keith Sexton as sheriff on November 22, 2021.

On May 31, 2022, John Deakins, Jr. left the Office of Superintendent of Highways, and was succeeded by Richard Thompson who was appointed as interim effective June 1, 2022.

**E. Joint Ventures**

The First Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the First Judicial District; Carter, Unicoi, and Washington counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Washington County did not contribute to the DTF for the year ended June 30, 2022.

The Tri-Cities Regional Airport is a joint venture in which Washington County participates, along with Sullivan County and the cities of Kingsport; Johnson City; Bristol, Tennessee; and Bristol, Virginia. The airport is governed by a 12-member board (the Tri-Cities Regional Airport Authority) comprising three members appointed by Washington County and nine members appointed by the other participating governments. Funding for the airport authority is provided primarily by revenues generated from airport services and by capital grants from the federal and state governments. Washington County is contingently liable for certain debt issued by the airport authority and by Sullivan County for the benefit of the airport authority as discussed in Note V.C., Contingent Liabilities.

The Upper East Tennessee Regional Juvenile Detention Center was formed through cooperative agreements between Washington County and the counties of Carter, Greene, Hawkins, Johnson, Sullivan, and Unicoi 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. Washington County's participation cost percentage is 26.1 percent. The counties also pay a daily fee for individuals from their counties using the facility.

Johnson City and Washington County, Tennessee, jointly own an animal shelter operated by the Washington County-Johnson City Animal Control Center. The Animal Control Center is governed by a four-member board comprising two members appointed by Washington County and two members appointed by Johnson City. The county is responsible for funding 50 percent of any deficits from operations. Washington County contributed \$250,000 to the operations during the fiscal year ended June 30, 2022.

The Washington County-Johnson City Emergency Medical Services, Inc. - Ambulance Division receives revenue from Washington County and Johnson City, as well as patient billings. The Board of Directors comprise nine members including: the city manager of Johnson City, the county mayor of Washington County; the mayor of the town of Jonesborough; the Administrator/CEO of Mountain States Health Alliance; one member selected by the Johnson City Commission and ratified by the Washington County Emergency Rescue Services; the chairman of the City County Liaison Committee; the EMS Medical Director; one resident of Johnson City selected by the Johnson City Commission; and one resident of Washington County selected by the county commission. The county contributed \$1,871,753 to the operations during the fiscal year ended June 30, 2022.

The Washington County Economic Development Council receives revenue from Washington County, Johnson City, Jonesborough, as well as investors. The Development Council is governed by a nine member committee comprised of three members appointed by Washington County and six members appointed by participating entities. Washington County is responsible for at least 30 percent of the operations of the Washington County Economic Development Council. The county contributed \$20,000 to the operations during the fiscal year ended June 30, 2022.

Washington County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the First Judicial District Drug Task Force, Tri-Cities Regional Airport, Upper East Tennessee Regional Juvenile Detention Center, Washington County-Johnson City Animal Control Center, Washington County-Johnson City Emergency Medical Services, Inc., and Washington County Economic Development Council can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General  
First Judicial District Drug Task Force  
P.O. Box 38  
Jonesborough, TN 37659

Tri-Cities Regional Airport  
2525 Highway 75, Suite 301  
Blountville, TN 37617



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

Washington County – Johnson City  
Animal Control Center  
3411 North Roan Street  
Johnson City, TN 37601

Washington County – Johnson City  
Emergency Medical Services, Inc.  
296 Wesley Street  
Johnson City, TN 37601

Washington County Economic Development Council  
300 East Main Street #406  
Johnson City, TN 37601

**F. Jointly Governed Organization**

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated, (TCA)*, 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 manager as an ex-officio member, is in charge of the daily operation of the center.

The East Tennessee Railway Authority was established through Title 7 of *Tennessee Code Annotated (TCA)* and includes Washington County and the city of Johnson City. The purpose of the authority is to facilitate upgrades to railway lines in the county and city. The authority is governed by a Board of Directors pursuant to Section 7-56-203, *TCA* and includes the mayor of Washington County and Johnson City as well as an additional member appointed from each governing body of the members. Washington County maintains funds of the authority in the Other Custodial Fund.

Washington County is a participant in the joint governance of the Northeast Tennessee/Virginia Home Consortium, which administers funds received

under the HOME Investment Partnership Act. An interlocal agreement established the consortium between the cities of Bluff City, Bristol, Johnson City and Kingsport, Tennessee; Bristol, Virginia; as well as the counties of Sullivan and Washington, Tennessee. The mayors all represent their respective district. The Bristol, Tennessee mayor serves as Chair of the Governing Board.

Washington 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  
PO Box 249  
Elizabethton, TN 37643

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Washington County and non-certified employees of the discretely presented Washington County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 70.14 percent, the non-certified employees of the discretely presented school department comprise 29.86 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	752
Inactive Employees Entitled to But Not Yet Receiving Benefits	932
Active Employees	879
Total	2,563

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Washington County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contribution for Washington County was \$2,792,008 based on a rate of 9.61 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Washington 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)**

Washington 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	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 Washington 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	\$ 117,563,051	\$ 118,665,463	\$ (1,102,412)
Changes for the Year:			
Service Cost	\$ 2,309,400	\$ 0	\$ 2,309,400
Interest	8,502,664	0	8,502,664
Differences Between Expected and Actual Experience	1,091,082	0	1,091,082
Changes in Assumptions	9,404,909	0	9,404,909
Contributions-Employer	0	2,809,853	(2,809,853)
Net Investment Income	0	30,294,935	(30,294,935)
Benefit Payments, Including Refunds of Employee Contributions	(5,188,660)	(5,188,660)	0
Administrative Expense	0	(79,463)	79,463
Net Changes	\$ 16,119,395	\$ 27,836,665	\$ (11,717,270)
Balance, June 30, 2021	\$ 133,682,446	\$ 146,502,128	\$ (12,819,682)

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

Primary Government:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 81,788,615	\$ 82,555,563	\$ (766,948)
Changes for the Year:			
Service Cost	\$ 1,619,813	\$ 0	\$ 1,619,813
Interest	5,963,769	0	5,963,769
Differences Between Expected and Actual Experience	765,285	0	765,285
Changes in Assumptions	6,596,603	0	6,596,603
Contributions-Employer	0	1,970,831	(1,970,831)
Net Investment Income	0	21,248,867	(21,248,867)
Benefit Payments, Including Refunds of Employee Contributions	(3,639,326)	(3,639,326)	0
Administrative Expense	0	(55,735)	55,735
Other Changes	670,109	676,393	(6,284)
Net Changes	\$ 11,976,253	\$ 20,201,030	\$ (8,224,777)
Balance, June 30, 2021	\$ 93,764,868	\$ 102,756,593	\$ (8,991,725)



School Department:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 35,774,436	\$ 36,109,900	\$ (335,464)
Changes for the Year:			
Service Cost	\$ 689,587	\$ 0	\$ 689,587
Interest	2,538,895	0	2,538,895
Differences Between Expected and Actual Experience	325,797	0	325,797
Changes in Assumptions	2,808,306	0	2,808,306
Contributions-Employer	0	839,022	(839,022)
Net Investment Income	0	9,046,068	(9,046,068)
Benefit Payments, Including Refunds of Employee Contributions	(1,549,334)	(1,549,334)	0
Administrative Expense	0	(23,728)	23,728
Other Changes	(670,109)	(676,393)	6,284
Net Changes	\$ 4,143,142	\$ 7,635,635	\$ (3,492,493)
Balance, June 30, 2021	\$ 39,917,578	\$ 43,745,535	\$ (3,827,957)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Washington 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Washington County			
Primary Government	\$ 3,788,249	\$ (8,991,725)	\$ (19,548,804)
School Department	1,612,734	(3,827,957)	(8,322,317)
Total Net Pension Liability (Asset)	\$ 5,400,983	\$ (12,819,682)	\$ (27,871,121)

**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, Washington County recognized pension expense (negative pension expense) of (\$127,035).

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

Deferred Outflows of Resources:

	Primary Government	School Department	Total
Difference Between Expected and Actual Experience	\$ 892,950	\$ 380,146	\$ 1,273,096
Changes in Assumptions	5,277,282	2,246,645	7,523,927
Contributions Subsequent to the Measurement Date of June 30, 2021	1,812,235	979,773	2,792,008
Total	<u>\$ 7,982,467</u>	<u>\$ 3,606,564</u>	<u>\$ 11,589,031</u>

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

Deferred Inflows of Resources:

	Primary Government	School Department	Total
Difference Between Expected and Actual Experience	\$ 955,415	\$ 406,739	\$ 1,362,154
Difference Between Projected and Actual Earning on Pension Plan Investments	11,330,664	4,823,690	16,154,354
Total	<u>\$ 12,286,079</u>	<u>\$ 5,230,429</u>	<u>\$ 17,516,508</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	Primary Government	School Department	Total
2023	\$ (1,700,417)	\$ (723,901)	\$ (2,424,318)
2024	(1,360,891)	(579,359)	(1,940,250)
2025	(1,471,504)	(626,448)	(2,097,952)
2026	(1,583,033)	(673,929)	(2,256,962)
2027	0	0	0
Thereafter	0	0	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, Washington County reported a payable of \$198,548 for the outstanding amount of contributions due to the pension plan at the year ended June 30, 2022.

### **Discretely Presented Washington County School Department**

#### **Non-certified Employees**

#### **General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Washington County and non-certified employees of the discretely presented Washington County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 70.14 percent and the non-certified employees of the discretely presented school department comprise 29.86 percent of the plan based on contribution data.

#### **Certified Employees**

#### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Washington 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 \$176,369, which is 2.01 percent of covered payroll. In addition, employer contributions of \$169,331 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 (\$499,764) 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 .461372 percent. The proportion as of June 30, 2020, was .446321 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of \$59,716.

*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	\$ 8,694	\$ 91,447
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	287,678
Changes in Assumptions	180,260	0
Changes in Proportion of Net Pension Liability (Asset)	9,143	22,654
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	176,369	N/A
Total	<u>\$ 374,466</u>	<u>\$ 401,779</u>

The school department's employer contributions of \$176,369 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	\$ (64,163)
2024	(62,588)
2025	(62,140)
2026	(69,379)
2027	7,352
Thereafter	47,237

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 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 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 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		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 171,806 \$ (499,764) \$ (995,071)

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

### **Payable to the Pension Plan**

At June 30, 2022, the Washington County School Department reported a payable of \$42,950 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2022.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Washington 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 Washington County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$2,708,057, 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 (\$32,070,702) 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 .743541 percent. The proportion measured at June 30, 2020, was .768190 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$4,960,360).

*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	\$ 107,775	\$ 2,674,801
Changes in Assumptions	8,568,756	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	25,575,669
Changes in Proportion of Net Pension Liability (Asset)	152,587	6,034
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>2,708,057</u>	N/A
Total	<u>\$ 11,537,175</u>	<u>\$ 28,256,504</u>

The school department's employer contributions of \$2,708,057 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension 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	\$ (4,599,737)
2024	(4,352,635)
2025	(3,572,879)
2026	(6,902,136)
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 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 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 reflect more closely actual and expected future experience.

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

investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity 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 Real Estate	6.57		20	
Short-term Securities	1.20		20	
	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 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		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset)    \$ (5,707,506)    \$ (32,070,702)    \$ (54,010,141)

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

**Payable to the Pension Plan**

At June 30, 2022, the Washington County School Department reported a payable of \$626,847 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2022.

**2. Deferred Compensation**

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

Teachers hired after July 1, 2014, by the discretely presented Washington 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 the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$382,071

and teachers contributed \$311,179 to this deferred compensation pension plan.

**H. Other Postemployment Benefits (OPEB)**

**Primary Government**

*Plan Description.* Washington County participates in a self-insured postemployment benefits plan administered by Blue Cross Blue Shield for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 10 years of service. For accounting purposes, the plan is a single employer defined benefit OPEB plan. Benefits are established and amended by the county commission. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

*Benefits Provided.* The plan provides healthcare, dental, vision, and life insurance benefits for retirees until they are Medicare eligible. Spouse benefits are provided while the retiree is eligible for coverage. Surviving spouse benefits are not provided. The benefit terms provide for the county to pay 50 percent of medical premiums and to provide \$5,000 of life insurance coverage. Benefits are established and amended by an insurance committee and approved by the county commission.

**Employees Covered by Benefit Terms**

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	13
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	460
Total	473

**Total OPEB Liability**

The county’s total OPEB liability of \$3,622,158 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020, and updated to the measurement date.

*Actuarial Assumptions and other inputs.* The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll Growth Rate	2.5%
Salary Increases	4.00%
Discount Rate	3.54%
Healthcare Cost Trend Rates	6.5% initially with an ultimate rate of 5% in 2024
Retirees share of Benefit-related Cost	50% of medical premium and 50% of dental and vision premium

The discount rate was based on the Bond Buyer's 20 bond index.

The mortality rates are from the RHP-2014 total dataset headcount-weighted fully generational mortality table with projection scale MP-2020.

The actuarial assumptions were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 3,836,573
Changes for the Year:	
Service Cost	\$ 317,260
Interest	88,437
Changes in Assumption and Other Inputs	(500,417)
Benefit Payments	<u>(119,695)</u>
Net Changes	<u>\$ (214,415)</u>
Balance June 30, 2022	<u><u>\$ 3,622,158</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16 percent in 2021 to 3.54 percent, and a change in the healthcare cost trend rate from 7 percent to 6.5 percent in 2022.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2022, the county recognized OPEB expense (negative OPEB expense) of (\$4,692). At June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,645,850
Changes of Assumptions/Inputs	433,130	460,844
Total	<u>\$ 433,130</u>	<u>\$ 2,106,694</u>

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

Year Ending June 30	Amount
2023	\$ (410,389)
2024	(410,389)
2025	(406,405)
2026	(344,684)
2027	(145,451)
Thereafter	43,754

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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Total OPEB Liability	\$ 3,976,783	\$ 3,622,158	\$ 3,305,694
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*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%	Current Trend Rate	1%
	Decrease (5.5%	(6.5%	Increase (7.5%
	decreasing to 4%)	decreasing to 5%)	decreasing to 6%)

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Total OPEB Liability                    \$ 3,239,802   \$ 3,622,158   \$ 4,080,155

**Discretely Presented Washington County School Department**

The discretely presented Washington County School Department provides OPEB benefits to its retirees under a state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is 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.

*Plan description.* Employees of the Washington 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.

The school department’s total OPEB liability 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 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 the daily rate of 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% to load for males and a 14% 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 to load for males and a 18% 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% 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 2021 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.

*Benefits provided.* The Washington 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. Washington County School Department provides a direct subsidy ranging from \$161 to \$252 per month for certified retirees depending on coverage selected. The school department does not provide a direct subsidy for noncertified retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. 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 or Beneficiaries Currently Receiving Benefits	36
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Members Eligible for Future Benefits	679
Total	<u><u>715</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired

employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$362,130 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Washington County School Department</u> 70.97%	<u>State of TN</u> 29.03%	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 9,667,779	\$ 3,743,530	\$ 13,411,309
Changes for the Year:			
Service Cost	\$ 545,920	\$ 223,306	\$ 769,226
Interest	218,598	89,416	308,014
Difference between Expected and Actuarial Experience	190,779	78,038	268,817
Changes in Proportion	(149,935)	149,935	0
Changes in Assumption and Other Inputs	1,494,444	611,297	2,105,741
Benefit Payments	(347,185)	(142,015)	(489,200)
Net Changes	\$ 1,952,621	\$ 1,009,977	\$ 2,962,598
Balance June 30, 2021	\$ 11,620,400	\$ 4,753,507	\$ 16,373,907

The Washington 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 Washington 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 \$414,137 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Washington County School Department's proportionate share of the collective OPEB Liability was 70.9690 percent and the State of Tennessee's share was 29.0310 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 \$1,544,450, 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
Difference Between Expected and Actual Experience	\$ 779,421	\$ 0
Changes of Assumptions/Inputs	2,231,480	582,755
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	391,365	191,778
Benefits Paid After the Measurement Date of June 30, 2021	<u>362,130</u>	<u>0</u>
Total	<u>\$ 3,764,396</u>	<u>\$ 774,533</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:

Year Ending June 30	School Department
2023	\$ 365,807
2024	365,807
2025	365,807
2026	365,807
2027	365,807
Thereafter	798,698

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	\$ 12,475,647	\$ 11,620,400	\$ 10,796,651
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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	Current 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	\$ 10,255,069	\$ 11,620,400	\$ 13,233,374
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**I. Termination Benefits**

The discretely presented Washington County School Department offers a retirement incentive payment. To be eligible, certified employees must retire with 25 years of experience and at least ten years of experience with Washington County School Department. Under the terms of the plan, employees will receive a one-time payment of \$7,000 for an employee that retires with 25 years of experience. The amount decreases in decrements to \$1,000 for any employee who retires with 33 years or more of experience. As of June 30, 2022, six employees had given notice of their intent to retire during the 2022-23 year. The estimated cost of the payments due to those individuals reported in the government-wide Statement of Net Position is \$30,196. The entire amount is expected to be paid within one year. The governmental funds' financial statements reflect retirement incentive expenditures of \$19,242 in the General Purpose School Fund.

**J. Office of Central Accounting, Budgeting, and Purchasing**

Washington County operates under the provisions of Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and

superintendent of highways. These funds are maintained in the Office of the Director of Accounts and Budgets.

**K. Purchasing Laws**

Offices of County Mayor and Superintendent of Highways

Purchasing procedures for the Offices of County Mayor and Superintendent of Highways are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Superintendent of Highways are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$10,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Washington 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 competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**L. Subsequent Events**

On August 31, 2022, Kathy Storey left the Office of County Clerk and was succeeded by Cheryl Storey.

Richard Thompson, who served as interim superintendent of highways as of June 30, 2022, was appointed as superintendent of highways effective July 1, 2022.

**VI. OTHER NOTES – DISCRETELY PRESENTED WASHINGTON COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. General Information and Significant Accounting Policies**

Washington County Emergency Communications District is an emergency communications district under *Tennessee Code Annotated (TCA)* Section 7-86. The district has established the number 911 as a primary emergency telephone number to provide emergency service quickly and efficiently.

The financial statements of the district have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are reported using the economic resources measurement



focus on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The district is a discretely presented Component Unit of Washington County, Tennessee. The district is a separate legal entity and is not fiscally dependent upon Washington County, Tennessee. However, the district's Board of Directors is appointed by the county mayor and Washington County, Tennessee, has the ability to significantly influence the programs, projects, activities and level of services provided by the district.

Operating revenue includes service charges, and funding from the Tennessee Emergency Communications Board. Nonoperating revenues are identified in accordance with the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the district considers restricted funds to have been spent first.

1. Basis of Accounting

The district utilizes the full accrual basis of accounting. Revenue is recognized in the period in which it is earned and measurable; likewise, expenses are recognized when incurred, if measurable. Accordingly, all of the district's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying statement of net position in accordance with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

2. Cash and Deposits

Cash and Cash Equivalents on the Statements of Net Position and Cash Flows includes petty cash, cash on hand, and demand deposits.

Cash and Cash Equivalents are all covered by FDIC insurance or by the State of Tennessee collateral pool.

The district is exposed to concentration of credit risk by placing its deposits in financial institutions. The district has mitigated the risks because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee bank collateral pool. State statutes including TCA Sections 7-86-122 and 5-8-301 specify deposit and investment provisions.

3. Compensated Absences

Regular full-time employees accrue 40 hours of vacation time after one year of continuous employment, 80 hours after two years of continuous employment, 88 hours after five years of continuous employment, 96 hours after six years of continuous employment, 104 hours after seven years of continuous employment, 112 hours after eight years of continuous employment, 120 hours after nine years of continuous employment, and 120 hours thereafter of continuous employment. Regular full-time employees who have completed 15 years of continuous employment will receive 128 hours of vacation time, 136 hours after 16 years of continuous employment, 144 hours after 17 years of continuous employment, 152 hours after 18 years of continuous employment, and 160 hours after 19 years of continuous service.

Sick leave accrues at a rate of eight hours per month. Sick leave days may accumulate with no maximum number of hours. An employee who has completed 15 years of service and is eligible to retire would be eligible for one or both of the following options: (1) upon retirement, an employee may elect to receive compensation equivalent to two days of sick leave at the employee’s regular rate for every completed year of service, up to a maximum of 30 years, or option (2), the employee may receive service credits based upon a board approved formula. Compensatory time may be earned at 1-1/2 times the regular rate of pay for time worked over 40 hours of work. Without the proper request, employees are paid this rate on their next paycheck. Changes in long-term liabilities for the year ended June 30, 2022, are as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Compensated Absences	\$ 494,314	\$ 568,255	\$ 542,884	\$ 519,685	\$ 255,153

4. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the district's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the district's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and

payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

5. Estimates

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

**B. Budget**

In accordance with *Tennessee Code Annotated (TCA) 7-86-120*, an annual budget is adopted by the district. The budget is approved by the Board of Directors and is also submitted to the primary government, Washington County, Tennessee. Expenses are presented at the legal level of control, which is defined in the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts as the line-item level.

**C. Deposits and Investments**

State statutes including *TCA* Sections 7-86-122 and 5-8-301 specify deposit and investment provisions.

DEPOSITS - State statutes require all deposits with financial institutions must be collateralized in an amount equal to 105 percent of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the organization. The district does not have a policy for interest rate risk or other credit risk other than pledging securities for amounts in excess of FDIC coverage.

INVESTMENTS - Investments are allowed for the district in accordance with *TCA* Section 5-8-301, which includes the provision that counties are authorized to make direct investments in bonds, notes or treasury bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and Washington County's own legally issued bonds or notes. These investments may not have a maturity greater than two years.

The district may make investments with longer maturities if various restrictions set out in the State law are followed. The district is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance 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 2 percent below the market value of the securities on the day of purchase.

As of June 30, 2022, the district held no investments.

**D. Capital Assets**

Capital assets are stated at cost. Depreciation is computed using the straight-line method and a life of 10-40 years for building renovations, 1-10 years for the furniture, 3-7 years for the equipment, and 5 years for the vehicles. The dollar threshold for capitalization is \$1,000. Capital asset activity for the fiscal year was as follows:

	Balance 7-1-21	Additions	Decreases	Balance 6-30-22
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 3,049	\$ 0	\$ (3,049)	\$ 0
Total Capital Assets, Not Being Depreciated:	<u>3,049</u>	<u>0</u>	<u>(3,049)</u>	<u>0</u>
Capital Assets Depreciated:				
Building Improvements	\$ 2,310,857	\$ 101,321	\$ 0	\$ 2,412,178
Vehicle	85,037	0	0	85,037
Communication and Office Equipment	1,681,772	28,884	(644,470)	1,066,186
Furniture and Fixtures	252,871	9,674	(3,283)	259,262
	<u>\$ 4,330,537</u>	<u>\$ 139,879</u>	<u>\$ (647,753)</u>	<u>\$ 3,822,663</u>
Accumulated Depreciation	<u>(1,729,072)</u>	<u>(237,407)</u>	<u>646,977</u>	<u>(1,319,502)</u>
Capital Assets Depreciated, Net	<u>\$ 2,604,514</u>	<u>\$ (97,528)</u>	<u>\$ (3,825)</u>	<u>\$ 2,503,161</u>

**E. Pension Plan**

**General Information about the Pension Plan:**

**Plan Description**

Employees of the district are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under 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 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 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	13
Inactive employees entitled to but not yet receiving benefits	40
Active employees	<u>40</u>
	<u><u>93</u></u>

**Contributions**

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The district has adopted a noncontributory plan and makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions for the

district were \$286,397 based on a rate of 13.37 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the district's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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):**

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

**Actuarial Assumptions**

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

Inflation	2.25%
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 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of

pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

### **Discount Rate**

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the district 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	\$ 7,095,173	\$ 6,906,855	\$ 188,318
Changes for the year:			
Service Cost	\$ 125,742	\$ 0	\$ 125,742
Interest	516,857	0	516,857
Differences Between Expected and Actual Experience	(266,381)	0	(266,381)
Changes in Assumptions	1,034,235	0	1,034,235
Contributions-Employer	0	254,750	(254,750)
Net Investment Income	0	1,790,442	(1,790,442)
Benefit Payments, Including Refunds of Employee Contributions	(183,706)	(183,706)	0
Administrative Expense	0	(3,680)	3,680
Net Changes	\$ 1,226,747	\$ 1,857,806	\$ (631,059)
Balance, June 30, 2021	\$ 8,321,920	\$ 8,764,661	\$ (442,741)

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

The following presents the net pension liability (asset) of the district calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.0-percentage-point lower (5.75 percent) or 1.0-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Washington County Emergency Communications District's Net Pension Liability (Asset)	\$ 910,480	\$ (442,741)	\$ (1,546,907)



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

**Pension Expense**

For the year ended June 30, 2022, the district recognized pension expense (negative pension expense) of \$(6,112).

**Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended June 30, 2022, the district 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
	<u>                    </u>	<u>                    </u>
Difference Between Expected and Actual Experience	\$ 212,561	\$ 328,815
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	956,053
Changes in Assumptions	928,217	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>286,397</u>	<u>0</u>
Total	<u>\$ 1,427,175</u>	<u>\$ 1,284,868</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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	<u>Amount</u>
2023	\$ (113,175)
2024	(75,481)
2025	(68,274)
2026	(127,247)
2027	130,387
Thereafter	109,700

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

**F. Other Postemployment Benefits**

**Plan Description**

The district has adopted a plan that provides post-employment medical, dental, and vision benefits for retirees and their dependents. Upon retirement, individuals are eligible to continue to receive coverage under the employer's group medical, dental and vision plans. The OPEB plan is a single employer defined benefit OPEB plan administered by the district. The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4. The district's Board of Directors has the authority to establish and amend benefit terms and contributions requirements.

The district offers other post-employment benefits for full time regular employees retiring under the Tennessee Consolidated Retirement System (TCRS) guidelines. There is no minimum age requirement with 30 years of service or age 60 with 25 years of service. If the employee transferred from the city of Johnson City in 1988, they are eligible to count their full time employment with the city toward the eligibility year requirement. Eligible retirees receive medical, vision and dental insurance until eligible for Medicare. If coverage for legal dependents is in place, the legal dependent's insurance benefit will cease when they are Medicare eligible. The eligible retirees will contribute two times the amount that a current active employee contributes. The surviving spouse can carry insurance for 60 days from the date of death of a retired employee at current rates.

Since the previous actuarial valuation, the total OPEB liability changed due to demographic changes, changes in the discount rates used, as well as changes in claim and costs trends.

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

Active Employees	43
Inactive Employees Currently Receiving Benefits	0
Inactive Employees Entitled to but not yet Receiving Benefit Payments	0
	<u>43</u>

**Total OPEB Liability**

The district's total OPEB liability of \$879,074 was measured based on an actuarial valuation performed as of July 1, 2022, and a measurement date of June 30, 2022.

*Actuarial assumptions and other inputs.* The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

*Discount Assumption.* A discount rate of 3.54 percent was used. This rate was based on the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Healthcare Trend Assumption.* The medical cost increase represents the combination of the inflation in the price of healthcare, changes in utilization, technological advances and changes in the health status of plan participants. The rates were based on medical industry expectations of future increases adjusted to reflect historical premium rate changes within the district’s health insurance plans. Rates for 2029 and beyond were based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services, as published in National Health Expenditures Projections: 2018-2027. Rates for 2022 through 2029 are scaled between the 2022 and 2028 rates. Average claims costs for future years were assumed to increase at the rates below:

<u>Years</u> <u>Beginning</u>	<u>Healthcare</u> <u>Trend Rate</u>
2022-2023	6.25 %
2024-2025	5.75
2026-2027	5.25
2028+	5.00

*Mortality.* These rates were based on a June 30, 2020, TCRS Experience Study.

*Disability, Retirement and Turnover.* These rates were from the June 30, 2020, TCRS Experience Study.

*Per Capita Benefit Costs.* Health benefit costs were based on group medical premiums for the period July 1, 2021, through June 30, 2022. The premiums were converted to age-specific charges using the actuary’s rating model factors.

*Salary Increases.* Future salaries were expected to increase at an annual rate of 2.75 percent.

*Spousal Coverage.* The valuation assumes that those currently with family coverage will have a spouse and/or dependents that will also be covered upon retirement.

## Changes in the Total OPEB Liability

Changes in the Total OPEB Liability were as follows:

	<u>Total OPEB Liability</u>
Balance at July 1, 2021	\$ 1,055,045
Changes for the year:	
Service Cost	26,482
Interest	28,733
Benefits Payments (Estimated)	(20,404)
Changes in Assumptions	(29,160)
Differences Between Expected and Actual	(181,622)
Net Changes	<u>(175,971)</u>
Balance at June 30, 2021	<u>\$ 879,074</u>

*Sensitivity of the Total OPEB Liability to changes in the discount rate.* The following presents the Total OPEB liability of the district as well as what the district's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>Discount Rate</u>	1%	Current	1%
	Decrease	Discount Rate	Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 941,728	\$ 879,074	\$ 819,162

*Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates.* The following presents the Total OPEB Liability of the district as well as what the district's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>Healthcare Cost Trend Rate</u>	1%	Current	1%
	Decrease	Trend	Increase
Total OPEB Liability	\$ 788,230	\$ 879,074	\$ 984,545

For the year ended June 30, 2022, the district recognized OPEB expense of \$55,270. At June 30, 2022, the district reported the following deferred outflows of resources or deferred inflows or resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 23,122	\$ 167,264
Changes in Assumptions	0	54,616
Total	<u>\$ 23,122</u>	<u>\$ 221,880</u>

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	\$ (16,937)
2024	(16,937)
2025	(16,937)
2026	(16,937)
2027	16,937
Thereafter	(114,073)

**G. Lease**

In March 2017, the district and Washington County Emergency Management Agency (EMA) entered into a lease agreement for space in the new building. EMA began leasing space from the district for an initial term of ten years with the option to renew the lease for two five-year terms. Total annual payments are \$1.00 per year plus EMA will pay the district 26 percent of the total utilities per month. For the fiscal year ended June 30, 2022, total rent income received was \$13,800.

**H. Risk Management Activities**

The district carries insurance coverage for property, auto liability, workman's compensation, general liability, and contents. There have been no significant changes from the previous fiscal year in the types of coverage. There have been no claims in the past three fiscal years that were not covered by insurance.

**I. Concentration**

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

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Exhibit F-1

Washington 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

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Pension Liability</b>								
Service Cost	\$ 1,959,654	\$ 2,006,787	\$ 1,999,322	\$ 2,038,780	\$ 2,246,506	\$ 2,222,818	\$ 2,289,957	\$ 2,309,400
Interest	5,997,939	6,309,733	6,702,327	7,019,820	7,475,372	7,773,754	8,236,046	8,502,664
Differences Between Actual and Expected Experience	(980,642)	124,006	(1,057,233)	1,667,765	(1,352,707)	1,000,578	(1,819,353)	1,091,082
Changes in Assumptions	0	0	0	2,363,660	0	0	0	9,404,909
Benefit Payments, Including Refunds of Employee Contributions	(2,656,978)	(3,076,662)	(3,320,294)	(3,580,969)	(3,992,582)	(4,467,162)	(4,908,541)	(5,188,660)
Net Change in Total Pension Liability	\$ 4,319,973	\$ 5,363,864	\$ 4,324,122	\$ 9,509,056	\$ 4,376,589	\$ 6,529,988	\$ 3,798,109	\$ 16,119,395
Total Pension Liability, Beginning	79,341,350	83,661,323	89,025,187	93,349,309	102,858,365	107,234,954	113,764,942	117,563,051
<b>Total Pension Liability, Ending (a)</b>	<b>\$ 83,661,323</b>	<b>\$ 89,025,187</b>	<b>\$ 93,349,309</b>	<b>\$ 102,858,365</b>	<b>\$ 107,234,954</b>	<b>\$ 113,764,942</b>	<b>\$ 117,563,051</b>	<b>\$ 133,682,446</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 3,503,113	\$ 3,289,974	\$ 3,329,914	\$ 2,399,314	\$ 2,267,322	\$ 2,676,427	\$ 2,652,100	\$ 2,809,853
Contributions - Employee	145	16,673	752	0	0	240	0	0
Net Investment Income	12,460,698	2,712,482	2,409,669	10,500,433	8,435,284	8,057,771	5,662,967	30,294,935
Benefit Payments, Including Refunds of Employee Contributions	(2,656,978)	(3,076,662)	(3,320,294)	(3,580,969)	(3,992,582)	(4,467,162)	(4,908,541)	(5,188,660)
Administrative Expense	(37,958)	(47,685)	(71,170)	(81,735)	(86,480)	(80,614)	(79,862)	(79,463)
Other	0	0	0	209	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 13,269,020	\$ 2,894,782	\$ 2,348,871	\$ 9,237,252	\$ 6,623,544	\$ 6,186,662	\$ 3,326,664	\$ 27,836,665
Plan Fiduciary Net Position, Beginning	74,778,668	88,047,688	90,942,470	93,291,341	102,528,593	109,152,137	115,338,799	118,665,463
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 88,047,688</b>	<b>\$ 90,942,470</b>	<b>\$ 93,291,341</b>	<b>\$ 102,528,593</b>	<b>\$ 109,152,137</b>	<b>\$ 115,338,799</b>	<b>\$ 118,665,463</b>	<b>\$ 146,502,128</b>
<b>Net Pension Liability (Asset), Ending (a - b)</b>	<b>\$ (4,386,365)</b>	<b>\$ (1,917,283)</b>	<b>\$ 57,968</b>	<b>\$ 329,772</b>	<b>\$ (1,917,183)</b>	<b>\$ (1,573,857)</b>	<b>\$ (1,102,412)</b>	<b>\$ (12,819,682)</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.24%	102.15%	99.94%	99.68%	101.79%	101.38%	100.94%	109.59%
Covered Payroll	\$ 24,479,597	\$ 25,133,489	\$ 25,454,977	\$ 27,415,356	\$ 26,457,412	\$ 27,422,396	\$ 27,494,994	\$ 28,506,769
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.92%)	(7.63%)	0.23%	1.20%	(7.25%)	(5.74%)	(4.01%)	(44.97%)

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 F-2

Washington 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 3,503,113	\$ 3,289,974	\$ 3,329,914	\$ 2,399,314	\$ 2,267,322	\$ 2,676,427	\$ 2,652,100	\$ 2,809,853	\$ 2,792,008
Less: Contributions in Relation to the Actuarially Determined Contribution	(3,503,113)	(3,289,974)	(3,329,914)	(2,399,314)	(2,267,322)	(2,676,427)	(2,652,100)	(2,809,853)	(2,792,008)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 24,479,597	\$ 25,133,489	\$ 25,454,977	\$ 27,415,356	\$ 26,457,412	\$ 27,422,396	\$ 27,494,994	\$ 28,506,769	\$ 29,067,595
Contributions as a Percentage of Covered Payroll	14.31%	13.1%	13.1%	8.75%	8.57%	9.76%	9.65%	9.86%	9.61%

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 F-3

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 44,103	\$ 78,777	\$ 117,903	\$ 141,649	\$ 87,581	\$ 114,334	\$ 134,504	\$ 176,369
Less: Contributions in Relation to the Contractually Required Contribution	(44,103)	(78,777)	(117,903)	(141,649)	(87,581)	(114,334)	(134,504)	(176,369)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,102,569	\$ 1,969,416	\$ 2,947,592	\$ 3,541,246	\$ 4,514,489	\$ 5,632,206	\$ 6,729,801	\$ 8,779,930
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.00%	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.  
 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 F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 2,648,436	\$ 2,590,548	\$ 2,534,123	\$ 2,535,337	\$ 2,498,309	\$ 2,765,056	\$ 2,717,809	\$ 2,506,320	\$ 2,708,057
Less: Contributions in Relation to the Contractually Required Contribution	(2,648,436)	(2,590,548)	(2,534,123)	(2,535,337)	(2,498,309)	(2,765,056)	(2,717,809)	(2,506,320)	(2,708,057)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 29,824,732	\$ 28,656,529	\$ 28,032,471	\$ 28,045,726	\$ 27,514,425	\$ 26,434,559	\$ 25,671,328	\$ 25,124,142	\$ 26,291,811
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.59%	9.98%	10.30%

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

Exhibit F-5

Washington County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Washington 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)	0.530664%	0.447589%	0.449095%	0.405231%	0.426618%	0.446321%	0.461372%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (21,348)	\$ (46,595)	\$ (118,487)	\$ (183,784)	\$ (240,820)	\$ (253,797)	\$ (499,764)
Covered Payroll	\$ 1,102,569	\$ 1,969,416	\$ 2,947,592	\$ 3,541,246	\$ 4,514,489	\$ 5,632,206	\$ 6,729,801
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.73%)	(4.02%)	(5.19%)	(5.33%)	(4.51%)	(7.43%)
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 F-6

Washington County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Washington 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)	0.759867%	0.765500%	0.776562%	0.793385%	0.785750%	0.788352%	0.768190%	0.743541%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (123,475)	\$ 313,575	\$ 4,853,084	\$ (259,584)	\$ (2,764,989)	\$ (8,105,677)	\$ (5,858,014)	\$ (32,070,702)
Covered Payroll	\$ 29,824,732	\$ 28,656,529	\$ 28,032,471	\$ 28,045,726	\$ 27,514,425	\$ 26,434,559	\$ 25,671,328	\$ 25,124,142
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.82%)	(127.65%)
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.

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

	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>					
Service Cost	\$ 346,572	\$ 279,885	\$ 305,588	\$ 306,810	\$ 317,260
Interest	187,569	145,520	149,039	83,529	88,437
Changes in Benefit Terms	0	(87,688)	0	76,610	0
Differences Between Actual and Expected Experience	0	(1,228,511)	0	(1,457,613)	0
Changes in Assumptions or Other Inputs	(123,152)	103,406	549,101	13,150	(500,417)
Benefit Payments	(95,756)	(70,692)	(105,095)	(89,295)	(119,695)
Net Change in Total OPEB Liability	\$ 315,233	\$ (858,080)	\$ 898,633	\$ (1,066,809)	\$ (214,415)
Total OPEB Liability, Beginning	4,547,596	4,862,829	4,004,749	4,903,382	3,836,573
Total OPEB Liability, Ending	\$ 4,862,829	\$ 4,004,749	\$ 4,903,382	\$ 3,836,573	\$ 3,622,158
Covered Employee Payroll	\$ 17,488,653	\$ 16,536,947	\$ 16,950,370	\$ 20,323,570	\$ 20,831,659
Net OPEB Liability as a Percentage of Covered Employee Payroll	27.81%	24.22%	28.93%	18.88%	17.39%

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:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%

(b) In 2019, the mortality improvement scale was updated to Scale BB from Scale AA.

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

For the 2019 plan - from 9.0% to 8.0%
For the 2020 plan - from 8.0% to 7.5%
For the 2021 plan - from 7.5% to 7%
For the 2022 plan - from 7% to 6.5%

Note 3: As of 2019, the county no longer contributes to dental and vision premiums.

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

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

	2017	2018	2019	2020	2021
<b>Total OPEB Liability</b>					
Service Cost	\$ 663,050	\$ 616,408	\$ 631,738	\$ 603,246	\$ 769,226
Interest	317,882	383,579	397,600	409,821	308,014
Changes in Benefit Terms	0	(874,552)	248,951	0	0
Differences Between Actual and Expected Experience	0	288,994	820,155	172,912	268,817
Changes in Assumptions or Other Inputs	(486,049)	345,719	(860,584)	1,393,782	2,105,741
Benefit Payments	(536,793)	(583,092)	(555,284)	(477,901)	(489,200)
Net Change in Total OPEB Liability	\$ (41,910)	\$ 177,056	\$ 682,576	\$ 2,101,860	\$ 2,962,598
Total OPEB Liability, Beginning	10,491,727	10,449,817	10,626,873	11,309,449	13,411,309
<b>Total OPEB Liability, Ending</b>	<b>\$ 10,449,817</b>	<b>\$ 10,626,873</b>	<b>\$ 11,309,449</b>	<b>\$ 13,411,309</b>	<b>\$ 16,373,907</b>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,442,797	\$ 3,038,892	\$ 3,295,617	\$ 3,715,695	\$ 4,753,507
Employer Proportionate Share of the Total OPEB Liability	7,007,020	7,587,981	8,013,832	9,695,614	11,620,400
Covered Employee Payroll	\$ 40,927,192	\$ 40,927,192	\$ 41,130,313	\$ 32,332,163	\$ 33,648,191
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.12%	18.54%	19.48%	29.99%	34.53%

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:

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%
2022 plan year	- 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.

**WASHINGTON 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 June 30, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% 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 Adjustment	2.25%

*Changes of Assumptions:* In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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



# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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.

## Debt Service Funds

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

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Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of long-term debt that is secured by a pledge of tax revenues from outside the Johnson City School District.

# Capital Projects Funds

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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.

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

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Total	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 347,235	\$ 347,235	\$ 0
Equity in Pooled Cash and Investments	618,290	354,858	0	973,148	719,927
Accounts Receivable	71,212	0	55,174	126,386	0
Due from Other Governments	36,792	0	0	36,792	0
Due from Other Funds	1,750	0	0	1,750	0
Property Taxes Receivable	1,243,301	0	0	1,243,301	0
Allowance for Uncollectible Property Taxes	(15,833)	0	0	(15,833)	0
Prepaid Items	25	0	0	25	0
Total Assets	\$ 1,955,537	\$ 354,858	\$ 402,409	\$ 2,712,804	\$ 719,927
<u>LIABILITIES</u>					
Accounts Payable	\$ 54,611	\$ 1,092	\$ 0	\$ 55,703	\$ 0
Accrued Payroll	22,067	0	0	22,067	0
Payroll Deductions Payable	3,511	0	0	3,511	0
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	710	0	402,409	403,119	710,000
Total Liabilities	\$ 80,899	\$ 1,092	\$ 402,409	\$ 484,400	\$ 710,000
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,208,900	\$ 0	\$ 0	\$ 1,208,900	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 17,173	\$ 0	\$ 0	\$ 17,173	\$ 0
Total Deferred Inflows of Resources	<u>\$ 1,226,073</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,226,073</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 25	\$ 0	\$ 0	\$ 25	\$ 0
Restricted:					
Restricted for Public Safety	0	353,766	0	353,766	0
Restricted for Debt Service	0	0	0	0	9,927
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	648,540	0	0	648,540	0
Total Fund Balances	<u>\$ 648,565</u>	<u>\$ 353,766</u>	<u>\$ 0</u>	<u>\$ 1,002,331</u>	<u>\$ 9,927</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,955,537</u>	<u>\$ 354,858</u>	<u>\$ 402,409</u>	<u>\$ 2,712,804</u>	<u>\$ 719,927</u>

(Continued)

Exhibit G-1

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

<u>ASSETS</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Cash	\$ 0	\$ 347,235
Equity in Pooled Cash and Investments	7,693,276	9,386,351
Accounts Receivable	0	126,386
Due from Other Governments	621	37,413
Due from Other Funds	0	1,750
Property Taxes Receivable	1,069,384	2,312,685
Allowance for Uncollectible Property Taxes	(14,616)	(30,449)
Prepaid Items	0	25
Total Assets	<u>\$ 8,748,665</u>	<u>\$ 12,181,396</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 55,703
Accrued Payroll	0	22,067
Payroll Deductions Payable	0	3,511
Contracts Payable	208,619	208,619
Retainage Payable	12,430	12,430
Due to Other Funds	0	1,113,119
Total Liabilities	<u>\$ 221,049</u>	<u>\$ 1,415,449</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 1,036,200	\$ 2,245,100

(Continued)

Exhibit G-1

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

<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Deferred Delinquent Property Taxes	\$ 17,173	\$ 34,346
Total Deferred Inflows of Resources	<u>\$ 1,053,373</u>	<u>\$ 2,279,446</u>
 <u>FUND BALANCES</u>  		
Nonspendable:		
Prepaid Items	\$ 0	\$ 25
Restricted:		
Restricted for Public Safety	0	353,766
Restricted for Debt Service	0	9,927
Restricted for Capital Projects	7,474,243	7,474,243
Committed:		
Committed for Public Health and Welfare	0	648,540
Total Fund Balances	<u>\$ 7,474,243</u>	<u>\$ 8,486,501</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,748,665</u>	<u>\$ 12,181,396</u>

Exhibit G-2

Washington 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				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service
<u>Revenues</u>					
Local Taxes	\$ 1,287,950	\$ 0	\$ 0	\$ 1,287,950	\$ 0
Licenses and Permits	163	0	0	163	0
Fines, Forfeitures, and Penalties	0	10,843	0	10,843	0
Charges for Current Services	150,761	0	7,027	157,788	0
Other Local Revenues	451,798	24,067	0	475,865	(4,253)
State of Tennessee	122,127	0	0	122,127	0
Other Governments and Citizens Groups	0	0	0	0	980,000
<b>Total Revenues</b>	<b>\$ 2,012,799</b>	<b>\$ 34,910</b>	<b>\$ 7,027</b>	<b>\$ 2,054,736</b>	<b>\$ 975,747</b>
<u>Expenditures</u>					
Current:					
Administration of Justice	\$ 0	\$ 0	\$ 6,918	\$ 6,918	\$ 0
Public Safety	0	15,698	109	15,807	0
Public Health and Welfare	1,708,763	0	0	1,708,763	0
Debt Service:					
Principal on Debt	0	0	0	0	1,195,000
Interest on Debt	0	0	0	0	24,571
Capital Projects	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 1,708,763</b>	<b>\$ 15,698</b>	<b>\$ 7,027</b>	<b>\$ 1,731,488</b>	<b>\$ 1,219,571</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 304,036</b>	<b>\$ 19,212</b>	<b>\$ 0</b>	<b>\$ 323,248</b>	<b>\$ (243,824)</b>

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 4,694	\$ 0	\$ 0	\$ 4,694	\$ 0
Transfers In	15,158	0	0	15,158	0
Transfers Out	(32,000)	0	0	(32,000)	0
Total Other Financing Sources (Uses)	<u>\$ (12,148)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (12,148)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 291,888	\$ 19,212	\$ 0	\$ 311,100	\$ (243,824)
Fund Balance, July 1, 2021	<u>356,677</u>	<u>334,554</u>	<u>0</u>	<u>691,231</u>	<u>253,751</u>
Fund Balance, June 30, 2022	<u>\$ 648,565</u>	<u>\$ 353,766</u>	<u>\$ 0</u>	<u>\$ 1,002,331</u>	<u>\$ 9,927</u>

(Continued)



Exhibit G-2

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

	<u>Capital</u> <u>Projects Fund</u>		Total
	General	Capital	Nonmajor
	Projects	Projects	Governmental
			Funds
<u>Revenues</u>			
Local Taxes	\$ 1,116,047		\$ 2,403,997
Licenses and Permits	139		302
Fines, Forfeitures, and Penalties	0		10,843
Charges for Current Services	0		157,788
Other Local Revenues	521,650		993,262
State of Tennessee	0		122,127
Other Governments and Citizens Groups	17,619		997,619
Total Revenues	<u>\$ 1,655,455</u>		<u>\$ 4,685,938</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0		\$ 6,918
Public Safety	0		15,807
Public Health and Welfare	0		1,708,763
Debt Service:			
Principal on Debt	127,039		1,322,039
Interest on Debt	0		24,571
Capital Projects	3,225,655		3,225,655
Capital Projects - Donated	4,700		4,700
Total Expenditures	<u>\$ 3,357,394</u>		<u>\$ 6,308,453</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (1,701,939)</u>		<u>\$ (1,622,515)</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	General Capital Projects	
<u>Other Financing Sources (Uses)</u>		
Insurance Recovery	\$ 0	\$ 4,694
Transfers In	161,462	176,620
Transfers Out	0	(32,000)
Total Other Financing Sources (Uses)	<u>\$ 161,462</u>	<u>\$ 149,314</u>
Net Change in Fund Balances	\$ (1,540,477)	\$ (1,473,201)
Fund Balance, July 1, 2021	<u>9,014,720</u>	<u>9,959,702</u>
Fund Balance, June 30, 2022	<u>\$ 7,474,243</u>	<u>\$ 8,486,501</u>

Exhibit G-3

Washington 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,287,950	\$ 0	\$ 1,287,950	\$ 1,267,948	\$ 1,267,948	\$ 20,002
Licenses and Permits	163	0	163	130	130	33
Charges for Current Services	150,761	0	150,761	90,000	90,000	60,761
Other Local Revenues	451,798	0	451,798	150,000	195,500	256,298
State of Tennessee	122,127	0	122,127	90,000	90,000	32,127
Total Revenues	\$ 2,012,799	\$ 0	\$ 2,012,799	\$ 1,598,078	\$ 1,643,578	\$ 369,221
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 1,505,222	\$ (258)	\$ 1,504,964	\$ 1,527,659	\$ 1,581,496	\$ 76,532
Other Waste Disposal	203,541	0	203,541	218,664	222,664	19,123
Total Expenditures	\$ 1,708,763	\$ (258)	\$ 1,708,505	\$ 1,746,323	\$ 1,804,160	\$ 95,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 304,036	\$ 258	\$ 304,294	\$ (148,245)	\$ (160,582)	\$ 464,876
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 4,694	\$ 0	\$ 4,694	\$ 0	\$ 4,337	\$ 357
Transfers In	15,158	0	15,158	0	0	15,158
Transfers Out	(32,000)	0	(32,000)	0	(32,000)	0
Total Other Financing Sources	\$ (12,148)	\$ 0	\$ (12,148)	\$ 0	\$ (27,663)	\$ 15,515
Net Change in Fund Balance	\$ 291,888	\$ 258	\$ 292,146	\$ (148,245)	\$ (188,245)	\$ 480,391
Fund Balance, July 1, 2021	356,677	(258)	356,419	191,319	191,319	165,100
Fund Balance, June 30, 2022	\$ 648,565	\$ 0	\$ 648,565	\$ 43,074	\$ 3,074	\$ 645,491

Exhibit G-4

Washington 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)	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	\$ 10,843	\$ 0	\$ 10,843	\$ 10,000	\$ 10,000	\$ 843
Other Local Revenues	24,067	0	24,067	2,000	2,000	22,067
Total Revenues	<u>\$ 34,910</u>	<u>\$ 0</u>	<u>\$ 34,910</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 22,910</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 15,698	\$ 459	\$ 16,157	\$ 39,470	\$ 39,470	\$ 23,313
Total Expenditures	<u>\$ 15,698</u>	<u>\$ 459</u>	<u>\$ 16,157</u>	<u>\$ 39,470</u>	<u>\$ 39,470</u>	<u>\$ 23,313</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,212	\$ (459)	\$ 18,753	\$ (27,470)	\$ (27,470)	\$ 46,223
Net Change in Fund Balance	\$ 19,212	\$ (459)	\$ 18,753	\$ (27,470)	\$ (27,470)	\$ 46,223
Fund Balance, July 1, 2021	334,554	0	334,554	325,308	325,308	9,246
Fund Balance, June 30, 2022	<u>\$ 353,766</u>	<u>\$ (459)</u>	<u>\$ 353,307</u>	<u>\$ 297,838</u>	<u>\$ 297,838</u>	<u>\$ 55,469</u>

Exhibit G-5

Washington County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Rural Debt Service 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	\$ (4,253)	\$ 0	\$ 0	\$ (4,253)
Other Governments and Citizens Groups	980,000	0	1,230,000	(250,000)
Total Revenues	<u>\$ 975,747</u>	<u>\$ 0</u>	<u>\$ 1,230,000</u>	<u>\$ (254,253)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,195,000	\$ 225,000	\$ 1,195,000	\$ 0
<u>Interest on Debt</u>				
Education	24,571	31,325	31,325	6,754
Total Expenditures	<u>\$ 1,219,571</u>	<u>\$ 256,325</u>	<u>\$ 1,226,325</u>	<u>\$ 6,754</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (243,824)</u>	<u>\$ (256,325)</u>	<u>\$ 3,675</u>	<u>\$ (247,499)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 260,000	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 260,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (243,824)	\$ 3,675	\$ 3,675	\$ (247,499)
Fund Balance, July 1, 2021	<u>253,751</u>	<u>253,702</u>	<u>253,702</u>	<u>49</u>
Fund Balance, June 30, 2022	<u>\$ 9,927</u>	<u>\$ 257,377</u>	<u>\$ 257,377</u>	<u>\$ (247,450)</u>

Exhibit G-6

Washington 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	\$ 1,116,047	\$ 0	\$ 0	\$ 1,116,047	\$ 1,085,710	\$ 1,085,710	\$ 30,337
Licenses and Permits	139	0	0	139	110	110	29
Other Local Revenues	521,650	0	0	521,650	83,250	642,232	(120,582)
Other Governments and Citizens Groups	17,619	0	0	17,619	0	0	17,619
<b>Total Revenues</b>	<b>\$ 1,655,455</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,655,455</b>	<b>\$ 1,169,070</b>	<b>\$ 1,728,052</b>	<b>\$ (72,597)</b>
<u>Expenditures</u>							
<u>Principal on Debt</u>							
General Government	\$ 127,039	\$ 0	\$ 0	\$ 127,039	\$ 0	\$ 127,039	\$ 0
<u>Capital Projects</u>							
General Administration Projects	341,058	(412,148)	225,877	154,787	1,573,000	1,445,961	1,291,174
Public Safety Projects	2,468,230	(162,563)	967,937	3,273,604	2,567,000	3,313,000	39,396
Public Health and Welfare Projects	311,030	0	134,810	445,840	1,073,000	838,000	392,160
Social, Cultural, and Recreation Projects	105,092	(35,460)	0	69,632	2,141,000	2,141,000	2,071,368
Education Capital Projects	245	(515,317)	515,072	0	0	0	0
<u>Capital Projects - Donated</u>							
Capital Projects Donated to Other Entities	4,700	(16,368)	16,368	4,700	0	4,701	1
<b>Total Expenditures</b>	<b>\$ 3,357,394</b>	<b>\$ (1,141,856)</b>	<b>\$ 1,860,064</b>	<b>\$ 4,075,602</b>	<b>\$ 7,354,000</b>	<b>\$ 7,869,701</b>	<b>\$ 3,794,099</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,701,939)	\$ 1,141,856	\$ (1,860,064)	\$ (2,420,147)	\$ (6,184,930)	\$ (6,141,649)	\$ 3,721,502
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 161,462	\$ 0	\$ 0	\$ 161,462	\$ 0	\$ 161,462	\$ 0
Transfers Out	0	0	0	0	(2,050,000)	(1,755,462)	1,755,462
<b>Total Other Financing Sources</b>	<b>\$ 161,462</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 161,462</b>	<b>\$ (2,050,000)</b>	<b>\$ (1,594,000)</b>	<b>\$ 1,755,462</b>
Net Change in Fund Balance	\$ (1,540,477)	\$ 1,141,856	\$ (1,860,064)	\$ (2,258,685)	\$ (8,234,930)	\$ (7,735,649)	\$ 5,476,964
Fund Balance, July 1, 2021	9,014,720	(1,141,856)	0	7,872,864	8,254,000	8,254,000	(381,136)
<b>Fund Balance, June 30, 2022</b>	<b>\$ 7,474,243</b>	<b>\$ 0</b>	<b>\$ (1,860,064)</b>	<b>\$ 5,614,179</b>	<b>\$ 19,070</b>	<b>\$ 518,351</b>	<b>\$ 5,095,828</b>

# Major Governmental Funds

## Debt Service Funds

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

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General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

## Capital Projects Funds

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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.

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Education Capital Projects Fund – The Education Capital Projects Fund is used to account for school construction, renovation, and other capital projects subsequently contributed to the Washington County School Department.

Exhibit H-1

Washington 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	\$ 13,919,534	\$ 13,618,210	\$ 13,618,210	\$ 301,324
Licenses and Permits	1,718	1,380	1,380	338
Other Local Revenues	(27,729)	83,000	83,000	(110,729)
<b>Total Revenues</b>	<b>\$ 13,893,523</b>	<b>\$ 13,702,590</b>	<b>\$ 13,702,590</b>	<b>\$ 190,933</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,630,000	\$ 1,440,000	\$ 1,630,000	\$ 0
Highways and Streets	954,521	258,357	954,521	0
Education	6,650,479	6,046,643	6,650,479	0
<u>Interest on Debt</u>				
General Government	1,056,145	1,057,468	1,057,468	1,323
Highways and Streets	18,391	23,223	23,222	4,831
Education	4,080,856	4,085,783	4,085,784	4,928
<u>Other Debt Service</u>				
General Government	275,974	281,500	286,500	10,526
<b>Total Expenditures</b>	<b>\$ 14,666,366</b>	<b>\$ 13,192,974</b>	<b>\$ 14,687,974</b>	<b>\$ 21,608</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (772,843)	\$ 509,616	\$ (985,384)	\$ 212,541
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 81,000	\$ 81,000	\$ 81,000	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 81,000</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ (691,843)	\$ 590,616	\$ (904,384)	\$ 212,541
Fund Balance, July 1, 2021	6,836,321	6,921,671	6,921,671	(85,350)
<b>Fund Balance, June 30, 2022</b>	<b>\$ 6,144,478</b>	<b>\$ 7,512,287</b>	<b>\$ 6,017,287</b>	<b>\$ 127,191</b>



Exhibit H-2

Washington County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Education 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	\$ 6,269,144	\$ 0	\$ 0	\$ 6,269,144	\$ 6,152,250	\$ 6,152,250	\$ 116,894
Licenses and Permits	789	0	0	789	630	630	159
Other Local Revenues	(39,065)	0	0	(39,065)	6,000	6,000	(45,065)
Other Governments and Citizens Groups	54,000	0	0	54,000	0	0	54,000
Total Revenues	\$ 6,284,868	\$ 0	\$ 0	\$ 6,284,868	\$ 6,158,880	\$ 6,158,880	\$ 125,988
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 4,637,220	\$ (608,723)	\$ 660,507	\$ 4,689,004	\$ 6,534,162	\$ 8,865,889	\$ 4,176,885
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	639,961	0	984,667	1,624,628	1,586,000	1,586,000	(38,628)
Total Expenditures	\$ 5,277,181	\$ (608,723)	\$ 1,645,174	\$ 6,313,632	\$ 8,120,162	\$ 10,451,889	\$ 4,138,257
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,007,687	\$ 608,723	\$ (1,645,174)	\$ (28,764)	\$ (1,961,282)	\$ (4,293,009)	\$ 4,264,245
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 2,331,726	\$ 0	\$ 0	\$ 2,331,726	\$ 0	\$ 2,331,727	\$ (1)
Total Other Financing Sources	\$ 2,331,726	\$ 0	\$ 0	\$ 2,331,726	\$ 0	\$ 2,331,727	\$ (1)
Net Change in Fund Balance	\$ 3,339,413	\$ 608,723	\$ (1,645,174)	\$ 2,302,962	\$ (1,961,282)	\$ (1,961,282)	\$ 4,264,244
Fund Balance, July 1, 2021	3,163,040	(608,723)	0	2,554,317	2,250,666	2,250,666	303,651
Fund Balance, June 30, 2022	\$ 6,502,453	\$ 0	\$ (1,645,174)	\$ 4,857,279	\$ 289,384	\$ 289,384	\$ 4,567,895

# Custodial Funds

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Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, 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.

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

City School ADA – Johnson City Fund – This fund is used to account for the city school system’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis. These collections are remitted to the city school systems 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 a custodial capacity for the East Tennessee Railway Authority.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for transactions of the Judicial District Drug Task Force, a joint venture of the various law enforcement agencies of the First Judicial District.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

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

	Custodial Funds						Total
	Cities - Sales Tax	City School ADA - Johnson City	Constitu - tional Officers - Custodial	Other Custodial	Judicial District Drug	District Attorney General	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 9,202,896	\$ 0	\$ 0	\$ 0	\$ 9,202,896
Equity in Pooled Cash and Investments	0	2,817,604	0	18,766	93,327	163,900	3,093,597
Accounts Receivable	0	0	99,475	0	975	278	100,728
Due from Other Governments	5,975,207	3,533,785	0	0	4,153	1,019	9,514,164
Property Taxes Receivable	0	12,701,071	0	0	0	0	12,701,071
Allowance for Uncollectible Property Taxes	0	(173,587)	0	0	0	0	(173,587)
Total Assets	\$ 5,975,207	\$ 18,878,873	\$ 9,302,371	\$ 18,766	\$ 98,455	\$ 165,197	\$ 34,438,869
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,796	\$ 1,325	\$ 4,121
Due to Other Taxing Units	5,975,207	6,571,922	0	0	0	0	12,547,129
Total Liabilities	\$ 5,975,207	\$ 6,571,922	\$ 0	\$ 0	\$ 2,796	\$ 1,325	\$ 12,551,250
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 0	\$ 12,306,951	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,306,951
Total Deferred Inflows of Resources	\$ 0	\$ 12,306,951	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,306,951
<u>NET POSITION</u>							
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 9,302,371	\$ 18,766	\$ 95,659	\$ 163,872	\$ 9,580,668
Total Net Position	\$ 0	\$ 0	\$ 9,302,371	\$ 18,766	\$ 95,659	\$ 163,872	\$ 9,580,668

Exhibit I-2

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

	Custodial Funds						Total
	Cities - Sales Tax	City School ADA - Johnson City	Constitu - tional Officers - Custodial	Other Custodial	Judicial District Drug	District Attorney General	
<u>Additions</u>							
Sales Tax Collections for Other Governments	\$ 33,567,925	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,567,925
ADA - Educational Funds Collected for Cities	0	33,287,585	0	0	0	0	33,287,585
Fines/Fees and Other Collections	0	0	28,434,107	0	0	0	28,434,107
Drug Task Force Collections	0	0	0	0	75,506	0	75,506
District Attorney General Collections	0	0	0	0	0	31,026	31,026
<b>Total Additions</b>	<b>\$ 33,567,925</b>	<b>\$ 33,287,585</b>	<b>\$ 28,434,107</b>	<b>\$ 0</b>	<b>\$ 75,506</b>	<b>\$ 31,026</b>	<b>\$ 95,396,149</b>
<u>Deductions</u>							
Payment of Sales Tax Collections for Other Governments	\$ 33,567,925	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,567,925
Payments to City School System	0	33,287,585	0	0	0	0	33,287,585
Payments to State	0	0	19,752,064	0	0	0	19,752,064
Payments to Individuals and Others	0	0	5,560,881	0	0	0	5,560,881
Payment of Drug Task Force Expenses	0	0	0	0	69,693	0	69,693
Payment of District Attorney General Expenses	0	0	0	0	0	25,229	25,229
<b>Total Deductions</b>	<b>\$ 33,567,925</b>	<b>\$ 33,287,585</b>	<b>\$ 25,312,945</b>	<b>\$ 0</b>	<b>\$ 69,693</b>	<b>\$ 25,229</b>	<b>\$ 92,263,377</b>
Change in Net Position	\$ 0	\$ 0	\$ 3,121,162	\$ 0	\$ 5,813	\$ 5,797	\$ 3,132,772
Net Position July 1, 2021	0	0	6,181,209	18,766	89,846	158,075	6,447,896
Net Position June 30, 2022	\$ 0	\$ 0	\$ 9,302,371	\$ 18,766	\$ 95,659	\$ 163,872	\$ 9,580,668

# Washington County School Department

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

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

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

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

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

Exhibit J-1

Washington County, Tennessee  
Statement of Activities  
Discretely Presented Washington 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	\$ 49,364,256	\$ 85,280	\$ 8,105,634	\$ 2,004,896	\$ (39,168,446)
Support Services	26,641,718	0	653,418	6,670,499	(19,317,801)
Operation of Non-instructional Services	7,032,384	1,079,379	7,726,214	125,000	1,898,209
Debt Service	980,000	0	0	0	(980,000)
<b>Total Governmental Activities</b>	<b>\$ 84,018,358</b>	<b>\$ 1,164,659</b>	<b>\$ 16,485,266</b>	<b>\$ 8,800,395</b>	<b>\$ (57,568,038)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,403,275
Local Option Sales Taxes					21,274,727
Mixed Drink Tax					3,422
Business Tax					493,277
Grants and Contributions Not Restricted for Specific Programs					40,889,024
Unrestricted Investment Income (Loss)					(118,606)
Miscellaneous					163,241
<b>Total General Revenues</b>					<b>\$ 76,108,360</b>
Change in Net Position					\$ 18,540,322
Net Position, July 1, 2021					113,762,707
<b>Net Position, June 30, 2022</b>					<b>\$ 132,303,029</b>

Exhibit J-2

Washington County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Washington 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	\$ 0	\$ 0	\$ 2,019,119	\$ 2,019,119
Equity in Pooled Cash and Investments	19,071,269	0	3,091,686	22,162,955
Inventories	0	0	67,818	67,818
Accounts Receivable	82,565	0	0	82,565
Due from Other Governments	5,528,411	1,526,333	135,397	7,190,141
Property Taxes Receivable	13,677,062	0	0	13,677,062
Allowance for Uncollectible Property Taxes	(186,926)	0	0	(186,926)
Restricted Assets	542,018	0	0	542,018
Total Assets	<u>\$ 38,714,399</u>	<u>\$ 1,526,333</u>	<u>\$ 5,314,020</u>	<u>\$ 45,554,752</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 407,901	\$ 64,516	\$ 20,389	\$ 492,806
Accrued Payroll	134,383	0	0	134,383
Payroll Deductions Payable	2,063,496	56,296	5,073	2,124,865
Cash Overdraft	0	370,528	0	370,528
Contracts Payable	21,000	0	0	21,000
Retainage Payable	0	68,247	0	68,247
Due to State of Tennessee	0	34,993	0	34,993
Other Current Liabilities	30,820	0	0	30,820
Total Liabilities	<u>\$ 2,657,600</u>	<u>\$ 594,580</u>	<u>\$ 25,462</u>	<u>\$ 3,277,642</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 13,252,656	\$ 0	\$ 0	\$ 13,252,656

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Funds Other Govern-mental Funds</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 219,634	\$ 0	\$ 0	\$ 219,634
Total Deferred Inflows of Resources	\$ 13,472,290	\$ 0	\$ 0	\$ 13,472,290
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 67,818	\$ 67,818
Restricted:				
Restricted for Education	41,908	0	5,145,740	5,187,648
Restricted for Hybrid Retirement Stabilization Funds	542,018	0	0	542,018
Committed:				
Committed for Education	0	1,000,000	75,000	1,075,000
Assigned:				
Assigned for Education	8,917,457	0	0	8,917,457
Unassigned	13,083,126	(68,247)	0	13,014,879
Total Fund Balances	\$ 22,584,509	\$ 931,753	\$ 5,288,558	\$ 28,804,820
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 38,714,399	\$ 1,526,333	\$ 5,314,020	\$ 45,554,752



Exhibit J-3

Washington County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented Washington 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 J-2)		\$ 28,804,820	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 3,352,389		
Add: construction in progress	1,664,841		
Add: buildings and improvements net of accumulated depreciation	82,561,766		
Add: other capital assets net of accumulated depreciation	<u>6,483,081</u>	94,062,077	
(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	\$ (150,685)		
Less: OPEB liability	(11,620,400)		
Less: retirement incentive payable	<u>(30,196)</u>	(11,801,281)	
(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	\$ 15,518,205		
Less: deferred inflows of resources related to pensions	(33,888,712)		
Add: deferred outflows of resources related to OPEB	3,764,396		
Less: deferred inflows of resources related to OPEB	<u>(774,533)</u>	(15,380,644)	
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$ 3,827,957		
Add: net pension asset - teacher retirement plan	499,764		
Add: net pension asset - teacher legacy pension plan	<u>32,070,702</u>	36,398,423	
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>219,634</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 132,303,029</u></u>

Exhibit J-4

Washington County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Washington 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	\$ 35,485,791	\$ 0	\$ 0	\$ 35,485,791
Licenses and Permits	1,787	0	0	1,787
Charges for Current Services	911,863	0	249,503	1,161,366
Other Local Revenues	227,581	0	2,424,760	2,652,341
State of Tennessee	41,530,049	0	32,919	41,562,968
Federal Government	140,145	10,337,223	5,204,001	15,681,369
Other Governments and Citizens Groups	852,291	0	0	852,291
<b>Total Revenues</b>	<b>\$ 79,149,507</b>	<b>\$ 10,337,223</b>	<b>\$ 7,911,183</b>	<b>\$ 97,397,913</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 45,447,777	\$ 4,629,587	\$ 0	\$ 50,077,364
Support Services	25,519,532	2,565,611	0	28,085,143
Operation of Non-Instructional Services	896,140	0	6,373,296	7,269,436
Capital Outlay	0	2,360,188	0	2,360,188
Debt Service:				
Other Debt Service	980,000	0	0	980,000
<b>Total Expenditures</b>	<b>\$ 72,843,449</b>	<b>\$ 9,555,386</b>	<b>\$ 6,373,296</b>	<b>\$ 88,772,131</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,306,058	\$ 781,837	\$ 1,537,887	\$ 8,625,782
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 62,927	\$ 0	\$ 0	\$ 62,927
Transfers In	809,395	0	0	809,395

(Continued)

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ 0	\$ (809,395)	\$ 0	\$ (809,395)
Total Other Financing Sources (Uses)	\$ 872,322	\$ (809,395)	\$ 0	\$ 62,927
Net Change in Fund Balances	\$ 7,178,380	\$ (27,558)	\$ 1,537,887	\$ 8,688,709
Fund Balance, July 1, 2021	15,406,129	959,311	3,750,671	20,116,111
Fund Balance, June 30, 2022	\$ 22,584,509	\$ 931,753	\$ 5,288,558	\$ 28,804,820

Exhibit J-5

Washington County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Washington 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 change in fund balances - total governmental funds (Exhibit J-4)		\$ 8,688,709
(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	\$ 2,901,345	
Less: current-year depreciation expense	<u>(5,988,088)</u>	(3,086,743)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net assets.		
Add: capital assets transferred from the primary government	\$ 5,709,102	
Less: book value of assets disposed	<u>(24,142)</u>	5,684,960
(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	\$ 219,634	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(1,020,219)</u>	(800,585)
(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	\$ 56,086	
Change in OPEB liability	(1,924,786)	
Change in retirement incentive payable	(5,033)	
Change in net pension assets/liability	29,951,148	
Change in deferred outflows related to pensions	9,138,659	
Change in deferred inflows related to pensions	(30,318,696)	
Change in deferred outflows related to OPEB	1,186,276	
Change in deferred inflows related to OPEB	<u>(29,673)</u>	8,053,981
Change in net position of governmental activities (Exhibit B)		<u>\$ 18,540,322</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total
	Central	Internal	Nonmajor
	Cafeteria	School	Governmental
			Funds
<u>ASSETS</u>			
Cash	\$ 50	\$ 2,019,069	\$ 2,019,119
Equity in Pooled Cash and Investments	3,091,686	0	3,091,686
Inventories	67,818	0	67,818
Due from Other Governments	135,397	0	135,397
Total Assets	<u>\$ 3,294,951</u>	<u>\$ 2,019,069</u>	<u>\$ 5,314,020</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 20,389	\$ 0	\$ 20,389
Payroll Deductions Payable	5,073	0	5,073
Total Liabilities	<u>\$ 25,462</u>	<u>\$ 0</u>	<u>\$ 25,462</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 67,818	\$ 0	\$ 67,818
Restricted:			
Restricted for Education	3,126,671	2,019,069	5,145,740
Committed:			
Committed for Education	75,000	0	75,000
Total Fund Balances	<u>\$ 3,269,489</u>	<u>\$ 2,019,069</u>	<u>\$ 5,288,558</u>
Total Liabilities and Fund Balances	<u>\$ 3,294,951</u>	<u>\$ 2,019,069</u>	<u>\$ 5,314,020</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 249,503	\$ 0	\$ 249,503
Other Local Revenues	(18,422)	2,443,182	2,424,760
State of Tennessee	32,919	0	32,919
Federal Government	5,204,001	0	5,204,001
Total Revenues	<u>\$ 5,468,001</u>	<u>\$ 2,443,182</u>	<u>\$ 7,911,183</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 4,235,089	\$ 2,138,207	\$ 6,373,296
Total Expenditures	<u>\$ 4,235,089</u>	<u>\$ 2,138,207</u>	<u>\$ 6,373,296</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,232,912</u>	<u>\$ 304,975</u>	<u>\$ 1,537,887</u>
Net Change in Fund Balances	\$ 1,232,912	\$ 304,975	\$ 1,537,887
Fund Balance, July 1, 2021	<u>2,036,577</u>	<u>1,714,094</u>	<u>3,750,671</u>
Fund Balance, June 30, 2022	<u>\$ 3,269,489</u>	<u>\$ 2,019,069</u>	<u>\$ 5,288,558</u>

Exhibit J-8

Washington County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Washington 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	\$ 35,485,791	\$ 0	\$ 0	\$ 35,485,791	\$ 30,319,051	\$ 30,319,051	\$ 5,166,740
Licenses and Permits	1,787	0	0	1,787	2,500	2,500	(713)
Charges for Current Services	911,863	0	0	911,863	776,000	776,000	135,863
Other Local Revenues	227,581	0	0	227,581	430,500	701,115	(473,534)
State of Tennessee	41,530,049	0	0	41,530,049	39,804,300	41,146,930	383,119
Federal Government	140,145	0	0	140,145	168,500	182,930	(42,785)
Other Governments and Citizens Groups	852,291	0	0	852,291	0	639,961	212,330
<b>Total Revenues</b>	<b>\$ 79,149,507</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 79,149,507</b>	<b>\$ 71,500,851</b>	<b>\$ 73,768,487</b>	<b>\$ 5,381,020</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 38,498,602	\$ 0	\$ 0	\$ 38,498,602	\$ 41,263,710	\$ 42,046,761	\$ 3,548,159
Special Education Program	4,307,921	0	0	4,307,921	4,849,235	4,809,235	501,314
Career and Technical Education Program	2,641,254	0	0	2,641,254	2,795,985	2,889,488	248,234
Adult Education Program	0	0	0	0	12,555	12,555	12,555
<u>Support Services</u>							
Attendance	146,932	0	0	146,932	147,562	157,562	10,630
Health Services	952,385	0	0	952,385	980,287	1,031,682	79,297
Other Student Support	1,601,192	0	0	1,601,192	1,517,797	1,652,514	51,322
Regular Instruction Program	1,887,839	0	0	1,887,839	2,176,222	2,251,653	363,814
Special Education Program	1,035,333	0	0	1,035,333	1,094,999	1,107,999	72,666
Career and Technical Education Program	147,089	0	0	147,089	181,817	186,817	39,728
Technology	1,849,749	0	0	1,849,749	2,007,899	2,267,001	417,252
Other Programs	161,889	0	0	161,889	0	161,889	0
Board of Education	1,390,903	0	15,750	1,406,653	1,348,504	1,538,504	131,851
Director of Schools	768,536	0	0	768,536	676,968	817,379	48,843
Office of the Principal	4,086,462	0	0	4,086,462	4,324,090	4,354,090	267,628
Fiscal Services	432,661	0	0	432,661	394,738	441,695	9,034
Operation of Plant	4,954,983	0	0	4,954,983	5,120,346	5,375,346	420,363

(Continued)

Exhibit J-8

Washington County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Washington 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	\$ 2,900,070	\$ (477,429)	\$ 0	\$ 2,422,641	\$ 2,171,142	\$ 2,774,993	\$ 352,352
Transportation	3,069,353	0	0	3,069,353	3,728,998	3,658,898	589,545
Central and Other	134,156	0	0	134,156	134,513	154,513	20,357
<u>Operation of Non-Instructional Services</u>							
Food Service	35,540	0	0	35,540	0	55,100	19,560
Community Services	517,132	0	0	517,132	614,558	674,558	157,426
Early Childhood Education	343,468	0	0	343,468	404,940	424,940	81,472
<u>Other Debt Service</u>							
Education	980,000	0	0	980,000	0	980,000	0
Total Expenditures	\$ 72,843,449	\$ (477,429)	\$ 15,750	\$ 72,381,770	\$ 75,946,865	\$ 79,825,172	\$ 7,443,402
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,306,058	\$ 477,429	\$ (15,750)	\$ 6,767,737	\$ (4,446,014)	\$ (6,056,685)	\$ 12,824,422
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 62,927	\$ 0	\$ 0	\$ 62,927	\$ 0	\$ 60,000	\$ 2,927
Transfers In	809,395	0	0	809,395	154,000	948,422	(139,027)
Transfers Out	0	0	0	0	(260,000)	0	0
Total Other Financing Sources	\$ 872,322	\$ 0	\$ 0	\$ 872,322	\$ (106,000)	\$ 1,008,422	\$ (136,100)
Net Change in Fund Balance	\$ 7,178,380	\$ 477,429	\$ (15,750)	\$ 7,640,059	\$ (4,552,014)	\$ (5,048,263)	\$ 12,688,322
Fund Balance, July 1, 2021	15,406,129	(477,429)	0	14,928,700	14,765,124	14,765,124	163,576
Fund Balance, June 30, 2022	\$ 22,584,509	\$ 0	\$ (15,750)	\$ 22,568,759	\$ 10,213,110	\$ 9,716,861	\$ 12,851,898



Exhibit J-9

Washington County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Washington 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	\$ 10,337,223	\$ 0	\$ 0	\$ 10,337,223	\$ 4,005,897	\$ 25,213,969	\$ (14,876,746)
Total Revenues	\$ 10,337,223	\$ 0	\$ 0	\$ 10,337,223	\$ 4,005,897	\$ 25,213,969	\$ (14,876,746)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,924,204	\$ 0	\$ 0	\$ 2,924,204	\$ 1,393,628	\$ 6,836,470	\$ 3,912,266
Alternative Instruction Program	35,751	0	0	35,751	29,138	228,761	193,010
Special Education Program	1,545,694	0	0	1,545,694	1,564,183	2,206,308	660,614
Career and Technical Education Program	123,938	0	0	123,938	0	124,947	1,009
<u>Support Services</u>							
Health Services	493,427	0	0	493,427	0	1,236,697	743,270
Other Student Support	404,072	0	0	404,072	112,391	2,131,147	1,727,075
Regular Instruction Program	798,532	0	0	798,532	527,831	2,902,626	2,104,094
Special Education Program	116,234	0	0	116,234	40,232	466,080	349,846
Career and Technical Education Program	0	0	0	0	0	2,848	2,848
Technology	283,779	0	0	283,779	3,600	472,739	188,960
Fiscal Services	13,185	0	0	13,185	0	46,200	33,015
Operation of Plant	50,811	0	0	50,811	0	51,475	664
Transportation	405,571	0	0	405,571	295,094	744,210	338,639
<u>Capital Outlay</u>							
Regular Capital Outlay	2,360,188	(720,137)	4,286,497	5,926,548	0	6,954,066	1,027,518
Total Expenditures	\$ 9,555,386	\$ (720,137)	\$ 4,286,497	\$ 13,121,746	\$ 3,966,097	\$ 24,404,574	\$ 11,282,828
Excess (Deficiency) of Revenues Over Expenditures	\$ 781,837	\$ 720,137	\$ (4,286,497)	\$ (2,784,523)	\$ 39,800	\$ 809,395	\$ (3,593,918)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (809,395)	\$ 0	\$ 0	\$ (809,395)	\$ (39,800)	\$ (809,395)	\$ 0
Total Other Financing Sources	\$ (809,395)	\$ 0	\$ 0	\$ (809,395)	\$ (39,800)	\$ (809,395)	\$ 0

(Continued)

Exhibit J-9

Washington County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Washington 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	
Net Change in Fund Balance	\$ (27,558)	\$ 720,137	\$ (4,286,497)	\$ (3,593,918)	0	0	\$ (3,593,918)
Fund Balance, July 1, 2021	959,311	(720,137)	0	239,174	0	0	239,174
Fund Balance, June 30, 2022	\$ 931,753	\$ 0	\$ (4,286,497)	\$ (3,354,744)	0	0	\$ (3,354,744)

Exhibit J-10

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

	Actual (GAAP Basis)	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	\$ 249,503	\$ 0	\$ 249,503	\$ 47,500	\$ 227,331	\$ 22,172
Other Local Revenues	(18,422)	0	(18,422)	0	0	(18,422)
State of Tennessee	32,919	0	32,919	31,369	32,919	0
Federal Government	5,204,001	0	5,204,001	2,988,666	4,440,000	764,001
<b>Total Revenues</b>	<b>\$ 5,468,001</b>	<b>\$ 0</b>	<b>\$ 5,468,001</b>	<b>\$ 3,067,535</b>	<b>\$ 4,700,250</b>	<b>\$ 767,751</b>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 4,235,089	\$ 40,276	\$ 4,275,365	\$ 3,663,669	\$ 4,553,669	\$ 278,304
<b>Total Expenditures</b>	<b>\$ 4,235,089</b>	<b>\$ 40,276</b>	<b>\$ 4,275,365</b>	<b>\$ 3,663,669</b>	<b>\$ 4,553,669</b>	<b>\$ 278,304</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,232,912</b>	<b>\$ (40,276)</b>	<b>\$ 1,192,636</b>	<b>\$ (596,134)</b>	<b>\$ 146,581</b>	<b>\$ 1,046,055</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,232,912</b>	<b>\$ (40,276)</b>	<b>\$ 1,192,636</b>	<b>\$ (596,134)</b>	<b>\$ 146,581</b>	<b>\$ 1,046,055</b>
Fund Balance, July 1, 2021	2,036,577	0	2,036,577	1,766,753	1,766,753	269,824
<b>Fund Balance, June 30, 2022</b>	<b>\$ 3,269,489</b>	<b>\$ (40,276)</b>	<b>\$ 3,229,213</b>	<b>\$ 1,170,619</b>	<b>\$ 1,913,334</b>	<b>\$ 1,315,879</b>

# MISCELLANEOUS SCHEDULES

Exhibit K-1

Washington County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, Bonds and Nonexchange Financial Guarantee (1)  
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	Outstanding 6-30-22
<u>GOVERNMENTAL ACTIVITIES:</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Capital Outlay, Series 2013	\$ 5,520,000	2 to 3 %	9-13-13	7-15-25 (2)	\$ 1,650,000	\$ 0	\$ 1,650,000	\$ 0
Total Payable through General Debt Service Fund					<u>\$ 1,650,000</u>	<u>\$ 0</u>	<u>\$ 1,650,000</u>	<u>\$ 0</u>
Total Notes Payable					<u>\$ 1,650,000</u>	<u>\$ 0</u>	<u>\$ 1,650,000</u>	<u>\$ 0</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding 2011	6,895,000	2 to 4	6-27-11	4-1-22	\$ 315,000	\$ 0	\$ 315,000	\$ 0
School Construction Refunding 2011	2,870,000	1.7 to 4	6-27-11	4-1-23	965,000	0	305,000	660,000
General Obligation School 2013	1,385,000	2 to 3.8	9-13-13	7-25-25 (2)	465,000	0	465,000	0
General Obligation Refunding, Series 2016A	115,970,000	2.88 to 4	7-13-16	6-1-37	109,865,000	0	5,055,000	104,810,000
General Obligation Bonds, Series 2017A	15,535,000	2.88 to 5	6-30-17	6-1-37	14,355,000	0	635,000	13,720,000
General Obligation Bonds, Series 2017B	14,565,000	2.88 to 5	6-30-17	6-1-37	13,035,000	0	575,000	12,460,000
General Obligation Bonds, Series 2017C	1,850,000	2.3 to 5	6-30-17	6-1-25	990,000	0	235,000	755,000
Total Payable through General Debt Service Fund					<u>\$ 139,990,000</u>	<u>\$ 0</u>	<u>\$ 7,585,000</u>	<u>\$ 132,405,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural Schools 2013	2,630,000	2 to 3	9-13-13	6-30-26 (2)	\$ 1,195,000	\$ 0	\$ 1,195,000	\$ 0
Total Payable through Rural Debt Service Fund					<u>\$ 1,195,000</u>	<u>\$ 0</u>	<u>\$ 1,195,000</u>	<u>\$ 0</u>
Total Bonds Payable					<u>\$ 141,185,000</u>	<u>\$ 0</u>	<u>\$ 8,780,000</u>	<u>\$ 132,405,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Capital Projects Fund</u>								
Phone System	644,866	0	7-28-20	8-10-25	\$ 517,827	\$ 0	\$ 127,038	\$ 390,789
Total Payable through General Capital Projects Fund					<u>\$ 517,827</u>	<u>\$ 0</u>	<u>\$ 127,038</u>	<u>\$ 390,789</u>

(Continued)

Exhibit K-1

Washington County, Tennessee

Schedule of Changes in Long-term Notes, Other Loans, Bonds and Nonexchange Financial Guarantee (1) (Cont.)

						Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22	
<u>OTHER LOANS PAYABLE (Cont.)</u>										
<u>Payable through Rural Debt Service Fund</u>										
Energy Efficient Schools Initiative	\$	2,331,726	.5	%	10-14-21	7-1-29	\$ 0	\$ 2,331,726	\$ 0	\$ 2,331,726
Total Payable through Rural Debt Service Fund							\$ 0	\$ 2,331,726	\$ 0	\$ 2,331,726
Total Other Loans Payable							\$ 517,827	\$ 2,331,726	\$ 127,038	\$ 2,722,515
<u>NONEXCHANGE FINANCIAL GUARANTEE</u>										
<u>Payable through General Fund</u>										
Airport Authority 2018 Aerospace Park Bonds		1,912,500	3 to 4.5		3-29-18	5-1-38 (2)	\$ 367,580	\$ 0	\$ 367,580	\$ 0
Total Payable through General Fund							\$ 367,580	\$ 0	\$ 367,580	\$ 0
Total Nonexchange Financial Guarantee							\$ 367,580	\$ 0	\$ 367,580	\$ 0

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

(2) Washington County elected to retire these obligations prior to their final maturity dates.

Exhibit K-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 427,757	\$ 9,933	\$ 437,690
2024	456,666	9,264	465,930
2025	458,323	7,608	465,931
2026	342,613	5,952	348,565
2027	334,608	4,284	338,892
2028	336,288	2,604	338,892
2029	338,052	840	338,892
2030	28,208	55	28,263
Total	\$ 2,722,515	\$ 40,540	\$ 2,763,055

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 7,435,000	\$ 4,818,878	\$ 12,253,878
2024	7,055,000	4,513,143	11,568,143
2025	7,345,000	4,221,468	11,566,468
2026	7,385,000	3,917,488	11,302,488
2027	7,690,000	3,607,387	11,297,387
2028	8,020,000	3,284,437	11,304,437
2029	8,360,000	2,947,487	11,307,487
2030	8,715,000	2,596,087	11,311,087
2031	9,040,000	2,265,338	11,305,338
2032	9,385,000	1,922,138	11,307,138
2033	9,735,000	1,568,056	11,303,056
2034	10,025,000	1,276,006	11,301,006
2035	10,320,000	975,256	11,295,256
2036	10,785,000	673,406	11,458,406
2037	11,110,000	347,188	11,457,188
Total	\$ 132,405,000	\$ 38,933,763	\$ 171,338,763

Exhibit K-3

Washington County, Tennessee  
Schedule of Changes in Lease Obligations  
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Restated Outstanding 7-1-21 *	Paid and/or Matured During Period	Outstanding 6-30-22
<u>LEASES PAYABLE</u>							
<u>Payable through General Fund</u>							
EMA Building Rental	\$ 179,669	2.6899 %	5-1-17	6-30-37	\$ 179,669	\$ 9,492	\$ 170,177
Sheriff Garage Rental	179,669	2.6899	11-1-20	10-31-25	162,051	35,932	126,119
Johnson City Office Space Rental	305,932	2.6899	6-16-21	6-16-31	305,932	27,653	278,279
Total Payable through General Fund					<u>\$ 647,652</u>	<u>\$ 73,077</u>	<u>\$ 574,575</u>
Total Leases Payable					<u>\$ 647,652</u>	<u>\$ 73,077</u>	<u>\$ 574,575</u>

\* Outstanding balances 7-1-21 have been restated due to transitional requirements of GASB Statement No. 87.



Exhibit K-4

Washington County, Tennessee  
Schedule of Lease Requirements by Year

Year Ending June 30	Leases		
	Principal	Interest	Total
2023	\$ 73,697	\$ 14,551	\$ 88,248
2024	75,701	12,547	88,248
2025	77,765	10,483	88,248
2026	53,276	8,572	61,848
2027	41,242	7,406	48,648
2028	42,365	6,283	48,648
2029	43,516	5,132	48,648
2030	44,705	3,943	48,648
2031	45,922	2,726	48,648
2032	11,891	1,909	13,800
2033	12,214	1,586	13,800
2034	12,547	1,253	13,800
2035	12,889	911	13,800
2036	13,242	558	13,800
2037	13,603	198	13,801
Total	\$ 574,575	\$ 78,058	\$ 652,633

Exhibit K-5

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

Description	Debtor	Original Amount of Lease	Interest Rate		Date of Issue	Date of Maturity	Restated Balance 7-1-21 *	Deductions	Balance 6-30-22
<u>PRIMARY GOVERNMENT</u>									
<u>General Fund</u>									
Land Rental	Vertical Bridge Development, LLC	\$ 184,582	2.6899	%	6-1-18	6-1-43	\$ 184,582	\$ 6,495	\$ 178,087
Total General Fund							<u>\$ 184,582</u>	<u>\$ 6,495</u>	<u>\$ 178,087</u>
<u>Highway/Public Works Fund</u>									
Quarry Rental	Blue Water Industries, LLC	870,101	2.6899		1-1-04	12-31-43	\$ 870,101	\$ 30,413	\$ 839,688
Total Highway/Public Works Fund							<u>\$ 870,101</u>	<u>\$ 30,413</u>	<u>\$ 839,688</u>
Total Leases Receivable							<u>\$ 1,054,683</u>	<u>\$ 36,908</u>	<u>\$ 1,017,775</u>

\* Balances 7-1-21 have been restated due to transitional requirements of GASB Statement No. 87.

Exhibit K-6

Washington County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Washington 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>			
General	General Debt Service	Debt retirement	\$ 49,000
"	Solid Waste/Sanitation	Operations	15,158
"	General Capital Projects	Capital expenditures	161,462
Solid Waste/Sanitation	General Debt Service	Debt retirement	32,000
Total Transfers Primary Government			<u>\$ 257,620</u>
<u>DISCRETELY PRESENTED WASHINGTON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 809,395</u>
Total Transfers Discretely Presented Washington County School Department			<u>\$ 809,395</u>

Exhibit K-7

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

Official	Authorization for Salary	Salary Paid During Period	Bond/ Insurance	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 143,706	\$ 400,000	Local Government Property and Casualty Fund
Superintendent of Highways (7): John Deakins, Jr. (7-1-21 through 5-31-22)	Section 8-24-102, <i>TCA</i>	114,053	400,000	Local Government Property and Casualty Fund
Director of Schools	State Board of Education and County Board of Education	140,000 (1)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	102,827	4,072,699	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	102,827	400,000	Local Government Property and Casualty Fund
Director of Accounts and Budgets	County Commission	98,787 (2)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	102,827	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	113,110 (3)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	113,110 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	102,827	400,000	"
Sheriff (8):				
Edwin Graybeal (7-1-21 though 8-31-21)	Section 8-24-102, <i>TCA</i>	22,810 (4)	400,000	"
Keith Sexton (11-23-21 through 6-30-22)	Section 8-24-102, <i>TCA</i>	81,358 (5)	400,000	"
Purchasing Agent	County Commission	69,966 (6)	400,000	"
Employee Blanket Bonds:				
Public Employees Dishonesty - Primary Government			400,000	Local Government Property and Casualty Fund
Public Employees Dishonesty - School Department			400,000	Employers Insurance Company of Wausau

(1) Does not include career ladder supplements of \$1,000 or CEO Supplement of \$500.

(2) Does not include bonus of \$2,895.

(3) Includes \$10,283 for administration of multiple courts.

(4) Includes \$2,074 supplement as workhouse superintendent.

(5) Includes \$7,258 supplement as workhouse superintendent. Does not include law enforcement training supplement of \$800.

(6) Does not include bonus of \$1,978.

(7) Richard Thompson served as interim superintendent of highways from 6-1-22 through 6-30-22 but was not paid from the official's salary line item in the Highway/Public Works Fund.

(8) Leighta Laitinen served as interim sheriff from 9-1-21 through 11-22-21 but was not paid from the official's salary line item in the General Fund.

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 22,748,220	\$ 1,188,349	\$ 0	\$ 0	\$ 0	\$ 4,583,604
Trustee's Collections - Prior Year	382,514	17,027	0	0	0	79,988
Trustee's Collections - Bankruptcy	3,520	144	0	0	0	737
Circuit Clerk/Clerk and Master Collections - Prior Years	107,676	5,018	0	0	0	22,303
Interest and Penalty	114,785	5,352	0	0	0	23,762
Payments in-Lieu-of Taxes - T.V.A.	1,827	95	0	0	0	368
Payments in-Lieu-of Taxes - Local Utilities	394,937	20,631	0	0	0	79,577
Payments in-Lieu-of Taxes - Other	5,719	299	0	0	0	24,877
<u>County Local Option Taxes</u>						
Local Option Sales Tax	20,860	0	0	0	0	0
Litigation Tax - General	147,912	0	0	0	0	0
Litigation Tax - Special Purpose	52	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	174,389	0	0	0	0	0
Business Tax	827,670	43,236	0	0	0	166,769
Mineral Severance Tax	0	0	0	0	0	22,707
<u>Statutory Local Taxes</u>						
Bank Excise Tax	149,290	7,799	0	0	0	30,081
Wholesale Beer Tax	355,402	0	0	0	0	0
Other Statutory Local Taxes	105,467	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 25,540,240</b>	<b>\$ 1,287,950</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,034,773</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,111	\$ 163	\$ 0	\$ 0	\$ 0	\$ 627
Cable TV Franchise	541,199	0	0	0	0	0

(Continued)

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Fund	Constitutional - Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 466,339	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	6,690	0	0	0	0	0
Total Licenses and Permits	\$ 1,017,339	\$ 163	\$ 0	\$ 0	\$ 0	\$ 627
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 36,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Criminal Court</u>						
Fines	6,324	0	0	0	0	0
Drug Control Fines	0	0	1,831	0	0	0
Drug Court Fees	1,328	0	0	0	0	0
Jail Fees	17,556	0	0	0	0	0
DUI Treatment Fines	2,107	0	0	0	0	0
Data Entry Fee - Criminal Court	6,279	0	0	0	0	0
Courtroom Security Fee	22,704	0	0	0	0	0
Victims Assistance Assessments	5,395	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	130,387	0	0	0	0	0
Officers Costs	72,370	0	0	0	0	0
Game and Fish Fines	209	0	0	0	0	0
Drug Control Fines	0	0	8,887	0	0	0
Drug Court Fees	6,860	0	0	0	0	0
Jail Fees	94,825	0	0	0	0	0
DUI Treatment Fines	17,528	0	0	0	0	0
Data Entry Fee - General Sessions Court	26,650	0	0	0	0	0

(Continued)

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 3,677	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	42,452	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	296	0	0	0	0	0
Officers Costs	6,194	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,798	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,795	0	0	0	0	0
Data Entry Fee - Chancery Court	5,267	0	0	0	0	0
Courtroom Security Fee	224	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	19,408	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	0	0	125	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 529,285</b>	<b>\$ 0</b>	<b>\$ 10,843</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 150,761	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	1,745	0	0	0	0	0
<u>Fees</u>						
Copy Fees	1,791	0	0	0	0	0
Library Fees	10,029	0	0	0	0	0
Archives and Records Management Fee	264,137	0	0	0	0	0

(Continued)

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 263,210	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Electronic Citation Fee	2,791	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	7,027	0
Data Processing Fee - Register	50,742	0	0	0	0	0
Data Processing Fee - Sheriff	4,866	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,550	0	0	0	0	0
Data Processing Fee - County Clerk	17,337	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	11,000	0	0	0	0	0
Vehicle Registration Reinstatement Fees	7,130	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	90,675	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 734,003</b>	<b>\$ 150,761</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,027</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ (119,980)	\$ (3,491)	\$ (1,842)	\$ (238,914)	\$ 0	\$ (43,127)
Lease/Rentals	105,878	0	0	0	0	144,746
Lease Interest	4,647	0	0	0	0	21,060
Sale of Materials and Supplies	873	0	0	0	0	2,085
Commissary Sales	62,566	0	0	0	0	0
Sale of Recycled Materials	0	371,600	0	0	0	0
Miscellaneous Refunds	90,639	0	0	0	0	962
Expenditure Credits	5	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	81,813	83,450	15,105	0	0	37,902

(Continued)



Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Property	\$ 34,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Damages Recovered from Individuals	0	0	0	0	0	2,070
Contributions and Gifts	300	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	3,809	239	10,804	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 264,999</b>	<b>\$ 451,798</b>	<b>\$ 24,067</b>	<b>\$ (238,914)</b>	<b>\$ 0</b>	<b>\$ 165,698</b>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 1,471,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	534,250	0	0	0	0	0
General Sessions Court Clerk	933,305	0	0	0	0	0
Clerk and Master	413,997	0	0	0	0	0
Register	917,538	0	0	0	0	0
Sheriff	36,402	0	0	0	0	0
Trustee	2,468,461	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 6,775,553</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	68,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	670,006	0	0	0	0	0

(Continued)

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,162,128
Litter Program	72,547	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	11,272	0	0	0	0	0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	22,698	0	0	0	0	0
Alcoholic Beverage Tax	243,209	0	0	0	0	0
Opioid Settlement Funds	4,148,454	0	0	0	0	0
State Revenue Sharing - Telecommunications	273,800	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	67,362	0	0	0	0	0
Contracted Prisoner Boarding	1,742,364	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	3,363,018
Petroleum Special Tax	0	0	0	0	0	88,175
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	986,969	0	0	0	0	0
Other State Revenues	598,248	122,127	0	0	0	0
Total State of Tennessee	\$ 8,949,222	\$ 122,127	\$ 0	\$ 0	\$ 0	\$ 5,613,321
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 62,890	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	131,741	0	0	0	0	0
COVID-19 Grant #1	3,984	0	0	0	0	0
COVID-19 Grant B	87,031	0	0	0	0	0

(Continued)

Exhibit K-8

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	\$ 16,841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #6	0	0	0	25,129,577	0	0
Other Direct Federal Revenue	1,446,419	0	0	0	0	0
<b>Total Federal Government</b>	<b>\$ 1,748,906</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 25,129,577</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,439
Contributions	13,500	0	0	0	0	0
Contracted Services	145,936	0	0	0	0	0
<u>Other</u>						
Other	97,850	0	0	0	0	0
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 257,286</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 364,439</b>
<b>Total</b>	<b>\$ 45,816,833</b>	<b>\$ 2,012,799</b>	<b>\$ 34,910</b>	<b>\$ 24,890,663</b>	<b>\$ 7,027</b>	<b>\$ 11,178,858</b>

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 12,562,485	\$ 0	\$ 1,018,588	\$ 5,771,948	\$ 47,873,194
Trustee's Collections - Prior Year	210,307	0	23,874	91,255	804,965
Trustee's Collections - Bankruptcy	1,814	0	1,094	99	7,408
Circuit Clerk/Clerk and Master Collections - Prior Years	59,463	0	4,821	27,321	226,602
Interest and Penalty	63,221	0	5,903	28,513	241,536
Payments in-Lieu-of Taxes - T.V.A.	1,009	0	82	464	3,845
Payments in-Lieu-of Taxes - Local Utilities	218,099	0	17,684	100,208	831,136
Payments in-Lieu-of Taxes - Other	3,158	0	256	1,451	35,760
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	20,860
Litigation Tax - General	0	0	0	0	147,912
Litigation Tax - Special Purpose	0	0	0	0	52
Litigation Tax - Jail, Workhouse, or Courthouse	260,463	0	0	0	260,463
Litigation Tax - Courthouse Security	0	0	0	0	174,389
Business Tax	457,071	0	37,060	210,006	1,741,812
Mineral Severance Tax	0	0	0	0	22,707
<u>Statutory Local Taxes</u>					
Bank Excise Tax	82,444	0	6,685	37,879	314,178
Wholesale Beer Tax	0	0	0	0	355,402
Other Statutory Local Taxes	0	0	0	0	105,467
Total Local Taxes	\$ 13,919,534	\$ 0	\$ 1,116,047	\$ 6,269,144	\$ 53,167,688
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,718	\$ 0	\$ 139	\$ 789	\$ 6,547
Cable TV Franchise	0	0	0	0	541,199

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Building Permits	\$ 0	\$ 0	\$ 0	\$ 0	466,339
Other Permits	0	0	0	0	6,690
Total Licenses and Permits	\$ 1,718	\$ 0	\$ 139	\$ 789	\$ 1,020,775
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	36,650
<u>Criminal Court</u>					
Fines	0	0	0	0	6,324
Drug Control Fines	0	0	0	0	1,831
Drug Court Fees	0	0	0	0	1,328
Jail Fees	0	0	0	0	17,556
DUI Treatment Fines	0	0	0	0	2,107
Data Entry Fee - Criminal Court	0	0	0	0	6,279
Courtroom Security Fee	0	0	0	0	22,704
Victims Assistance Assessments	0	0	0	0	5,395
<u>General Sessions Court</u>					
Fines	0	0	0	0	130,387
Officers Costs	0	0	0	0	72,370
Game and Fish Fines	0	0	0	0	209
Drug Control Fines	0	0	0	0	8,887
Drug Court Fees	0	0	0	0	6,860
Jail Fees	0	0	0	0	94,825
DUI Treatment Fines	0	0	0	0	17,528
Data Entry Fee - General Sessions Court	0	0	0	0	26,650

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Debt Service</u>	<u>Rural Debt Service</u>	<u>General Capital Projects</u>	<u>Education Capital Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 0	3,677
Victims Assistance Assessments	0	0	0	0	42,452
<u>Juvenile Court</u>					
Fines	0	0	0	0	296
Officers Costs	0	0	0	0	6,194
Data Entry Fee - Juvenile Court	0	0	0	0	1,798
Courtroom Security Fee	0	0	0	0	2
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	2,795
Data Entry Fee - Chancery Court	0	0	0	0	5,267
Courtroom Security Fee	0	0	0	0	224
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	19,408
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	0	0	0	0	125
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>540,128</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	150,761
Work Release Charges for Board	0	0	0	0	1,745
<u>Fees</u>					
Copy Fees	0	0	0	0	1,791
Library Fees	0	0	0	0	10,029
Archives and Records Management Fee	0	0	0	0	264,137

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	263,210
Electronic Citation Fee	0	0	0	0	2,791
Constitutional Officers' Fees and Commissions	0	0	0	0	7,027
Data Processing Fee - Register	0	0	0	0	50,742
Data Processing Fee - Sheriff	0	0	0	0	4,866
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,550
Data Processing Fee - County Clerk	0	0	0	0	17,337
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	11,000
Vehicle Registration Reinstatement Fees	0	0	0	0	7,130
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	90,675
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	891,791
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (27,729)	\$ (4,253)	\$ (37,332)	\$ (39,065)	(515,733)
Lease/Rentals	0	0	0	0	250,624
Lease Interest	0	0	0	0	25,707
Sale of Materials and Supplies	0	0	0	0	2,958
Commissary Sales	0	0	0	0	62,566
Sale of Recycled Materials	0	0	0	0	371,600
Miscellaneous Refunds	0	0	0	0	91,601
Expenditure Credits	0	0	0	0	5
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	218,270

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	34,449
Damages Recovered from Individuals	0	0	0	0	2,070
Contributions and Gifts	0	0	0	0	300
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	558,982	0	573,834
Total Other Local Revenues	\$ (27,729)	\$ (4,253)	\$ 521,650	\$ (39,065)	\$ 1,118,251
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	1,471,600
Circuit Court Clerk	0	0	0	0	534,250
General Sessions Court Clerk	0	0	0	0	933,305
Clerk and Master	0	0	0	0	413,997
Register	0	0	0	0	917,538
Sheriff	0	0	0	0	36,402
Trustee	0	0	0	0	2,468,461
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,775,553
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,135
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	68,800
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	670,006

(Continued)



Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	2,162,128
Litter Program	0	0	0	0	72,547
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	11,272
Beer Tax	0	0	0	0	19,194
Vehicle Certificate of Title Fees	0	0	0	0	22,698
Alcoholic Beverage Tax	0	0	0	0	243,209
Opioid Settlement Funds	0	0	0	0	4,148,454
State Revenue Sharing - Telecommunications	0	0	0	0	273,800
State Shared Sports Gaming Privilege Tax	0	0	0	0	67,362
Contracted Prisoner Boarding	0	0	0	0	1,742,364
Gasoline and Motor Fuel Tax	0	0	0	0	3,363,018
Petroleum Special Tax	0	0	0	0	88,175
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	986,969
Other State Revenues	0	0	0	0	720,375
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	14,684,670
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	62,890
Homeland Security Grants	0	0	0	0	131,741
COVID-19 Grant #1	0	0	0	0	3,984
COVID-19 Grant B	0	0	0	0	87,031

(Continued)

Exhibit K-8

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	\$ 0	\$ 0	\$ 0	\$ 0	16,841
American Rescue Plan Act Grant #6	0	0	0	0	25,129,577
Other Direct Federal Revenue	0	0	0	0	1,446,419
<b>Total Federal Government</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>26,878,483</b>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	364,439
Contributions	0	980,000	17,619	0	1,011,119
Contracted Services	0	0	0	0	145,936
<u>Other</u>					
Other	0	0	0	54,000	151,850
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 0</b>	<b>\$ 980,000</b>	<b>\$ 17,619</b>	<b>\$ 54,000</b>	<b>1,673,344</b>
<b>Total</b>	<b>\$ 13,893,523</b>	<b>\$ 975,747</b>	<b>\$ 1,655,455</b>	<b>\$ 6,284,868</b>	<b>\$ 106,750,683</b>

Exhibit K-9

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 13,026,519	\$ 0	\$ 0	\$ 0	\$ 13,026,519
Trustee's Collections - Prior Year	219,150	0	0	0	219,150
Trustee's Collections - Bankruptcy	2,029	0	0	0	2,029
Circuit Clerk/Clerk and Master Collections - Prior Years	65,238	0	0	0	65,238
Interest and Penalty	66,793	0	0	0	66,793
Payments in-Lieu-of Taxes - T.V.A.	2,018	0	0	0	2,018
Payments in-Lieu-of Taxes - Local Utilities	226,169	0	0	0	226,169
Payments in-Lieu-of Taxes - Other	19,092	0	0	0	19,092
<u>County Local Option Taxes</u>					
Local Option Sales Tax	21,274,727	0	0	0	21,274,727
Business Tax	493,277	0	0	0	493,277
Mixed Drink Tax	3,422	0	0	0	3,422
<u>Statutory Local Taxes</u>					
Bank Excise Tax	87,357	0	0	0	87,357
Total Local Taxes	<u>\$ 35,485,791</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,485,791</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,787	\$ 0	\$ 0	\$ 0	\$ 1,787
Total Licenses and Permits	<u>\$ 1,787</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,787</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 85,280	\$ 0	\$ 0	\$ 0	\$ 85,280

(Continued)

Exhibit K-9

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 162,006	\$ 0	\$ 162,006
Lunch Payments - Adults	0	0	1,285	0	1,285
Income from Breakfast	0	0	12,297	0	12,297
A la Carte Sales	0	0	50,499	0	50,499
Community Service Fees - Children	826,583	0	0	0	826,583
Other Charges for Services	0	0	23,416	0	23,416
<b>Total Charges for Current Services</b>	<b>\$ 911,863</b>	<b>\$ 0</b>	<b>\$ 249,503</b>	<b>\$ 0</b>	<b>\$ 1,161,366</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (124,836)	\$ 0	\$ (18,422)	\$ 0	\$ (143,258)
Lease/Rentals	840	0	0	0	840
Sale of Materials and Supplies	2,453	0	0	0	2,453
Miscellaneous Refunds	2	0	0	0	2
<u>Nonrecurring Items</u>					
Sale of Equipment	38,041	0	0	0	38,041
Contributions and Gifts	185,883	0	0	0	185,883
<u>Other Local Revenues</u>					
Other Local Revenues	125,198	0	0	2,443,182	2,568,380
<b>Total Other Local Revenues</b>	<b>\$ 227,581</b>	<b>\$ 0</b>	<b>\$ (18,422)</b>	<b>\$ 2,443,182</b>	<b>\$ 2,652,341</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 161,889	\$ 0	\$ 0	\$ 0	\$ 161,889

(Continued)

Exhibit K-9

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 37,496,965	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,496,965
Early Childhood Education	158,823	0	0	0	0	158,823
Driver Education	38,058	0	0	0	0	38,058
Other State Education Funds	1,890,576	0	0	0	0	1,890,576
Career Ladder Program	90,067	0	0	0	0	90,067
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,164,220	0	0	0	0	1,164,220
Other State Grants	529,451	0	0	0	0	529,451
Other State Revenues	0	0	32,919	0	0	32,919
Total State of Tennessee	\$ 41,530,049	\$ 0	\$ 32,919	\$ 0	\$ 0	\$ 41,562,968
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,751,707	\$ 0	\$ 0	\$ 3,751,707
USDA - Commodities	0	0	257,978	0	0	257,978
Breakfast	0	0	948,758	0	0	948,758
USDA - Other	0	0	245,558	0	0	245,558
Vocational Education - Basic Grants to States	0	136,440	0	0	0	136,440
Title I Grants to Local Education Agencies	0	1,705,533	0	0	0	1,705,533
Special Education - Grants to States	0	1,872,940	0	0	0	1,872,940
Special Education Preschool Grants	0	38,975	0	0	0	38,975
English Language Acquisition Grants	4,109	0	0	0	0	4,109
Eisenhower Professional Development State Grants	0	267,489	0	0	0	267,489
COVID-19 Grant #1	0	602,182	0	0	0	602,182

(Continued)

Exhibit K-9

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant B	\$ 0	\$ 2,746,752	\$ 0	\$ 0	\$ 2,746,752
COVID-19 Grant D	0	182,800	0	0	182,800
COVID-19 Grant E	0	9,878	0	0	9,878
American Rescue Plan Act Grant #1	0	2,076,850	0	0	2,076,850
American Rescue Plan Act Grant #2	0	81,494	0	0	81,494
American Rescue Plan Act Grant #4	0	8,000	0	0	8,000
Other Federal through State	14,430	607,890	0	0	622,320
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	121,606	0	0	0	121,606
Total Federal Government	<u>\$ 140,145</u>	<u>\$ 10,337,223</u>	<u>\$ 5,204,001</u>	<u>\$ 0</u>	<u>\$ 15,681,369</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 639,961	\$ 0	\$ 0	\$ 0	\$ 639,961
<u>Other</u>					
Other	212,330	0	0	0	212,330
Total Other Governments and Citizens Groups	<u>\$ 852,291</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 852,291</u>
Total	<u>\$ 79,149,507</u>	<u>\$ 10,337,223</u>	<u>\$ 5,468,001</u>	<u>\$ 2,443,182</u>	<u>\$ 97,397,913</u>

Exhibit K-10

Washington 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	\$	66,000	
Other Per Diem and Fees		1,200	
Social Security		4,166	
Pensions		3,431	
Employer Medicare		975	
Contracts with Private Agencies		1,700	
Dues and Memberships		8,376	
Maintenance Agreements		3,700	
Rentals		165	
Travel		3,747	
Tuition		1,960	
Office Supplies		947	
Other Charges		370	
Total County Commission			\$ 96,737

Board of Equalization

Board and Committee Members Fees	\$	2,300	
Total Board of Equalization			2,300

County Mayor/Executive

County Official/Administrative Officer	\$	143,706	
Assistant(s)		58,895	
Bonus Payments		1,662	
Social Security		12,241	
Pensions		19,519	
Employee and Dependent Insurance		21,959	
Employer Medicare		3,127	
Other Fringe Benefits		6,600	
Communication		552	
Dues and Memberships		2,572	
Maintenance Agreements		2,669	
Postal Charges		23	
Rentals		3,372	
Travel		1,461	
Tuition		1,350	
Duplicating Supplies		348	
Office Supplies		291	
Other Charges		160	
Total County Mayor/Executive			280,507

County Attorney

Supervisor/Director	\$	159,708	
Paraprofessionals		47,661	
Bonus Payments		6,169	
Social Security		11,911	
Pensions		18,289	
Employee and Dependent Insurance		23,798	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Employer Medicare	\$	2,989	
Contracts with Private Agencies		19	
Dues and Memberships		475	
Legal Services		35,299	
Legal Notices, Recording, and Court Costs		56	
Licenses		75	
Maintenance Agreements		833	
Postal Charges		250	
Rentals		274	
Travel		1,169	
Tuition		175	
Office Supplies		1,417	
Periodicals		3,565	
Total County Attorney			\$ 314,132

Election Commission

County Official/Administrative Officer	\$	87,160	
Deputy(ies)		183,455	
Part-time Personnel		65,979	
Bonus Payments		4,130	
Election Commission		20,183	
Election Workers		19,820	
Social Security		20,961	
Pensions		24,191	
Employee and Dependent Insurance		75,311	
Employer Medicare		4,988	
Communication		14	
Contracts with Private Agencies		3,367	
Data Processing Services		15,959	
Dues and Memberships		373	
Legal Notices, Recording, and Court Costs		4,843	
Maintenance Agreements		21,984	
Postal Charges		44,329	
Printing, Stationery, and Forms		16,366	
Internet Connectivity		25	
Rentals		21,088	
Travel		1,556	
Tuition		500	
Data Processing Supplies		5,372	
Duplicating Supplies		935	
Food Supplies		186	
Office Supplies		10,797	
Building and Contents Insurance		903	
Liability Insurance		10,256	
Data Processing Equipment		111,731	
Office Equipment		11,054	
Total Election Commission			787,816

(Continued)



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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	102,827	
Deputy(ies)		260,603	
Part-time Personnel		13,433	
Bonus Payments		8,111	
Social Security		22,294	
Pensions		33,652	
Employee and Dependent Insurance		88,911	
Life Insurance		2,289	
Employer Medicare		5,310	
Communication		229	
Contracts with Private Agencies		2,219	
Data Processing Services		2,623	
Dues and Memberships		998	
Maintenance Agreements		19,907	
Postal Charges		1,687	
Rentals		2,032	
Travel		204	
Tuition		80	
Data Processing Supplies		6,931	
Duplicating Supplies		996	
Office Supplies		4,791	
Data Processing Equipment		2,920	
Other Capital Outlay		4,724	
Total Register of Deeds			\$ 587,771

Planning

Assistant(s)	\$	87,542	
Supervisor/Director		66,232	
Bonus Payments		4,452	
Board and Committee Members Fees		3,480	
Social Security		9,654	
Pensions		14,907	
Employee and Dependent Insurance		19,712	
Employer Medicare		2,258	
Dues and Memberships		837	
Legal Notices, Recording, and Court Costs		846	
Maintenance Agreements		9,848	
Travel		1,363	
Tuition		380	
Liability Claims		500	
Total Planning			222,011

Codes Compliance

Assistant(s)	\$	36,051	
Supervisor/Director		61,789	
Clerical Personnel		14,312	
Bonus Payments		5,457	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Other Salaries and Wages	\$	119,712	
Social Security		13,942	
Pensions		19,852	
Employee and Dependent Insurance		57,428	
Life Insurance		2,775	
Employer Medicare		3,261	
Communication		3,798	
Contracts with Private Agencies		210	
Dues and Memberships		485	
Legal Notices, Recording, and Court Costs		75	
Licenses		22	
Maintenance Agreements		10,024	
Maintenance and Repair Services - Vehicles		738	
Postal Charges		800	
Printing, Stationery, and Forms		137	
Internet Connectivity		1,115	
Rentals		6,281	
Travel		748	
Tuition		300	
Data Processing Supplies		2,169	
Duplicating Supplies		599	
Gasoline		9,438	
Office Supplies		6,961	
Periodicals		134	
Uniforms		737	
Vehicle Parts		525	
Software		798	
Other Supplies and Materials		355	
Vehicle and Equipment Insurance		1,506	
Fines, Assessments, and Penalties		461	
Hazardous Waste Cleanup		600	
Data Processing Equipment		7,534	
Furniture and Fixtures		250	
Motor Vehicles		33,324	
Total Codes Compliance			\$ 424,703

County Buildings

Contracts with Private Agencies	\$	25,183
Maintenance Agreements		42,082
Maintenance and Repair Services - Buildings		20,410
Maintenance and Repair Services - Equipment		2,142
Pest Control		2,115
Rentals		4,484
Permits		258
Custodial Supplies		24,697
Electricity		200,088
Natural Gas		37,383

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Water and Sewer	\$	8,452	
Other Supplies and Materials		78	
Building and Contents Insurance		51,359	
Other Charges		468	
Total County Buildings			\$ 419,199

Other General Administration

Custodial Personnel	\$	57,453	
Part-time Personnel		12,792	
Bonus Payments		4,998	
Other Salaries and Wages		101,883	
Social Security		9,465	
Pensions		15,413	
Employee and Dependent Insurance		51,049	
Employer Medicare		2,405	
Audit Services		61,790	
Communication		47,180	
Consultants		1,103	
Contracts with Private Agencies		11,045	
Dues and Memberships		1,150	
Legal Notices, Recording, and Court Costs		5,800	
Maintenance Agreements		230,217	
Postal Charges		609	
Internet Connectivity		25,469	
Rentals		1,516	
Travel		1,201	
Food Supplies		892	
Office Supplies		1,474	
Software		735	
Other Supplies and Materials		864	
Liability Insurance		21,725	
Refunds		2,226	
Trustee's Commission		522,343	
Vehicle and Equipment Insurance		381	
Workers' Compensation Insurance		289,350	
Fines, Assessments, and Penalties		50	
Tax Relief Program		405,570	
Other Charges		516	
Total Other General Administration			1,888,664

Preservation of Records

Assistant(s)	\$	31,080
Supervisor/Director		66,321
Part-time Personnel		12,171
Bonus Payments		3,144
Social Security		6,725
Pensions		9,442

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Employee and Dependent Insurance	\$	23,419	
Employer Medicare		1,573	
Maintenance Agreements		1,517	
Maintenance and Repair Services - Buildings		1,564	
Pest Control		361	
Postal Charges		83	
Internet Connectivity		788	
Custodial Supplies		309	
Electricity		12,182	
Office Supplies		19,815	
Water and Sewer		857	
Building and Contents Insurance		1,506	
Fines, Assessments, and Penalties		10	
Total Preservation of Records			\$ 192,867

Finance

Accounting and Budgeting

Supervisor/Director	\$	98,787	
Accountants/Bookkeepers		203,184	
Part-time Personnel		3,636	
Bonus Payments		8,636	
Social Security		18,190	
Pensions		28,239	
Employee and Dependent Insurance		86,346	
Employer Medicare		4,314	
Other Fringe Benefits		24	
Accounting Services		135	
Communication		1,444	
Contracts with Private Agencies		6,967	
Data Processing Services		28,156	
Dues and Memberships		350	
Maintenance Agreements		14,232	
Postal Charges		5,710	
Internet Connectivity		817	
Rentals		70	
Travel		1,900	
Tuition		6,545	
Data Processing Supplies		4,018	
Duplicating Supplies		158	
Office Supplies		753	
Data Processing Equipment		4,695	
Office Equipment		8,426	
Total Accounting and Budgeting			535,732

Purchasing

Supervisor/Director	\$	69,966
Purchasing Personnel		78,561

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Bonus Payments	\$	4,272	
Social Security		9,046	
Pensions		14,390	
Employee and Dependent Insurance		34,538	
Employer Medicare		2,116	
Communication		1,091	
Legal Notices, Recording, and Court Costs		2,438	
Licenses		75	
Maintenance Agreements		174	
Postal Charges		135	
Travel		232	
Duplicating Supplies		385	
Office Supplies		1,266	
Fines, Assessments, and Penalties		4	
Total Purchasing			\$ 218,689

Property Assessor's Office

County Official/Administrative Officer	\$	102,827	
Deputy(ies)		59,635	
Bonus Payments		2,337	
Other Salaries and Wages		39,536	
Social Security		12,234	
Pensions		17,960	
Employee and Dependent Insurance		34,258	
Life Insurance		5,000	
Employer Medicare		2,957	
Other Fringe Benefits		405	
Contracts with Private Agencies		824	
Data Processing Services		33,006	
Dues and Memberships		2,575	
Legal Notices, Recording, and Court Costs		224	
Licenses		25	
Maintenance Agreements		4,871	
Maintenance and Repair Services - Vehicles		144	
Postal Charges		1,596	
Printing, Stationery, and Forms		361	
Travel		936	
Tuition		900	
Data Processing Supplies		431	
Duplicating Supplies		479	
Food Supplies		294	
Gasoline		2,422	
Office Supplies		1,996	
Periodicals		1,328	
Premiums on Corporate Surety Bonds		50	
Total Property Assessor's Office			329,611

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Deputy(ies)	\$	332,679	
Bonus Payments		9,899	
Social Security		20,121	
Pensions		30,917	
Employee and Dependent Insurance		104,468	
Employer Medicare		4,706	
Other Fringe Benefits		762	
Accounting Services		56,140	
Data Processing Services		11,752	
Legal Notices, Recording, and Court Costs		75	
Licenses		22	
Maintenance Agreements		681	
Maintenance and Repair Services - Vehicles		34	
Postal Charges		5,869	
Printing, Stationery, and Forms		1,192	
Data Processing Supplies		6,015	
Duplicating Supplies		457	
Food Supplies		273	
Gasoline		4,426	
Office Supplies		5,029	
Vehicle and Equipment Insurance		2,824	
Fines, Assessments, and Penalties		193	
Data Processing Equipment		4,954	
Motor Vehicles		23,377	
Total Reappraisal Program			\$ 626,865

County Trustee's Office

County Official/Administrative Officer	\$	102,827
Deputy(ies)		175,718
Salary Supplements		3,500
Temporary Personnel		41,444
Bonus Payments		6,053
Social Security		19,335
Pensions		27,251
Employee and Dependent Insurance		58,182
Employer Medicare		4,618
Communication		604
Contracts with Private Agencies		299
Data Processing Services		28,061
Dues and Memberships		1,133
Legal Notices, Recording, and Court Costs		3,421
Licenses		75
Maintenance Agreements		28,707
Maintenance and Repair Services - Buildings		180
Maintenance and Repair Services - Office Equipment		263
Postal Charges		1,536
Internet Connectivity		1,957

(Continued)

Exhibit K-10

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Rentals	\$	8,316	
Travel		2,592	
Tuition		405	
Duplicating Supplies		370	
Electricity		1,730	
Natural Gas		897	
Office Supplies		4,059	
Office Equipment		6,748	
Total County Trustee's Office			\$ 530,281

County Clerk's Office

County Official/Administrative Officer	\$	102,827	
Deputy(ies)		509,814	
Bonus Payments		14,224	
Social Security		36,145	
Pensions		58,714	
Employee and Dependent Insurance		211,040	
Employer Medicare		8,549	
Other Fringe Benefits		63	
Communication		309	
Contracts with Private Agencies		983	
Data Processing Services		900	
Dues and Memberships		988	
Maintenance Agreements		36,879	
Maintenance and Repair Services - Buildings		180	
Maintenance and Repair Services - Office Equipment		263	
Postal Charges		81,127	
Internet Connectivity		3,235	
Rentals		10,696	
Travel		2,251	
Data Processing Supplies		10,490	
Duplicating Supplies		2,240	
Electricity		1,730	
Natural Gas		897	
Office Supplies		6,979	
Fines, Assessments, and Penalties		66	
Other Capital Outlay		1,083	
Total County Clerk's Office			1,102,672

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	113,110	
Deputy(ies)		1,256,154	
Part-time Personnel		12,955	
Overtime Pay		8,033	
Bonus Payments		34,381	
Social Security		83,116	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Pensions	\$	115,114	
Employee and Dependent Insurance		468,021	
Life Insurance		4,910	
Employer Medicare		19,544	
Other Fringe Benefits		15	
Communication		848	
Contracts with Private Agencies		984	
Dues and Memberships		788	
Maintenance Agreements		63,580	
Postal Charges		12,235	
Printing, Stationery, and Forms		5,234	
Rentals		4,984	
Travel		3,095	
Tuition		765	
Data Processing Supplies		6,078	
Duplicating Supplies		4,395	
Office Supplies		10,653	
Periodicals		454	
Liability Claims		500	
Data Processing Equipment		10,381	
Furniture and Fixtures		1,897	
Total Circuit Court			\$ 2,242,224

General Sessions Judge

Judge(s)	\$	528,099	
Part-time Personnel		5,855	
Bonus Payments		114	
Social Security		26,820	
Pensions		50,751	
Employee and Dependent Insurance		48,803	
Employer Medicare		7,609	
Dues and Memberships		3,831	
Licenses		174	
Travel		1,544	
Tuition		990	
Office Supplies		468	
Periodicals		491	
Fines, Assessments, and Penalties		1	
Total General Sessions Judge			675,550

Drug Court

Social Workers	\$	40,148	
Social Security		2,407	
Pensions		2,088	
Employee and Dependent Insurance		6,178	
Employer Medicare		563	
Contracts with Private Agencies		29,015	

(Continued)



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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Dues and Memberships	\$	400	
Travel		1,888	
Tuition		1,790	
Drugs and Medical Supplies		5,195	
Other Supplies and Materials		3,924	
Total Drug Court			\$ 93,596

Chancery Court

County Official/Administrative Officer	\$	113,110	
Deputy(ies)		368,039	
Part-time Personnel		3,712	
Bonus Payments		10,749	
Social Security		29,441	
Pensions		44,747	
Employee and Dependent Insurance		113,588	
Employer Medicare		6,991	
Communication		637	
Contracts with Private Agencies		304	
Dues and Memberships		1,003	
Legal Notices, Recording, and Court Costs		33,915	
Maintenance Agreements		55,625	
Postal Charges		3,871	
Rentals		4,014	
Data Processing Supplies		130	
Duplicating Supplies		1,200	
Office Supplies		9,911	
Periodicals		1,377	
Other Equipment		847	
Total Chancery Court			803,211

District Attorney General

Bonus Payments	\$	274	
Employer Medicare		4	
Contracts with Government Agencies		69,882	
Legal Services		7,250	
Total District Attorney General			77,410

Other Administration of Justice

Part-time Personnel	\$	29,639	
Bonus Payments		441	
Jury and Witness Expense		16,473	
Other Per Diem and Fees		4,361	
Social Security		1,732	
Employee and Dependent Insurance		12,943	
Employer Medicare		405	
Evaluation and Testing		9,450	
Legal Notices, Recording, and Court Costs		84,346	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Food Supplies	\$	219	
Office Supplies		40	
Other Supplies and Materials		123	
Total Other Administration of Justice			\$ 160,172

Courtroom Security

Deputy(ies)	\$	369,225	
Sergeant(s)		58,304	
Bonus Payments		11,476	
Social Security		25,907	
Pensions		39,601	
Employee and Dependent Insurance		116,953	
Employer Medicare		6,059	
Other Fringe Benefits		168	
Total Courtroom Security			627,693

Victim Assistance Programs

Contributions	\$	47,846	
Total Victim Assistance Programs			47,846

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	104,168	
Deputy(ies)		2,720,348	
Lieutenant(s)		902,759	
Sergeant(s)		401,969	
Salary Supplements		68,800	
Part-time Personnel		37,553	
Bonus Payments		136,375	
Other Salaries and Wages		955,345	
Social Security		311,065	
Pensions		447,869	
Employee and Dependent Insurance		1,420,586	
Life Insurance		8,555	
Unemployment Compensation		4,675	
Employer Medicare		73,318	
Other Fringe Benefits		15,017	
Advertising		3,316	
Communication		85,963	
Contracts with Government Agencies		6,340	
Contracts with Private Agencies		3,975	
Data Processing Services		599	
Dues and Memberships		4,522	
Evaluation and Testing		15,815	
Freight Expenses		997	
Licenses		448	
Maintenance Agreements		93,178	

(Continued)

Exhibit K-10

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Equipment	\$	3,344	
Maintenance and Repair Services - Vehicles		30,272	
Medical and Dental Services		4,622	
Postal Charges		4,050	
Printing, Stationery, and Forms		4,912	
Rentals		5,916	
Travel		12,246	
Tuition		25,953	
Veterinary Services		4,975	
Animal Food and Supplies		4,742	
Data Processing Supplies		18,968	
Duplicating Supplies		736	
Food Supplies		43	
Garage Supplies		9,948	
Gasoline		337,303	
Law Enforcement Supplies		118,374	
Lubricants		8,619	
Office Supplies		5,180	
Periodicals		3,374	
Tires and Tubes		15,874	
Uniforms		69,634	
Vehicle Parts		67,733	
Software		432	
Other Supplies and Materials		8,040	
Building and Contents Insurance		1,569	
Liability Insurance		145,053	
Premiums on Corporate Surety Bonds		200	
Vehicle and Equipment Insurance		71,091	
Liability Claims		1,000	
Other Charges		4,646	
Data Processing Equipment		10,173	
Law Enforcement Equipment		35,814	
Maintenance Equipment		4,382	
Motor Vehicles		352,713	
Other Equipment		200	
Total Sheriff's Department			\$ 9,215,686

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	2,800	
Total Administration of the Sexual Offender Registry			2,800

Jail

Deputy(ies)	\$	2,795,959	
Lieutenant(s)		455,994	
Sergeant(s)		286,242	
Part-time Personnel		33,541	
Bonus Payments		81,605	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Salaries and Wages	\$	695,643	
Social Security		257,568	
Pensions		317,451	
Employee and Dependent Insurance		1,038,429	
Life Insurance		3,165	
Unemployment Compensation		7,239	
Employer Medicare		60,242	
Other Fringe Benefits		717	
Advertising		5,032	
Communication		4,476	
Contracts with Other Public Agencies		30,000	
Contracts with Private Agencies		2,352,648	
Maintenance Agreements		224,701	
Maintenance and Repair Services - Buildings		26,724	
Maintenance and Repair Services - Equipment		22,019	
Medical and Dental Services		18,576	
Pest Control		5,500	
Printing, Stationery, and Forms		2,072	
Internet Connectivity		1,422	
Rentals		19,685	
Transportation - Other than Students		1,524	
Travel		6,841	
Tuition		340	
Disposal Fees		9,622	
Custodial Supplies		86,750	
Data Processing Supplies		15,061	
Diesel Fuel		501	
Duplicating Supplies		4,064	
Electricity		255,538	
Food Preparation Supplies		17,564	
Food Supplies		830,821	
Law Enforcement Supplies		6,639	
Natural Gas		110,802	
Office Supplies		12,139	
Prisoners Clothing		25,974	
Uniforms		25,850	
Water and Sewer		198,732	
Chemicals		1,387	
Software		597	
Other Supplies and Materials		59,962	
Building and Contents Insurance		58,819	
Liability Insurance		484	
Liability Claims		500	
Fines, Assessments, and Penalties		30	
Data Processing Equipment		21,933	
Furniture and Fixtures		1,860	
Law Enforcement Equipment		10,480	
Other Equipment		662	
Total Jail			\$ 10,512,126

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Supervisor/Director	\$	55,213	
Youth Service Officer(s)		111,628	
Paraprofessionals		15,808	
Bonus Payments		5,308	
Social Security		11,379	
Pensions		16,583	
Employee and Dependent Insurance		24,710	
Life Insurance		2,625	
Employer Medicare		2,661	
Communication		2,229	
Contracts with Government Agencies		4,500	
Contracts with Other Public Agencies		158,977	
Contracts with Private Agencies		168	
Dues and Memberships		80	
Maintenance Agreements		613	
Postal Charges		577	
Rentals		468	
Travel		191	
Tuition		120	
Duplicating Supplies		174	
Office Supplies		4,765	
Total Juvenile Services			\$ 418,777

Work Release Program

Board and Committee Members Fees	\$	9,720	
Social Security		603	
Employer Medicare		141	
Total Work Release Program			10,464

Fire Prevention and Control

Contributions	\$	990,500	
Total Fire Prevention and Control			990,500

Civil Defense

Supervisor/Director	\$	67,958	
Part-time Personnel		1,286	
Bonus Payments		3,121	
Other Salaries and Wages		42,189	
Social Security		6,877	
Pensions		10,677	
Employee and Dependent Insurance		27,125	
Employer Medicare		1,608	
Communication		3,036	
Contracts with Private Agencies		902	
Data Processing Services		624	
Dues and Memberships		110	
Maintenance Agreements		5,295	

(Continued)

Exhibit K-10

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	5,559	
Postal Charges		17	
Internet Connectivity		4,841	
Travel		336	
Tuition		470	
Custodial Supplies		226	
Data Processing Supplies		4,793	
Food Supplies		122	
Gasoline		4,705	
Office Supplies		118	
Small Tools		1,229	
Uniforms		241	
Other Supplies and Materials		271	
Building and Contents Insurance		129	
Liability Insurance		321	
Vehicle and Equipment Insurance		1,321	
Fines, Assessments, and Penalties		82	
Furniture and Fixtures		1,645	
Total Civil Defense			\$ 197,234

Rescue Squad

Contributions	\$	86,000	
Total Rescue Squad			86,000

Other Emergency Management

Contracts with Private Agencies	\$	20,135	
Total Other Emergency Management			20,135

County Coroner/Medical Examiner

Contracts with Government Agencies	\$	290,618	
Total County Coroner/Medical Examiner			290,618

Other Public Safety

Supervisor/Director	\$	6,073	
Social Security		377	
Pensions		589	
Employer Medicare		88	
Contributions		975,000	
Total Other Public Safety			982,127

Public Health and Welfare

Local Health Center

Medical Personnel	\$	216,058	
Clerical Personnel		357,348	
Custodial Personnel		21,960	
Part-time Personnel		32,156	
Bonus Payments		23,265	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Other Salaries and Wages	\$	317,795	
Social Security		57,023	
Pensions		76,138	
Employee and Dependent Insurance		279,981	
Employer Medicare		13,336	
Other Fringe Benefits		180	
Communication		12,112	
Contracts with Private Agencies		2,957	
Dues and Memberships		200	
Janitorial Services		14,894	
Lease Payments		19,141	
Licenses		150	
Maintenance Agreements		24,631	
Maintenance and Repair Services - Buildings		4,277	
Maintenance and Repair Services - Equipment		10,922	
Pest Control		182	
Postal Charges		5,000	
Rentals		12,630	
Travel		2,519	
Other Contracted Services		16,425	
Custodial Supplies		8,799	
Drugs and Medical Supplies		36,565	
Electricity		53,149	
Natural Gas		4,946	
Office Supplies		8,228	
Water and Sewer		11,912	
Other Supplies and Materials		1,459	
Building and Contents Insurance		9,325	
Liability Insurance		6,513	
Workers' Compensation Insurance		3,418	
Fines, Assessments, and Penalties		72	
Furniture and Fixtures		3,099	
Heating and Air Conditioning Equipment		3,740	
Total Local Health Center			\$ 1,672,505

Rabies and Animal Control

Contributions	\$	250,000	
Total Rabies and Animal Control			250,000

Ambulance/Emergency Medical Services

Contributions	\$	1,871,753	
Total Ambulance/Emergency Medical Services			1,871,753

Regional Mental Health Center

Contributions	\$	17,000	
Total Regional Mental Health Center			17,000

(Continued)

Exhibit K-10

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Pauper Burials	\$ 37,800	
Total General Welfare Assistance		\$ 37,800

Sanitation Education/Information

Other Salaries and Wages	\$ 29,680	
Social Security	1,850	
Pensions	2,850	
Employer Medicare	440	
Advertising	27,335	
Travel	409	
Other Supplies and Materials	7,802	
Total Sanitation Education/Information		70,366

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 121,000	
Total Adult Activities		121,000

Libraries

Assistant(s)	\$ 70,911
Supervisor/Director	57,296
Deputy(ies)	151,250
Custodial Personnel	10,001
Temporary Personnel	1,160
Part-time Personnel	98,398
Bonus Payments	9,814
Social Security	23,828
Pensions	25,663
Employee and Dependent Insurance	62,436
Employer Medicare	5,573
Communication	2,337
Contracts with Private Agencies	13,101
Contributions	127,000
Data Processing Services	1,504
Licenses	745
Maintenance Agreements	16,741
Maintenance and Repair Services - Buildings	6,128
Pest Control	550
Internet Connectivity	3,366
Rentals	3,619
Disposal Fees	30
Custodial Supplies	2,257
Data Processing Supplies	3,474
Electricity	18,168
Library Books/Media	70,164
Natural Gas	1,810
Office Supplies	4,092

(Continued)



Exhibit K-10

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Periodicals	\$	3,671	
Water and Sewer		2,037	
Software		4,989	
Other Supplies and Materials		28,461	
Building and Contents Insurance		2,513	
Liability Insurance		2,674	
Fines, Assessments, and Penalties		6	
Other Charges		2,565	
Data Processing Equipment		9,741	
Furniture and Fixtures		4,209	
Other Capital Outlay		3,560	
Total Libraries			\$ 855,842

Other Social, Cultural, and Recreational

Contributions	\$	115,000	
Total Other Social, Cultural, and Recreational			115,000

Agriculture and Natural Resources

Agricultural Extension Service

Contracts with Government Agencies	\$	407,020	
Contracts with Private Agencies		338	
Dues and Memberships		765	
Maintenance Agreements		886	
Maintenance and Repair Services - Buildings		2,359	
Pest Control		550	
Internet Connectivity		4,466	
Rentals		7,703	
Travel		9,115	
Tuition		90	
Custodial Supplies		496	
Data Processing Supplies		417	
Electricity		2,467	
Natural Gas		1,086	
Office Supplies		2,500	
Water and Sewer		624	
Other Supplies and Materials		1,454	
Building and Contents Insurance		511	
Vehicle and Equipment Insurance		11	
Fines, Assessments, and Penalties		66	
Data Processing Equipment		2,941	
Total Agricultural Extension Service			445,865

Forest Service

Forest Resource Services	\$	1,500	
Total Forest Service			1,500

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Bonus Payments	\$	935	
Other Salaries and Wages		119,220	
Social Security		7,095	
Pensions		9,445	
Employee and Dependent Insurance		36,083	
Employer Medicare		1,659	
Other Fringe Benefits		21	
Contributions		18,390	
Total Soil Conservation			\$ 192,848

Storm Water Management

Contracts with Private Agencies	\$	802	
Engineering Services		24,200	
Licenses		3,460	
Total Storm Water Management			28,462

Other Agriculture and Natural Resources

Contributions	\$	2,500	
Other Charges		2,580	
Total Other Agriculture and Natural Resources			5,080

Other Operations

Tourism

Contributions	\$	7,000	
Total Tourism			7,000

Other Economic and Community Development

Contracts with Government Agencies	\$	477,302	
Contributions		189,062	
Permits		5,500	
Other Charges		3,421	
Site Development		15,000	
Total Other Economic and Community Development			690,285

Airport

Contributions	\$	18,730	
Nonexchange Financial Guarantees		535,025	
Total Airport			553,755

Veterans' Services

Other Salaries and Wages	\$	2,962	
Social Security		184	
Employer Medicare		43	
Communication		561	
Contracts with Private Agencies		57	
Data Processing Services		449	
Postal Charges		32	

(Continued)

Exhibit K-10

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Other Contracted Services	\$ 49,800	
Office Supplies	884	
Data Processing Equipment	<u>2,355</u>	
Total Veterans' Services		\$ 57,327

Contributions to Other Agencies

Contributions	\$ <u>40,500</u>	
Total Contributions to Other Agencies		40,500

Employee Benefits

Handling Charges and Administrative Costs	\$ <u>10,319</u>	
Total Employee Benefits		10,319

COVID-19 Grant #4

Contracts with Private Agencies	\$ <u>199,272</u>	
Total COVID-19 Grant #4		199,272

COVID-19 Grant #7

Communication Equipment	\$ <u>87,031</u>	
Total COVID-19 Grant #7		87,031

Principal on Debt

General Government

Principal on Leases	\$ <u>73,077</u>	
Total General Government		73,077

Interest on Debt

General Government

Interest on Leases	\$ <u>15,170</u>	
Total General Government		15,170

Capital Projects - Donated

Capital Projects Donated to Other Entities

Other Capital Outlay	\$ <u>77,735</u>	
Total Capital Projects Donated to Other Entities		<u>77,735</u>

Total General Fund \$ 43,511,218

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 58,056
Foremen	27,842
Truck Drivers	107,199
Attendants	306,779
Part-time Personnel	52,355
Bonus Payments	12,836

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)  
Public Health and Welfare (Cont.)  
Convenience Centers (Cont.)

Social Security	\$	33,185	
Handling Charges and Administrative Costs		110	
Pensions		40,155	
Employee and Dependent Insurance		175,191	
Life Insurance		2,775	
Employer Medicare		7,761	
Communication		2,580	
Consultants		2,600	
Contracts with Private Agencies		333	
Dues and Memberships		100	
Licenses		68	
Maintenance and Repair Services - Equipment		23,532	
Maintenance and Repair Services - Vehicles		26,333	
Medical and Dental Services		70	
Postal Charges		131	
Internet Connectivity		5,588	
Rentals		22,196	
Towing Services		200	
Travel		370	
Tuition		100	
Disposal Fees		350,732	
Custodial Supplies		909	
Diesel Fuel		67,729	
Electricity		9,664	
Equipment and Machinery Parts		3,574	
Garage Supplies		473	
Gasoline		9,355	
General Construction Materials		2,655	
Instructional Supplies and Materials		800	
Lubricants		2,109	
Office Supplies		669	
Propane Gas		781	
Small Tools		459	
Tires and Tubes		15,958	
Uniforms		417	
Vehicle Parts		1,500	
Water and Sewer		1,840	
Wire		5,690	
Other Supplies and Materials		2,450	
Building and Contents Insurance		1,023	
Liability Insurance		3,568	
Trustee's Commission		26,227	
Vehicle and Equipment Insurance		7,880	
Workers' Compensation Insurance		19,689	
Liability Claims		1,000	
Fines, Assessments, and Penalties		8	
Solid Waste Equipment		59,618	
Total Convenience Centers			\$ 1,505,222

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Foremen	\$	22,434	
Attendants		23,422	
Part-time Personnel		1,459	
Bonus Payments		1,245	
Social Security		2,925	
Pensions		4,346	
Employee and Dependent Insurance		4,324	
Unemployment Compensation		456	
Employer Medicare		684	
Communication		821	
Contracts with Private Agencies		138,898	
Licenses		25	
Permits		150	
Electricity		1,193	
Office Supplies		964	
Water and Sewer		195	
Total Other Waste Disposal			<u>\$ 203,541</u>

Total Solid Waste/Sanitation Fund \$ 1,708,763

Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Private Agencies	\$	4,613	
Confidential Drug Enforcement Payments		5,000	
Rentals		646	
Travel		817	
Tuition		1,298	
Law Enforcement Supplies		3,214	
Trustee's Commission		110	
Total Drug Enforcement			<u>\$ 15,698</u>

Total Drug Control Fund 15,698

Other General Government Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #1

Other Equipment	\$	413,462	
Other Capital Outlay		441,478	
Total American Rescue Plan Act Grant #1			<u>\$ 854,940</u>

Total Other General Government Special Revenue Fund 854,940

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$	1,697	
Total Circuit Court Clerk			\$ 1,697

(Continued)

Exhibit K-10

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 5,004	
Total General Sessions Court		\$ 5,004

Chancery Court

Constitutional Officers' Operating Expenses	\$ 217	
Total Chancery Court		217

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 109	
Total Sheriff's Department		<u>109</u>

Total Constitutional Officers - Fees Fund		\$ 7,027
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 114,053
Assistant(s)	103,642
Computer Programmer(s)	46,378
Secretary(ies)	101,753
Other Salaries and Wages	17,698
Social Security	22,825
Handling Charges and Administrative Costs	549
Pensions	35,416
Employee and Dependent Insurance	62,726
Life Insurance	12,168
Employer Medicare	5,454
Other Fringe Benefits	144
Advertising	323
Communication	5,710
Contracts with Private Agencies	3,784
Dues and Memberships	5,672
Evaluation and Testing	5,252
Freight Expenses	176
Janitorial Services	5,450
Legal Notices, Recording, and Court Costs	162
Licenses	352
Maintenance Agreements	13,858
Maintenance and Repair Services - Buildings	2,968
Pest Control	660
Postal Charges	89
Printing, Stationery, and Forms	315
Internet Connectivity	3,831
Rentals	1,208
Travel	3,912
Tuition	1,350

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Custodial Supplies	\$	730	
Data Processing Supplies		890	
Electricity		4,024	
General Construction Materials		736	
Natural Gas		2,057	
Office Supplies		3,053	
Water and Sewer		706	
Other Supplies and Materials		385	
Building and Contents Insurance		5,297	
Liability Insurance		13,231	
Trustee's Commission		133,480	
Vehicle and Equipment Insurance		50,229	
Workers' Compensation Insurance		87,312	
Data Processing Equipment		8,070	
Total Administration			\$ 888,078

Highway and Bridge Maintenance

Supervisor/Director	\$	75,746
Foremen		225,171
Equipment Operators - Heavy		294,157
Equipment Operators - Light		156,788
Truck Drivers		321,112
Laborers		244,571
Overtime Pay		848
Social Security		77,395
Pensions		121,170
Employee and Dependent Insurance		456,202
Employer Medicare		18,101
Communication		4,778
Contracts with Private Agencies		7,823
Engineering Services		12,301
Freight Expenses		450
Maintenance Agreements		145
Maintenance and Repair Services - Buildings		1,689
Maintenance and Repair Services - Equipment		2,662
Internet Connectivity		430
Rentals		775
Disposal Fees		589
Permits		1,480
Concrete		5,412
Crushed Stone		48,286
Diesel Fuel		87,749
Electricity		8,311
Equipment Parts - Light		676
Fertilizer, Lime, and Seed		2,065
Gasoline		86,742
General Construction Materials		4,918

(Continued)

Exhibit K-10

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Ice	\$	235	
Other Road Materials		79,100	
Pipe - Metal		24,228	
Salt		25,928	
Small Tools		694	
Uniforms		10,682	
Water and Sewer		1,556	
Fencing		965	
Other Supplies and Materials		8,381	
Total Highway and Bridge Maintenance			\$ 2,420,311

Operation and Maintenance of Equipment

Materials Supervisor	\$	48,535	
Foremen		167,884	
Mechanic(s)		130,856	
Social Security		20,486	
Pensions		33,490	
Employee and Dependent Insurance		89,276	
Employer Medicare		4,791	
Communication		1,509	
Freight Expenses		5,182	
Maintenance Agreements		4,836	
Maintenance and Repair Services - Buildings		6,506	
Maintenance and Repair Services - Equipment		25,004	
Maintenance and Repair Services - Vehicles		22,780	
Internet Connectivity		475	
Rentals		345	
Towing Services		1,150	
Custodial Supplies		6,096	
Electricity		6,229	
Equipment Parts - Heavy		83,137	
Equipment Parts - Light		80,889	
Equipment and Machinery Parts		7,089	
Garage Supplies		17,516	
General Construction Materials		2,835	
Lubricants		17,590	
Office Supplies		1,449	
Pipe - Metal		586	
Propane Gas		10,487	
Small Tools		2,077	
Tires and Tubes		39,668	
Vehicle Parts		2,471	
Other Supplies and Materials		1,471	
Total Operation and Maintenance of Equipment			842,695

Asphalt Plant Operations

Foremen	\$	102,796	
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(Continued)



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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Asphalt Plant Operations (Cont.)

Equipment Operators	\$	285,296	
Truck Drivers		467,001	
Laborers		168,157	
Overtime Pay		34	
Social Security		59,619	
Pensions		94,214	
Employee and Dependent Insurance		347,556	
Employer Medicare		13,943	
Communication		1,048	
Contracts with Private Agencies		1,473	
Freight Expenses		20,732	
Licenses		590	
Maintenance and Repair Services - Equipment		1,623	
Internet Connectivity		394	
Permits		475	
Asphalt - Hot Mix		905,561	
Asphalt - Liquid		71,884	
Crushed Stone		247,596	
Diesel Fuel		157,865	
Electricity		43,763	
Equipment and Machinery Parts		16,367	
Fuel Oil		56,580	
General Construction Materials		989	
Lubricants		1,582	
Natural Gas		707	
Sand		35,119	
Water and Sewer		1,171	
Other Supplies and Materials		480	
Asphalt Plant Equipment		15,512	
Total Asphalt Plant Operations			\$ 3,120,127

Traffic Control

Materials Supervisor	\$	40,858	
Laborers		11,304	
Social Security		3,060	
Pensions		3,962	
Employee and Dependent Insurance		19,712	
Employer Medicare		716	
Freight Expenses		306	
Road Signs		19,606	
Small Tools		86	
Chemicals		1,388	
Other Supplies and Materials		89	
Total Traffic Control			101,087

Capital Outlay

Bridge Construction	\$	1,227,182	
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(Continued)

Exhibit K-10

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Building Construction	\$	31,104	
Highway Equipment		121,000	
Land		156,728	
Motor Vehicles		1,303,897	
Right-of-Way		8,500	
Other Equipment		150,248	
Total Capital Outlay			\$ 2,998,659

Total Highway/Public Works Fund \$ 10,370,957

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,310,000	
Principal on Notes		320,000	
Total General Government			\$ 1,630,000

Highways and Streets

Principal on Notes	\$	954,521	
Total Highways and Streets			954,521

Education

Principal on Bonds	\$	6,275,000	
Principal on Notes		375,479	
Total Education			6,650,479

Interest on Debt

General Government

Interest on Bonds	\$	1,050,368	
Interest on Notes		5,777	
Total General Government			1,056,145

Highways and Streets

Interest on Notes	\$	18,391	
Total Highways and Streets			18,391

Education

Interest on Bonds	\$	4,073,530	
Interest on Notes		7,326	
Total Education			4,080,856

Other Debt Service

General Government

Trustee's Commission	\$	265,216	
Other Debt Service		10,758	
Total General Government			275,974

Total General Debt Service Fund 14,666,366

(Continued)

Exhibit K-10

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

<u>Rural Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 1,195,000	
Total Education		\$ 1,195,000
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 24,571	
Total Education		<u>24,571</u>
Total Rural Debt Service Fund		\$ 1,219,571
 <u>General Capital Projects Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Other Loans	\$ 127,039	
Total General Government		\$ 127,039
 <u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	\$ 27,303	
Building Improvements	121,129	
Data Processing Equipment	6,018	
Solid Waste Equipment	185,207	
Other Capital Outlay	<u>1,401</u>	
Total General Administration Projects		341,058
 <u>Public Safety Projects</u>		
Building Improvements	\$ 1,886,436	
Communication Equipment	5,000	
Data Processing Equipment	179,899	
Other Equipment	113,335	
Other Capital Outlay	<u>283,560</u>	
Total Public Safety Projects		2,468,230
 <u>Public Health and Welfare Projects</u>		
Building Improvements	\$ 75,212	
Other Capital Outlay	<u>235,818</u>	
Total Public Health and Welfare Projects		311,030
 <u>Social, Cultural, and Recreation Projects</u>		
Site Development	\$ 105,092	
Total Social, Cultural, and Recreation Projects		105,092
 <u>Education Capital Projects</u>		
Other Contracted Services	\$ 245	
Total Education Capital Projects		245

(Continued)

Exhibit K-10

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

General Capital Projects Fund (Cont.)

Capital Projects - Donated

Capital Projects Donated to Other Entities

Right-of-Way	\$ 4,700	
Total Capital Projects Donated to Other Entities		\$ 4,700

Total General Capital Projects Fund \$ 3,357,394

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Trustee's Commission	\$ 120,430	
Building Improvements	2,747,521	
Other Equipment	28,501	
Other Capital Outlay	1,740,768	
Total Education Capital Projects		\$ 4,637,220

Capital Projects - Donated

Capital Projects Donated to School Department

Data Processing Equipment	\$ 436,291	
Transportation Equipment	203,670	
Total Capital Projects Donated to School Department		639,961

Total Education Capital Projects Fund 5,277,181

Total Governmental Funds - Primary Government \$ 80,989,115

Exhibit K-11

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 22,743,499	
Career Ladder Program	55,772	
Homebound Teachers	14,105	
Educational Assistants	1,187,193	
Bonus Payments	875	
Other Salaries and Wages	9,379	
Certified Substitute Teachers	181,736	
Non-certified Substitute Teachers	220,047	
Social Security	1,412,291	
Pensions	2,147,100	
Life Insurance	15,000	
Medical Insurance	4,211,758	
Unemployment Compensation	5,112	
Employer Medicare	336,763	
Other Fringe Benefits	27,332	
Other Contracted Services	4,472,548	
Instructional Supplies and Materials	126,670	
Textbooks - Bound	118,735	
Other Supplies and Materials	566,091	
Other Charges	6,635	
Data Processing Equipment	639,961	
Total Regular Instruction Program		\$ 38,498,602

Special Education Program

Teachers	\$ 2,548,087	
Career Ladder Program	3,000	
Homebound Teachers	13,600	
Educational Assistants	283,787	
Speech Pathologist	210,859	
Other Salaries and Wages	110,018	
Certified Substitute Teachers	11,550	
Non-certified Substitute Teachers	13,790	
Social Security	184,021	
Pensions	285,890	
Life Insurance	2,810	
Medical Insurance	581,100	
Employer Medicare	43,348	
Instructional Supplies and Materials	15,240	
Other Charges	821	
Total Special Education Program		4,307,921

Career and Technical Education Program

Teachers	\$ 1,757,906	
Certified Substitute Teachers	17,815	
Non-certified Substitute Teachers	23,660	
Social Security	104,566	

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Pensions	\$	168,459	
Life Insurance		1,305	
Medical Insurance		244,228	
Employer Medicare		24,455	
Instructional Supplies and Materials		116,117	
Vocational Instruction Equipment		182,743	
Total Career and Technical Education Program			\$ 2,641,254

Support Services

Attendance

Supervisor/Director	\$	68,150	
Clerical Personnel		31,295	
Social Security		5,520	
Pensions		10,027	
Life Insurance		44	
Medical Insurance		24,904	
Employer Medicare		1,291	
Travel		4,192	
Other Supplies and Materials		1,509	
Total Attendance			146,932

Health Services

Medical Personnel	\$	260,672	
Other Salaries and Wages		398,696	
Social Security		38,515	
Pensions		55,877	
Life Insurance		443	
Medical Insurance		127,084	
Employer Medicare		9,007	
Travel		10,771	
Other Contracted Services		6,891	
Other Supplies and Materials		41,951	
Other Charges		2,478	
Total Health Services			952,385

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		982,025	
Social Security		57,874	
Pensions		97,278	
Life Insurance		778	
Medical Insurance		148,781	
Employer Medicare		13,535	
Contracts with Government Agencies		90,000	
Evaluation and Testing		76,435	
Other Supplies and Materials		4,970	
Other Equipment		127,516	
Total Other Student Support			1,601,192

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	359,272	
Career Ladder Program		3,000	
Librarians		723,361	
Clerical Personnel		145,490	
Other Salaries and Wages		66,849	
Social Security		76,520	
Pensions		127,008	
Life Insurance		921	
Medical Insurance		171,374	
Employer Medicare		17,896	
Maintenance and Repair Services - Equipment		21,591	
Travel		28,040	
Library Books/Media		92,282	
Other Supplies and Materials		1,280	
In Service/Staff Development		52,955	
Total Regular Instruction Program			\$ 1,887,839

Special Education Program

Supervisor/Director	\$	160,787	
Psychological Personnel		57,113	
Assessment Personnel		167,519	
Clerical Personnel		39,346	
Speech Pathologist		208,025	
Other Salaries and Wages		109,141	
Social Security		44,185	
Pensions		72,156	
Life Insurance		473	
Medical Insurance		70,022	
Employer Medicare		10,333	
Travel		18,627	
Other Contracted Services		69,500	
Other Supplies and Materials		5,857	
In Service/Staff Development		2,249	
Total Special Education Program			1,035,333

Career and Technical Education Program

Supervisor/Director	\$	59,926	
Secretary(ies)		33,817	
Social Security		5,445	
Pensions		9,446	
Life Insurance		61	
Medical Insurance		14,654	
Employer Medicare		1,273	
Maintenance and Repair Services - Equipment		1,085	
Travel		19,826	
Other Supplies and Materials		1,556	
Total Career and Technical Education Program			147,089

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	265,955	
Data Processing Personnel		148,560	
Instructional Computer Personnel		54,932	
Other Salaries and Wages		308,567	
Social Security		45,423	
Pensions		69,944	
Life Insurance		479	
Medical Insurance		115,111	
Employer Medicare		10,887	
Internet Connectivity		65,192	
Travel		7,022	
Other Contracted Services		440,476	
Other Supplies and Materials		317,201	
Total Technology			\$ 1,849,749

Other Programs

On-behalf Payments to OPEB	\$	161,889	
Total Other Programs			161,889

Board of Education

Board and Committee Members Fees	\$	32,670	
Social Security		1,496	
Pensions		2,787	
Medical Insurance		24,193	
Employer Medicare		403	
Audit Services		64,820	
Dues and Memberships		12,282	
Legal Services		54,000	
Travel		21,423	
Other Contracted Services		98,094	
Building and Contents Insurance		130,613	
Liability Insurance		46,159	
Trustee's Commission		594,834	
Workers' Compensation Insurance		285,662	
Other Charges		21,467	
Total Board of Education			1,390,903

Director of Schools

County Official/Administrative Officer	\$	140,000	
Career Ladder Program		2,500	
Secretary(ies)		254,030	
Other Salaries and Wages		35,859	
Social Security		25,108	
Pensions		42,639	
Life Insurance		174	
Medical Insurance		103,134	

(Continued)



Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Employer Medicare	\$	5,872	
Communication		51,812	
Postal Charges		10,249	
Travel		6,420	
Other Contracted Services		84,226	
Office Supplies		6,513	
Total Director of Schools			\$ 768,536

Office of the Principal

Principals	\$	1,044,312	
Career Ladder Program		4,000	
Assistant Principals		1,064,765	
Secretary(ies)		683,381	
Other Salaries and Wages		125,078	
Social Security		171,255	
Pensions		296,415	
Life Insurance		1,795	
Medical Insurance		498,384	
Employer Medicare		40,051	
Communication		20,000	
Travel		3,464	
Other Supplies and Materials		38,695	
Other Charges		94,867	
Total Office of the Principal			4,086,462

Fiscal Services

Supervisor/Director	\$	148,945	
Accountants/Bookkeepers		2,431	
Clerical Personnel		148,595	
Social Security		17,488	
Pensions		28,944	
Life Insurance		60	
Medical Insurance		64,474	
Employer Medicare		4,090	
Travel		551	
Other Contracted Services		10,689	
Other Supplies and Materials		6,394	
Total Fiscal Services			432,661

Operation of Plant

Custodial Personnel	\$	713,022	
Other Salaries and Wages		218,859	
Social Security		55,364	
Pensions		75,026	
Life Insurance		695	
Medical Insurance		157,309	

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Employer Medicare	\$	12,948	
Janitorial Services		852,441	
Disposal Fees		156,670	
Other Contracted Services		121,781	
Custodial Supplies		135,590	
Electricity		1,907,036	
Natural Gas		171,347	
Water and Sewer		261,544	
Other Supplies and Materials		69,692	
Boiler Insurance		20,684	
Other Charges		24,975	
Total Operation of Plant			\$ 4,954,983

Maintenance of Plant

Supervisor/Director	\$	236,669	
Maintenance Personnel		596,961	
Social Security		48,798	
Pensions		79,561	
Life Insurance		281	
Medical Insurance		168,257	
Employer Medicare		11,412	
Communication		2,617	
Maintenance and Repair Services - Buildings		197,354	
Maintenance and Repair Services - Equipment		217,610	
Other Supplies and Materials		738,163	
Other Charges		24,803	
Administration Equipment		577,584	
Total Maintenance of Plant			2,900,070

Transportation

Supervisor/Director	\$	122,436	
Mechanic(s)		172,775	
Bus Drivers		1,191,444	
Social Security		84,631	
Pensions		131,340	
Life Insurance		1,517	
Medical Insurance		422,826	
Employer Medicare		20,266	
Communication		599	
Laundry Service		58,335	
Lease Payments		8,186	
Other Contracted Services		4,873	
Diesel Fuel		325,311	
Garage Supplies		23,222	
Gasoline		197,535	
Tires and Tubes		43,251	

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	68,344	
Other Supplies and Materials		5,204	
Vehicle and Equipment Insurance		169,028	
Other Charges		18,230	
Total Transportation			\$ 3,069,353

Central and Other

Supervisor/Director	\$	74,267	
Clerical Personnel		24,538	
Social Security		5,942	
Pensions		10,008	
Life Insurance		76	
Medical Insurance		14,654	
Employer Medicare		1,390	
Other Supplies and Materials		2,340	
Other Charges		941	
Total Central and Other			134,156

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	30,386	
Social Security		1,884	
Pensions		2,829	
Employer Medicare		441	
Total Food Service			35,540

Community Services

Supervisor/Director	\$	73,293	
Teachers		25,938	
Clerical Personnel		28,883	
Educational Assistants		1,180	
Other Salaries and Wages		300,073	
Social Security		25,720	
Pensions		21,988	
Medical Insurance		22,482	
Employer Medicare		6,026	
Travel		542	
Instructional Supplies and Materials		616	
Other Supplies and Materials		8,321	
Other Charges		2,070	
Total Community Services			517,132

Early Childhood Education

Teachers	\$	193,982	
Educational Assistants		58,642	
Social Security		14,645	

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Pensions	\$	22,843	
Medical Insurance		42,841	
Employer Medicare		3,426	
Instructional Supplies and Materials		1,396	
Other Supplies and Materials		5,094	
Other Charges		599	
Total Early Childhood Education			\$ 343,468

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	980,000	
Total Education			980,000

Total General Purpose School Fund \$ 72,843,449

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	991,574	
Educational Assistants		184,460	
Bonus Payments		370,125	
Other Salaries and Wages		36,887	
Social Security		89,895	
Pensions		145,001	
Medical Insurance		193,817	
Employer Medicare		21,371	
Instructional Supplies and Materials		278,449	
Textbooks - Bound		219,222	
Software		350,110	
Other Supplies and Materials		18,221	
Other Charges		952	
Regular Instruction Equipment		24,120	
Total Regular Instruction Program			\$ 2,924,204

Alternative Instruction Program

Teachers	\$	31,026	
Social Security		1,881	
Pensions		2,404	
Employer Medicare		440	
Total Alternative Instruction Program			35,751

Special Education Program

Teachers	\$	131,819	
Educational Assistants		815,211	
Speech Pathologist		45,613	
Other Salaries and Wages		765	

(Continued)

Exhibit K-11

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	54,918	
Pensions		80,967	
Medical Insurance		283,875	
Employer Medicare		12,844	
Other Contracted Services		6,482	
Instructional Supplies and Materials		58,639	
Special Education Equipment		54,561	
Total Special Education Program			\$ 1,545,694

Career and Technical Education Program

Instructional Supplies and Materials	\$	36,370	
Other Supplies and Materials		13,973	
Vocational Instruction Equipment		73,595	
Total Career and Technical Education Program			123,938

Support Services

Health Services

Supervisor/Director	\$	15,000	
Medical Personnel		99,005	
Other Salaries and Wages		2,640	
Social Security		7,224	
Pensions		9,218	
Employer Medicare		1,690	
Travel		96	
Other Contracted Services		133,170	
Drugs and Medical Supplies		1,138	
Software		11,900	
Other Supplies and Materials		8,799	
Other Charges		37,419	
Health Equipment		166,128	
Total Health Services			493,427

Other Student Support

Guidance Personnel	\$	85,903	
Social Workers		29,634	
Other Salaries and Wages		46,805	
Social Security		9,774	
Pensions		10,859	
Medical Insurance		19,530	
Employer Medicare		2,286	
Travel		2,575	
Other Contracted Services		112,304	
Other Supplies and Materials		74,154	
In Service/Staff Development		10,248	
Total Other Student Support			404,072

(Continued)

Exhibit K-11

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	45,141	
Instructional Computer Personnel		99,301	
Clerical Personnel		43,784	
Other Salaries and Wages		96,699	
Social Security		16,746	
Pensions		28,556	
Medical Insurance		43,578	
Employer Medicare		3,923	
Travel		1,467	
Other Contracted Services		227,800	
Instructional Supplies and Materials		36,506	
Other Supplies and Materials		18,652	
In Service/Staff Development		136,379	
Total Regular Instruction Program			\$ 798,532

Special Education Program

Contracts with Private Agencies	\$	16,749	
Maintenance and Repair Services - Equipment		957	
Travel		1,530	
Other Supplies and Materials		53,990	
In Service/Staff Development		34,488	
Other Equipment		8,520	
Total Special Education Program			116,234

Technology

Other Supplies and Materials	\$	283,779	
Total Technology			283,779

Fiscal Services

Other Contracted Services	\$	13,185	
Total Fiscal Services			13,185

Operation of Plant

Plant Operation Equipment	\$	50,811	
Total Operation of Plant			50,811

Transportation

Bus Drivers	\$	254,097	
Social Security		14,310	
Pensions		23,943	
Medical Insurance		109,853	
Employer Medicare		3,347	
Diesel Fuel		21	
Total Transportation			405,571

(Continued)

Exhibit K-11

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 2,060,282	
Other Capital Outlay	299,906	
Total Regular Capital Outlay		<u>\$ 2,360,188</u>

Total School Federal Projects Fund \$ 9,555,386

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 78,889	
Cafeteria Personnel	1,059,744	
Social Security	63,253	
Pensions	103,700	
Medical Insurance	412,604	
Unemployment Compensation	1,427	
Employer Medicare	14,793	
Bank Charges	149	
Travel	4,796	
Other Contracted Services	44,349	
Food Preparation Supplies	214,637	
Food Supplies	1,707,064	
Office Supplies	5,276	
Utilities	5,181	
USDA - Commodities	257,978	
Other Supplies and Materials	29,115	
Refunds	4,629	
In Service/Staff Development	1,673	
Food Service Equipment	225,832	
Total Food Service		<u>\$ 4,235,089</u>

Total Central Cafeteria Fund 4,235,089

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 2,138,207	
Total Community Services		<u>\$ 2,138,207</u>

Total Internal School Fund 2,138,207

Total Governmental Funds - Washington County School Department \$ 88,772,131

Exhibit K-12

Washington County, Tennessee  
Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds  
For the Year Ended June 30, 2022

	Cities - Sales Tax Fund	City School ADA - Johnson City	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 12,492,593	\$ 12,492,593
Trustee's Collections - Prior Years	0	29,522	29,522
Trustee's Collections - Bankruptcy	0	1,884	1,884
Circuit/Clerk and Master Collections - Prior Years	0	57,514	57,514
Interest and Penalty	0	61,083	61,083
Payment in Lieu-of Taxes - Local Utilities	0	210,030	210,030
Payment in Lieu-of Taxes - Other	0	17,817	17,817
Business Tax	0	432,331	432,331
Mixed Drink Tax	0	3,179	3,179
Bank Excise Tax	0	77,530	77,530
Local Option Sales Tax	33,567,925	19,902,050	53,469,975
Marriage Licenses	0	1,624	1,624
Other Local Revenues	0	428	428
Total Additions	<u>\$ 33,567,925</u>	<u>\$ 33,287,585</u>	<u>\$ 66,855,510</u>
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 33,239,270	\$ 32,838,131	\$ 66,077,401
Trustee's Commission	328,655	449,454	778,109
Total Deductions	<u>\$ 33,567,925</u>	<u>\$ 33,287,585</u>	<u>\$ 66,855,510</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	<u>0</u>	<u>0</u>	<u>0</u>
Net Position, June 30, 2022	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



# STATISTICAL SECTION

This part of Washington County’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

	Table(s)	Page(s)
<b>Financial Trends:</b>		
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1-4	266-271
<b>Revenue Capacity:</b>		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	5-8	272-275
<b>Debt Capacity:</b>		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	9-12	276-279
<b>Demographic and Economic Information:</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	13-14	280-281
<b>Operating Information:</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	15-17	282-284

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**WASHINGTON COUNTY, TENNESSEE**  
**NET POSITION BY COMPONENT (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Table 1

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 49,387,797	\$ 43,818,988	\$ 43,270,484	\$ 42,999,537	\$ 42,630,018	\$ 53,819,927	\$ 69,266,986	\$ 47,231,777	\$ 51,138,226	\$ 55,599,551
Restricted	11,549,974	17,522,004	16,014,780	12,425,244	22,703,934	19,447,922	13,136,355	15,720,828	18,190,408	27,020,312
Unrestricted	(112,175,793)	(116,550,871)	(112,761,421)	(106,954,062)	(119,407,127)	(113,892,521)	(110,067,350)	(102,475,753)	(92,300,007)	(66,603,308)
Total Governmental Activities Net Position	<u>\$ (51,238,022)</u>	<u>\$ (55,209,879)</u>	<u>\$ (53,476,157)</u>	<u>\$ (51,529,281)</u>	<u>\$ (54,073,175)</u>	<u>\$ (40,624,672)</u>	<u>\$ (27,664,009)</u>	<u>\$ (39,523,148)</u>	<u>\$ (22,971,373)</u>	<u>\$ 16,016,555</u>

**WASHINGTON COUNTY, TENNESSEE**  
**CHANGES IN NET POSITION (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General Government	\$ 7,269,625	\$ 6,366,834	\$ 6,916,544	\$ 7,425,277	\$ 9,104,898	\$ 6,210,554	\$ 7,963,052	\$ 6,242,198	\$ 6,207,838	\$ 7,936,986
Finance	2,603,951	2,564,200	2,369,480	2,280,587	2,922,688	2,624,752	2,949,719	3,180,532	3,298,803	3,327,610 *
Administration of Justice	3,826,432	3,803,354	3,744,198	3,989,948	4,505,184	4,559,547	4,334,215	4,516,369	4,699,935	4,426,121
Public Safety	17,537,321	18,596,830	18,566,191	17,891,640	20,864,781	20,594,583	21,257,958	22,076,953	23,018,475	22,324,656
Highways	7,544,044	8,784,888	8,377,451	8,356,281	8,557,588	8,719,597	8,384,896	7,785,415	8,141,482	8,257,626
Social, Cultural and Recreational	870,939	893,752	1,354,837	864,139	1,303,591	967,744	1,132,166	1,121,962	1,239,701	2,373,075 *
Public Health and Welfare	5,286,431	5,397,355	5,037,422	5,061,973	5,421,337	6,324,577	6,122,851	5,818,526	6,174,715	5,837,810
Agricultural and Natural Resources	438,009	421,188	372,411	404,461	441,294	489,132	506,131	570,990	585,286	670,445 *
Education	161,881	4,849,517	2,370,917	2,367,238	12,840,299	1,308,810	1,641,824	28,860,320	2,553,266	6,491,380 *
Interest on Long-Term Debt	6,606,429	6,901,927	6,222,995	6,080,922	5,285,691	5,001,768	5,338,159	5,072,694	4,803,525	4,490,025
<b>Total Governmental Activities Expenses</b>	<b>\$ 52,145,062</b>	<b>\$ 58,579,845</b>	<b>\$ 55,332,446</b>	<b>\$ 54,722,466</b>	<b>\$ 71,247,351</b>	<b>\$ 56,801,064</b>	<b>\$ 59,630,971</b>	<b>\$ 85,245,959</b>	<b>\$ 60,723,026</b>	<b>\$ 66,135,734</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	\$ 700,183	\$ 619,370	\$ 782,033	\$ 859,297	\$ 1,960,650	\$ 2,077,420	\$ 2,042,945	\$ 2,300,165	\$ 2,756,575	\$ 2,659,339
Finance	1,877,106	1,897,081	1,967,215	2,116,550	3,240,276	3,489,321	3,623,211	3,514,604	3,971,296	3,987,226
Administration of Justice	1,917,838	2,136,900	2,108,387	2,134,107	2,892,185	2,876,661	2,987,369	2,724,304	2,322,711	2,442,264 *
Public Safety	3,232,248	4,090,509	3,876,258	4,141,148	2,152,933	2,451,219	2,111,726	1,964,560	1,584,676	2,131,067
Highways	318,552	521,231	190,689	328,971	698,703	357,099	132,239	107,866	41,161	511,270
Social, Cultural and Recreational	256,477	264,290	264,588	271,681	22,249	22,285	20,787	16,353	1,331	10,029 *
Public Health and Welfare	329,242	300,883	298,072	291,802	345,082	293,251	297,976	284,561	369,474	522,361
<b>Operating Grants and Contributions</b>										
General Government	238,790	230,340	148,791	161,250	57,614	69,564	17,204	139,410	2,062,652	25,079,788
Administration of Justice	30,373	33,659	34,164	27,574	68,840	100,410	66,985	86,660	100,905	186,593 *
Public Safety	269,205	310,950	399,183	131,933	2,040,420	1,479,745	1,582,906	1,500,826	2,380,447	1,825,247
Highways	2,311,518	2,325,875	2,379,014	2,480,323	2,520,019	3,029,763	3,216,326	3,255,232	3,307,891	3,451,193
Social, Cultural and Recreational	6,976	19,172	1,154	-	1,299	16,331	16,500	15,700	19,158	38,701 *
Agriculture and Natural Resources	-	-	-	-	-	17,500	17,500	35,000	35,000	17,500
Interest on Long-term Debt	-	-	-	-	260,000	260,000	260,000	44,525	38,000	24,571
Public Health and Welfare	1,044,139	994,092	1,015,523	831,479	887,332	961,809	1,101,428	1,012,782	1,427,142	939,500
<b>Capital Grants and Contributions</b>										
General Government	172,115	210,908	109,847	147,555	186,422	524,428	-	123,706	142,367	-
Administration of Justice	30,373	33,659	34,164	27,574	68,840	100,410	10,089	-	-	-
Public Safety	708,641	16,054	784,994	70,139	27,455	194,578	164,059	116,303	455,437	131,741
Highways	-	1,097	284,999	257,680	-	707,106	1,144,750	634,412	1,189,152	1,099,052
Social, Cultural and Recreational	-	-	-	-	324,782	-	973	1,999	300	- *
Public Health and Welfare	70,000	17,090	-	-	39,970	478,075	-	442,000	348,476	17,619
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 13,513,776</b>	<b>\$ 14,023,160</b>	<b>\$ 14,679,075</b>	<b>\$ 14,279,063</b>	<b>\$ 17,795,071</b>	<b>\$ 19,406,565</b>	<b>\$ 18,814,973</b>	<b>\$ 18,320,968</b>	<b>\$ 22,554,151</b>	<b>\$ 45,075,061</b>

\* Prior year's information is not readily available.

**WASHINGTON COUNTY, TENNESSEE**  
**CHANGES IN NET POSITION (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>NET (EXPENSE)/REVENUE</b>										
Total Governmental Activities Net Expense	\$ (38,661,659)	\$ (44,590,344)	\$ (40,687,535)	\$ (40,470,977)	\$ (53,521,120)	\$ (37,394,499)	\$ (40,815,998)	\$ (66,924,991)	\$ (38,168,875)	\$ (21,060,673)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities</b>										
<b>Taxes</b>										
Property Taxes	\$ 35,809,724	\$ 35,566,742	\$ 36,224,789	\$ 36,150,344	\$ 46,042,196	\$ 47,311,779	\$ 47,865,385	\$ 48,190,018	\$ 49,034,782	\$ 49,255,602
Business Taxes	1,011,548	987,940	1,079,144	1,136,463	1,295,552	1,385,699	1,333,906	1,407,839	1,532,252	1,741,812
Miscellaneous	1,879,540	2,032,951	2,477,345	2,466,548	1,406,368	1,291,487	1,392,346	1,197,122	1,017,068	1,087,252
Other Local Governments	1,917,163	1,735,966	1,670,665	1,802,251	-	-	-	-	-	- ***
State Aid	206,027	293,447	565,917	657,084	-	-	-	-	-	- ***
Federal Aid	-	-	403,381	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	2,005,623	2,339,218	2,174,470	2,510,600	2,539,569	8,812,901 ***
Gain (Loss) on Sale and Disposal of Assets	44,239	56,294	24,294	138,732	-	-	56,518	815,112	25,127	-
Unrestricted Investment Earnings	52,796	55,808	57,605	66,431	80,072	215,344	712,210	714,947	294,096	(536,863)
Lease Interest	-	-	-	-	-	-	-	-	-	25,707
Miscellaneous	-	-	-	-	147,415	86,344	241,826	230,214	277,756	384,035 ***
	<u>\$ 40,921,037</u>	<u>\$ 40,729,148</u>	<u>\$ 42,503,140</u>	<u>\$ 42,417,853</u>	<u>\$ 50,977,226</u>	<u>\$ 52,629,871</u>	<u>\$ 53,776,661</u>	<u>\$ 55,065,852</u>	<u>\$ 54,720,650</u>	<u>\$ 60,770,446</u>
<b>CHANGE IN NET POSITION</b>										
Total Governmental Activities	<u>\$ 2,259,378</u>	<u>\$ (3,861,196)</u>	<u>\$ 1,815,605</u>	<u>\$ 1,946,876</u>	<u>\$ (2,543,894)</u>	<u>\$ 15,235,372</u>	<u>\$ 12,960,663</u>	<u>\$ (11,859,139)</u>	<u>\$ 16,551,775</u>	<u>\$ 39,709,773</u>

\*\*\* The presentation of certain fund revenues were changed in 2017

**WASHINGTON COUNTY, TENNESSEE**  
**FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

Table 3

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,229	\$ 20,997	\$ 104,894	\$ 75,855
Restricted	246,894	381,934	336,034	392,312	310,411	410,391	571,924	899,558	770,257	1,035,349
Committed	1,624,729	1,625,590	2,010,134	1,616,241	-	-	-	-	721,845	-
Assigned	242,764	284,829	355,039	231,757	2,029,616	1,864,749	2,132,262	2,106,376	3,064,962	7,361,874
Unassigned	16,450,146	17,318,952	14,849,884	14,130,256	14,309,037	15,562,557	14,574,988	14,392,940	15,746,724	13,301,276
<b>Total General Fund</b>	<b>\$ 18,564,533</b>	<b>\$ 19,611,305</b>	<b>\$ 17,551,091</b>	<b>\$ 16,370,566</b>	<b>\$ 16,649,064</b>	<b>\$ 17,837,697</b>	<b>\$ 17,299,403</b>	<b>\$ 17,419,871</b>	<b>\$ 20,408,682</b>	<b>\$ 21,774,354</b>
<b>All Other Governmental Funds</b>										
Nonspendable										
Highways	\$ -	\$ -	\$ -	\$ 716,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124
Debt Service	-	-	-	-	-	-	-	-	-	2,226
Other Purposes	-	-	-	-	-	-	-	-	-	25
Restricted										
Highways	4,700,309	5,325,614	5,180,307	4,362,048	-	1,142,531	1,487,660	1,353,805	1,236,908	1,437,378
Debt Service	6,405,525	7,470,558	7,342,205	6,133,622	7,472,633	5,844,967	6,862,845	7,243,289	7,090,072	6,152,179
Public Safety	197,246	206,921	228,545	243,194	260,306	319,554	373,719	358,743	334,554	353,766
Education	-	-	-	-	8,933,057	7,610,697	-	-	-	6,502,453
Capital Projects	-	-	-	-	19,326,934	13,905,875	9,245,998	10,713,542	12,177,760	7,474,243
Committed										
Highway Fund	-	-	-	-	4,256,253	4,627,319	5,137,493	5,582,006	5,982,776	6,602,476
Public Health and Welfare	1,250,141	1,228,278	1,215,443	987,653	743,547	434,092	361,030	245,932	356,677	648,540
Capital Projects	1,730,406	4,136,977	-	1,544,648	-	-	-	-	-	1,442,608
Other Purposes	-	-	-	-	-	-	-	-	190	22,593,305
Assigned										
Highways	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Projects	255,284	-	2,927,689	1,294,068	-	-	-	-	-	-
Unassigned										
Capital Projects	-	-	-	(740,077)	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 14,538,911</b>	<b>\$ 18,368,348</b>	<b>\$ 16,894,189</b>	<b>\$ 14,541,156</b>	<b>\$ 40,992,730</b>	<b>\$ 33,885,035</b>	<b>\$ 23,468,745</b>	<b>\$ 25,497,317</b>	<b>\$ 27,178,937</b>	<b>\$ 53,209,323</b>

**NOTE:** The County implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the 2011 fiscal year. These changes were not retrospectively applied.

**WASHINGTON COUNTY, TENNESSEE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

Table 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Taxes	\$ 38,254,578	\$ 37,846,018	\$ 38,499,876	\$ 38,850,710	\$ 50,561,120	\$ 50,614,402	\$ 51,200,097	\$ 52,034,114	\$ 53,165,475	\$ 53,167,688
Licenses and Permits	552,117	569,907	579,239	618,064	685,941	709,293	711,579	784,810	941,666	1,020,775
Fines, Forfeitures and Penalties	1,049,380	942,459	966,951	1,020,892	691,817	649,459	584,227	522,393	411,384	540,128
Charges for Current Services	927,575	938,606	847,433	995,603	791,034	769,831	773,561	733,741	707,016	891,791
Other Local Revenues	862,523	851,021	790,851	972,749	793,014	962,304	1,342,919	2,075,418	1,016,065	1,118,251
Fees Received from County Officials	5,220,078	5,357,541	5,406,599	5,654,440	6,045,846	6,421,792	6,655,364	6,416,734	6,790,007	6,775,553
Revenue from State of Tennessee	5,886,507	6,599,275	7,657,738	6,735,772	6,028,324	9,252,001	8,721,688	8,659,270	9,467,753	14,684,670
Revenue from Federal Government	1,201,492	470,657	341,972	303,869	171,753	2,249,339	1,583,742	1,419,051	3,301,644	26,878,483
Revenue from Other Governments and Citizens Groups	1,446,146	1,948,066	1,745,770	2,513,696	2,500,331	804,423	635,210	791,248	669,981	1,673,344
<b>Total Revenues</b>	<b>\$ 55,400,396</b>	<b>\$ 55,523,550</b>	<b>\$ 56,836,429</b>	<b>\$ 57,665,795</b>	<b>\$ 68,269,180</b>	<b>\$ 72,432,844</b>	<b>\$ 72,208,387</b>	<b>\$ 73,436,779</b>	<b>\$ 76,470,991</b>	<b>\$ 106,750,683</b>
<b>EXPENDITURES</b>										
General Government	\$ 5,541,254	\$ 6,298,439	\$ 5,612,354	\$ 5,221,002	\$ 5,547,677	\$ 5,492,641	\$ 4,977,932	\$ 4,926,800	\$ 4,841,127	\$ 5,216,707
Finance	2,600,650	2,560,244	2,548,805	2,454,224	2,624,617	2,767,012	3,024,853	3,029,713	3,131,094	3,343,850
Administration of Justice	3,786,673	3,842,678	3,904,067	4,146,682	4,245,712	4,589,459	4,468,299	4,576,440	4,655,640	4,734,620
Public Safety	16,579,592	17,414,401	17,890,607	17,636,191	18,707,023	19,296,038	20,600,821	20,531,389	21,560,491	22,742,274
Highways	7,272,037	8,912,894	7,665,764	8,273,057	7,683,480	7,772,741	8,991,236	5,594,839	8,676,154	10,370,957
Public Health and Welfare	5,312,417	5,375,408	5,139,684	5,153,849	5,161,713	5,355,305	5,605,517	1,041,938	5,439,050	5,628,187
Social, Cultural and Recreational	869,803	839,846	1,317,274	825,957	946,232	888,678	1,021,334	568,847	1,062,067	1,091,842
Agriculture and Natural Resources	435,305	417,339	400,909	436,966	432,196	488,555	507,471	1,588,404	577,190	673,755
Other Operations	1,606,024	747,336	1,717,722	2,427,087	871,728	866,134	1,415,171	9,049,447	2,889,863	2,500,429
Debt Service:										
Principal	2,410,000	2,930,000	4,790,000	5,335,000	5,861,966	6,634,383	6,755,000	7,750,000	7,852,039	10,630,116
Interest and Fiscal Fees	6,878,304	6,697,412	6,809,881	6,648,993	4,694,417	6,115,207	6,018,180	5,733,949	5,467,741	5,195,133
Trustee's Commission	208,642	200,037	202,818	201,628	-	-	-	-	-	-
Other Charges	-	8,232,385	-	8,317	954,408	211,991	272,093	264,608	274,156	275,974
Education	161,881	4,030,270	2,370,917	2,430,400	1,259,751	1,229,368	727,588	813,696	746,002	722,396
Capital Outlay	-	-	-	-	17,711,225	16,704,128	18,798,977	5,832,479	5,293,447	7,862,875 *
<b>Total Expenditures</b>	<b>\$ 53,662,582</b>	<b>\$ 68,498,689</b>	<b>\$ 60,370,802</b>	<b>\$ 61,199,353</b>	<b>\$ 76,702,145</b>	<b>\$ 78,411,640</b>	<b>\$ 83,184,472</b>	<b>\$ 71,302,549</b>	<b>\$ 72,466,061</b>	<b>\$ 80,989,115</b>

**WASHINGTON COUNTY, TENNESSEE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

Table 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (Deficiency) of Revenues										
Over Expenditures	\$ 1,737,814	\$ (12,975,139)	\$ (3,534,373)	\$ (3,533,558)	\$ (8,432,965)	\$ (5,978,796)	\$ (10,976,085)	\$ 2,134,230	\$ 4,004,930	\$ 25,761,568
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond Proceeds	\$ 1,760,000	\$ 4,015,000	\$ -	\$ -	\$ 31,950,000	\$ -	\$ -	\$ -	\$ -	\$ -
Note Proceeds	-	5,520,000	-	-	-	-	-	-	-	-
Leases Issued	-	673,166	-	-	-	-	-	-	644,866	-
Other Loans Issued	-	-	-	-	-	-	-	-	-	2,331,726
Refunding Bond Issued	-	7,785,000	-	-	120,510,000	-	-	-	-	-
Premium on Bonds Issued	81,474	788,090	-	-	17,682,616	-	-	-	-	-
Payment to Refund Bond Escrow Agent	-	-	-	-	(134,396,558)	-	-	-	-	-
Contribution to Johnson City Schools	-	(819,247)	-	-	-	-	-	-	-	-
Insurance Recovery	-	-	-	-	59,624	59,734	21,501	14,810	20,635	24,609
Transfers Out	(5,362,576)	(7,804,005)	(6,789,278)	(8,304,848)	(958,798)	(311,981)	(188,347)	(81,000)	(2,248,400)	(257,620)
Transfers In	5,362,576	7,804,005	6,789,278	8,304,848	316,153	311,981	188,347	81,000	2,248,400	257,620
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,841,474</b>	<b>\$ 17,962,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,163,037</b>	<b>\$ 59,734</b>	<b>\$ 21,501</b>	<b>\$ 14,810</b>	<b>\$ 665,501</b>	<b>\$ 2,356,335</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,579,288</b>	<b>\$ 4,986,870</b>	<b>\$ (3,534,373)</b>	<b>\$ (3,533,558)</b>	<b>\$ 26,730,072</b>	<b>\$ (5,919,062)</b>	<b>\$ (10,954,584)</b>	<b>\$ 2,149,040</b>	<b>\$ 4,670,431</b>	<b>\$ 28,117,903</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	17.86%	15.43%	20.03%	20.85%	14.89%	20.91%	20.33%	21.61%	21.08%	22.83%
Capital Expenditures	1,667,618	6,092,165	2,444,091	3,711,391	5,807,547	17,445,843	20,351,770	8,905,180	9,282,536	11,672,496

\* During fiscal years 2011-2016, capital outlay was reported in the area for which it was expended.

**WASHINGTON COUNTY, TENNESSEE**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 5

Fiscal Year Ended June 30	Tax Year	Direct Tax Rate	Real Property		Assessed	Personal Property		Public Utility Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
			Residential & Farm Property	Industrial & Commercial Property								
2013	2012	\$ 1.91	\$ 7,587,863,700	\$ 2,136,391,800	\$ 2,751,522,645	\$ 466,930,700	\$ 140,082,967	\$ 183,118,117	\$ 79,931,058	\$ 10,374,304,317	\$ 2,971,536,670	28.64%
2014	2013	1.91	7,646,315,900	2,133,073,500	2,764,808,375	480,097,327	144,033,330	180,106,144	78,616,332	10,439,592,871	2,987,458,037	28.62%
2015	2014	1.98	7,324,231,300	2,164,747,300	2,696,956,745	484,019,595	145,210,621	177,226,213	77,359,242	10,150,224,408	2,919,526,608	28.76%
2016	2015	1.98	7,395,751,800	2,187,785,400	2,724,052,110	511,930,203	153,584,251	176,768,458	77,159,432	10,272,235,861	2,954,795,793	28.76%
2017	2016	2.38	7,652,825,887	2,292,132,394	2,759,307,990	568,747,797	167,254,286	180,733,095	78,889,996	10,694,439,173	3,005,452,272	28.10%
2018	2017	2.38	7,478,659,900	2,322,236,600	2,798,559,615	547,813,572	161,162,136	131,404,713	72,272,592	10,480,114,785	3,031,994,343	28.93%
2019	2018	2.38	7,591,898,100	2,335,781,100	2,832,286,965	535,518,282	152,706,327	127,812,460	70,296,853	10,591,009,942	3,055,290,145	28.85%
2020	2019	2.15	8,430,649,175	2,598,113,125	3,146,649,375	568,354,415	170,506,519	135,472,195	74,509,707	11,732,588,910	3,391,665,601	28.91%
2021	2020	2.15	8,562,105,800	2,611,557,275	3,185,149,360	598,142,558	179,442,954	145,019,329	79,760,631	11,916,824,962	3,444,352,945	28.90%
2022	2021	2.15	8,745,307,200	2,641,552,213	3,243,033,335	541,463,830	162,439,149	132,503,638	72,877,001	12,060,826,881	3,478,349,485	28.84%

Source: Tennessee Comptroller of the Treasury Division of Property Assessments



**WASHINGTON COUNTY, TENNESSEE**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of Assessed Value)**

Table 6

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County Direct Rates										
General	\$ 0.65	\$ 0.65	\$ 0.68	\$ 0.68	\$ 0.73	\$ 0.74	\$ 0.74	\$ 0.67	\$ 0.67	\$ 0.67
Upkeep (Highway)	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.14	0.14	0.14
General Purpose School	0.74	0.77	0.80	0.80	0.83	0.83	0.83	0.74	0.74	0.74
Debt Service	0.33	0.31	0.32	0.32	0.32	0.32	0.41	0.37	0.37	0.37
Solid Waste/Sanitation	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04
Capital Projects	-	-	-	-	0.32	0.31	0.21	0.20	0.03	0.03
Education Capital Projects	-	-	-	-	-	-	-	-	0.17	0.17
Total Direct Rate	<u>\$ 1.91</u>	<u>\$ 1.91</u>	<u>\$ 1.98</u>	<u>\$ 1.98</u>	<u>\$ 2.38</u>	<u>\$ 2.38</u>	<u>\$ 2.38</u>	<u>\$ 2.15</u>	<u>\$ 2.15</u>	<u>\$ 2.15</u>
City Rates										
City of Johnson City	\$ 1.57	\$ 1.58	\$ 1.62	\$ 1.87	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.71	\$ 1.71	\$ 1.73
Town Rates										
Town of Jonesborough	\$ 1.28	\$ 1.28	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.20	\$ 1.20	\$ 1.20

**WASHINGTON COUNTY, TENNESSEE  
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
American Water Heater	\$ 48,589,326	1	1.40%	\$ 12,152,163	5	0.41%
Tennessee Plastics Inc	24,583,059	2	0.71%	-		-
Glimcher, MJC, LLC	21,482,960	3	0.62%	24,621,584	2	0.84%
Wal-Mart/Sam's Club	21,029,470	4	0.60%	20,739,381	3	0.71%
Kennametal Inc	15,152,179	5	0.44%	-		-
Comcast	14,985,499	6	0.43%	-		-
Atmos Energy Corporation	14,582,728	7	0.42%	11,171,600	6	0.38%
Wolfe Rentals GP/Wolfe Development	13,359,195	8	0.38%	-		-
Knob Creek Apts LLC	11,301,440	9	0.32%	10,749,697	7	0.37%
Summers Taylor Inc	10,757,672	10	0.31%	-		-
RAF Johnson City LLC c/o Chase Property	-		-	13,962,101	4	0.48%
United Telephone Southeast, LLC	-		-	28,116,389	1	0.96%
SOFHA Real Estate Partners, LLC	-		-	10,014,000	8	0.34%
Lowes Home Center Inc.	-		-	7,815,529	9	0.27%
Hallmark Johnson City Student Housing	-		-	7,563,920	10	0.26%
	<u>\$ 195,823,528</u>		<u>5.63%</u>	<u>\$ 146,906,364</u>		<u>5.02%</u>

**WASHINGTON COUNTY, TENNESSEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 8

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 56,859,917	\$ 92,771	\$ 56,952,688	\$ 53,756,290	94.5%	\$ 2,205,513	\$ 55,961,803	98.3%
2014	57,178,382	82,443	57,260,825	54,283,260	94.9%	2,194,521	56,477,781	98.6%
2015	57,800,792	95,427	57,896,219	55,149,235	95.4%	2,004,864	57,154,099	98.7%
2016	58,640,267	13,124	58,653,391	55,944,552	95.4%	1,949,873	57,894,425	98.7%
2017	71,523,756	(85,851)	71,437,906	69,122,805	96.6%	1,324,586	70,447,391	98.6%
2018	72,155,872	(60,160)	72,095,712	69,250,413	96.0%	1,893,742	71,144,155	98.7%
2019	72,709,799	63,572	72,773,371	69,597,860	95.7%	2,308,926	71,906,786	98.8%
2020	72,921,419	(61,146)	72,860,273	69,875,815	95.8%	2,365,622	72,241,437	99.2%
2021	73,995,012	(42,054)	73,952,958	72,086,740	97.4%	1,214,735	73,301,475	99.1%
2022	74,784,917	64,171	74,849,088	73,621,672	98.4%	-	73,621,672	98.4%

**WASHINGTON COUNTY, TENNESSEE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 9

Fiscal Year	General Obligation Bonds	Capital Outlay Notes	Non Exchange Financial Guarantee	Other Loans	Total	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2013	\$ 152,870,302	\$ 90,000	\$ -	\$ -	\$ 152,960,302	3.28%	\$ 1,220.08
2014	154,439,718	5,520,000	-	554,117	160,513,835	3.36%	1,276.42
2015	149,757,363	4,930,000	-	422,051	155,109,414	3.09%	1,229.89
2016	144,535,008	4,335,000	-	287,655	149,157,663	2.90%	1,172.75
2017	185,321,707	3,730,000	-	139,383	189,191,090	3.57%	1,482.54
2018	177,823,087	3,125,000	-	-	180,948,087	3.25%	1,406.98
2019	170,104,489	2,560,000	1,408,878	-	174,073,367	3.10%	1,338.25
2020	161,298,398	2,110,000	839,628	-	164,248,026	2.92%	1,269.55
2021	152,594,186	1,650,000	367,580	517,827	155,129,593	2.62%	1,166.38
2022	142,416,998	-	-	3,113,303	145,530,301	2.26%	1,084.14

<sup>1</sup> Population and personal income data can be found in Table 13.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**WASHINGTON COUNTY, TENNESSEE**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 10

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund <sup>1</sup>	Total	Percentage of Personal Income <sup>2</sup>	Percentage of Assessed Value <sup>3</sup> of Taxable Property	Per Capita <sup>2</sup>
2013	\$ 152,870,302	\$ 6,405,525	\$ 146,464,777	3.14%	4.93%	\$ 1,168
2014	154,439,718	7,470,558	146,969,160	3.08%	4.92%	1,169
2015	149,757,363	7,342,205	142,415,158	2.84%	4.88%	1,129
2016	144,535,008	6,133,622	138,401,386	2.69%	4.68%	1,088
2017	185,321,707	7,472,633	177,849,074	3.36%	5.92%	1,394
2018	177,823,087	5,597,903	172,225,184	3.09%	5.68%	1,339
2019	170,104,489	6,613,212	163,491,277	2.91%	5.35%	1,257
2020	161,298,398	6,992,125	154,306,273	2.75%	4.55%	1,193
2021	152,594,186	6,779,534	145,814,652	2.46%	4.23%	1,096
2022	142,416,998	5,960,263	136,456,735	2.12%	3.92%	1,017

<sup>1</sup> Funds available in Debt Service reflect government wide adjustments for the effect of deferred revenues for delinquent taxes and the effect of accrued interest on debt on restricted fund balance for Debt Service.

<sup>2</sup> Population and personal income data can be found in Table 13.

<sup>3</sup> See Table 5 for property value data.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**WASHINGTON COUNTY, TENNESSEE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2022**

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
Debt Repaid with Property Taxes:			
Overlapping Debt:			
City of Johnson City (see note)	\$ 126,330,476	98.00%	\$ 123,803,866
Town of Jonesborough	34,958,180	100.00%	34,958,180
City of Watauga	-	0.01%	-
<i>Subtotal, Overlapping Debt</i>	<u>\$ 161,288,656</u>		<u>\$ 158,762,046</u>
Net Direct Debt:			
Washington County	<u>\$ 145,530,301</u>	100.00%	<u>\$ 145,530,301</u>
Total Direct and Overlapping Debt	<u><u>\$ 306,818,957</u></u>		<u><u>\$ 304,292,347</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Washington County, Tennessee. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Washington County Finance Department and City and Town Governments

Note: Updated figures for the City of Johnson City debt outstanding debt are not available for 2022.

**WASHINGTON COUNTY, TENNESSEE**  
**LEGAL DEBT MARGIN INFORMATION (UNAUDITED)**  
**June 30, 2022**

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Table 12

The State of Tennessee has not placed any restrictions on the amount of debt that may be issued by Washington County, Tennessee.

**WASHINGTON COUNTY, TENNESSEE  
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)  
Last Ten Fiscal Years**

Table 13

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013	125,369	\$ 4,659,614,000	\$ 37,167	8.1%
2014	125,753	4,775,639,000	37,976	7.3%
2015	126,116	5,017,173,000	39,782	6.4%
2016	127,186	5,139,873,000	40,412	5.7%
2017	127,613	5,300,888,000	41,539	4.9%
2018	128,607	5,568,591,000	43,299	4.3%
2019	130,075	5,617,418,950	43,186	4.2%
2020	129,375	5,617,418,950	43,420	8.6%
2021	133,001	5,930,913,593	44,593	5.0%
2022	134,236	6,435,273,840	47,940	4.0%

**Source:** U.S. Census Bureau 5-Year American Community Survey, U.S. Bureau of Economic Analysis, Tennessee Housing Development Agency, Economic Modeling Specialists Intl., and Tennessee Department of Labor & Workforce Development.



**WASHINGTON COUNTY, TENNESSEE  
PRINCIPAL EMPLOYERS (UNAUDITED)  
For the Fiscal Years Noted**

Table 14

<u>EMPLOYER</u>	<u>2022 (see note)</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
East Tennessee State University	3,541	1	5.69%	2,330	2	3.87%
Ballad Health Corporation, formerly Mountain States Health Alliance (JC) and Wellmont (Kingsport)	2,993	2	4.81%	3,541	1	5.89%
Veteran Health Administration	2,188	3	3.52%	1,592	4	2.65%
CITI Commerce Solution	1,700	4	2.73%	1,950	3	3.24%
Advanced Call Center Technologies, LLC	1,500	5	2.41%	1,200	6	2.00%
Washington County Board of Education	1,200	6	1.93%	1,200	7	2.00%
A. O. Smith (American Water Heater)	1,170	7	1.88%	1,300	5	2.16%
Frontier Health	1,100	8	1.77%	-	-	-
Johnson City Board of Education	1,100	9	1.77%	900	8	1.50%
City of Johnson City	985	10	1.58%	860	9	1.43%
AT & T Mobility	-	-	-	650	10	1.08%
	13,936		22.40%	15,523		25.82%

Source: TN Department of Economic Development, TN Labor & Workforce Development, Washington County Board of Education and City Government.

**WASHINGTON COUNTY, TENNESSEE**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 15

<u>FUNCTION</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government	146	146	140	140	142	146	141	164	154	155
Public Safety	215	220	217	224	225	225	209	210	211	224
Highways	83	83	82	83	82	80	83	82	81	83
Library	13	9	8	9	12	9	9	12	15	14
Sanitation	13	13	14	14	14	17	17	19	21	20
<b>Total</b>	<b><u>470</u></b>	<b><u>471</u></b>	<b><u>461</u></b>	<b><u>470</u></b>	<b><u>475</u></b>	<b><u>477</u></b>	<b><u>459</u></b>	<b><u>487</u></b>	<b><u>482</u></b>	<b><u>496</u></b>

Source: Washington County Payroll Records

**WASHINGTON COUNTY, TENNESSEE**  
**OPERATING INDICATORS BY FUNCTION (UNAUDITED)**  
**Last Ten Fiscal Years**

Table 16

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Jail Bookings	7,095	7,146	6,939	7,181	7,350	8,077	8,064	6,305	5,146	6,222
Average Daily Population	589	581	554	594	590	653	691	614	493	629
Physical Arrests	3,845	3,553	3,587	3,725	3,926	4,545	4,509	3,675	3,317	3,750
Warrants Processed	15,825	15,886	15,768	15,501	15,825	16,811	16,896	14,744	12,806	13,694
Warrants Served	13,138	11,757	11,341	11,546	11,586	12,104	12,224	9,734	11,988	10,471
<b><u>Highway</u></b>										
Streets Maintained (miles)	788.96	788.96	789.96	789.96	971.41	972.39	973.22	787.93	788.93	789.84
Streets Resurfaced (miles)	31.34	36.89	31.44	36.00	32.84	25.27	30.70	18.86	35.50	27.00
<b><u>Library</u></b>										
Volumes in Circulation	153,895	167,468	139,918	135,558	145,546	127,546	114,147	90,691	69,742	48,230
Electronic Volumes in Circulation	*	17,589	18,701	20,198	27,798	36,386	41,269	48,354	50,229	45,257
<b><u>Sanitation</u></b>										
Refuse Collected (tons/day)	54.89	35.60	37.82	45.47	44.64	44.64	42.36	44.19	43.05	42.94
Recyclables Collected (tons/day)	13.47	12.92	11.78	8.55	8.79	8.79	8.6	10.18	13.8	12.1

\* Comparable information was not available.

Source: Various County Departments

**WASHINGTON COUNTY, TENNESSEE  
CAPITAL ASSET STATISTICS BY FUNCTION (UNAUDITED)  
Last Ten Fiscal Years**

Table 17

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Correction Facility Capacity	578	578	620	620	620	620	620	620	620	620
Stations	1	1	1	1	1	1	1	1	1	1
Zones	5	5	5	5	5	5	5	5	5	5
Patrol Units	36	36	36	39	39	39	39	39	40	44
Substations	3	3	3	1	1	1	1	1	1	1
<b><u>Highway</u></b>										
Bridges under 20 feet	372	372	372	372	372	372	372	372	372	373
Bridges 20 feet and over	115	115	115	115	115	115	115	116	116	115
<b><u>Library</u></b>										
Volumes in Collection	91,753	90,617	81,529	76,730	91,292	73,421	60,186	58,070	69,571	71,892
<b><u>Sanitation</u></b>										
Collection Trucks	4	4	4	4	4	4	4	4	4	4

Source: Various County Departments

# 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

Washington County Mayor and  
Board of County Commissioners  
Washington 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 Washington County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 2, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Washington County Emergency Communications District and the Internal School Fund of the discretely presented Washington County School Department, as described in our report on Washington County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington 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 Washington County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington 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: 2022-003, 2022-004(A), and 2022-006.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Washington 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, 2022-002, 2022-004(B), and 2022-005.

### **Washington County's Responses to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Washington County's responses to the findings identified in our audit, which are described in the accompanying Schedule of Findings and Questioned Costs. Washington 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 Washington 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

December 2, 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

Washington County Mayor and  
Board of County Commissioners  
Washington 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 Washington 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 Washington County's major federal programs for the year ended June 30, 2022. Washington 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, Washington 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 Washington 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 Washington 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 Washington 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 Washington 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 Washington 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 Washington 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 Washington 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 Washington County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated December 2, 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

December 2, 2022

JEM/tg

Washington County, Tennessee, and the Washington County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (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	Expenditures
U.S. Department of Agriculture:			
Direct Award:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 17,296
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	753,189
National School Lunch Program	10.555	N/A	3,047,158 (6)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	166,640 (6)
National School Lunch Program (School Programs Emergency Operational Costs Reimbursement Program)	10.555	N/A	7,061 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	125,000
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,063
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	257,978 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70264-00	164,575 (8)
Total U.S. Department of Agriculture			<u>\$ 4,541,960</u>
U.S. Department of Military:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 1,081 (7)
Total U.S. Department of Military			<u>\$ 1,081</u>
U.S. Department of Interior:			
Direct Award:			
Payments in Lieu of Taxes	15.226	N/A	\$ 36,952
Total U.S. Department of Interior			<u>\$ 36,952</u>
U.S. Department of Justice Assistance:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-2030	\$ 4,635
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	99,880
Total U.S. Department of Justice Assistance			<u>\$ 104,515</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 3,984
Total U.S. Department of Labor			<u>\$ 3,984</u>
U.S. Department of Treasury:			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 25,129,577
Total U.S. Department of Treasury			<u>\$ 25,129,577</u>
U.S. Institute of Museum and Library Services:			
Passed-through Department of State, Tennessee State Library and Archives:			
Grants to States	45.310	(4)	\$ 23,952
Total U.S. Institute of Museum and Library Services			<u>\$ 23,952</u>

(Continued)

Washington County, Tennessee, and the Washington School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 231,660
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,705,532
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,872,940 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	81,494 (6)
Special Education - Preschool Grants	84.173	N/A	38,975
Career and Technical Education - Basic Grants to States	84.048	N/A	136,440
Improving Teacher Quality State Grants	84.367	N/A	267,489
Striving Readers	84.371	N/A	72,800
Student Support and Academic Enrichment Program	84.424	N/A	83,556
COVID 19 -Governors Emergency Education Relief Fund (Early Literacy Network)	84.425C	N/A	40,000 (6)
COVID 19 - Governors Emergency Education Relief Fund (Civics Seal Grant)	84.425C	N/A	9,878 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Best for All Districts)	84.425D	N/A	28,247 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Tennessee ALL Corps)	84.425D	N/A	84,300 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Planning (ESSER II)	84.425D	N/A	115,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Support (ESSER ARP)	84.425U	N/A	13,185 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	631,182 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,658,877 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,992,550 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth - (ESSER ARP)	84.425W	N/A	8,000 (6)
Passed-through Polk County Board of Education:			
Career and Technical Education - National Programs	84.051	(4)	5,000
Passed-through Greeneville City School Department:			
English Language Acquisition Grants	84.365	(4)	4,109
Total U.S. Department of Education			<u>\$ 10,081,214</u>
U.S. Department of National Archives and Records Administration:			
Passed-through State Historical Records Advisory Board:			
National Historical Publications and Records Grants	89.003	(4)	\$ 1,249
Total U.S. Department of National Archives and Records Administration			<u>\$ 1,249</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	93.136	GG-22-70264-00	\$ 13,289 (8)
Family Planning Services	93.217	GG-22-70264-00	35,191 (8)
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	N/A	524,335
Improving the Health of Americans Through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	GG-20-62452-00	17,781
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-22-70264-00	43,530 (8)
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70264-00	23,027 (8)
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(4)	432,533
Total U.S. Department of Health and Human Services			<u>\$ 1,089,686</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(4)	\$ 62,890
Homeland Security Grant Program	97.067	34101-10418	131,741
Total U.S. Department of Homeland Security			<u>\$ 194,631</u>
Total Expenditures of Federal Grants			<u>\$ 41,208,801</u>

(Continued)

Washington County, Tennessee, and the Washington School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (Cont.)

<u>State Grants</u>		<u>Contract Number</u>		
Juvenile Service Program - State Commission on Children and Youth	N/A	35910-20407	\$	4,500
Early Childhood Development - State Department of Education	N/A	(4)		158,823
Coordinated School Health - State Department of Education	N/A	(4)		100,000
Family Resource Center Grant - State Department of Education	N/A	(4)		29,612
Safe Schools Act - State Department of Education	N/A	(4)		202,291
Drivers Education - State Department of Education	N/A	(4)		38,058
Litter Program - State Department of Transportation	N/A	Z-20-LIT-090		72,547
Site Development Grant - State Department of Environment and Conservation	N/A	13568		37,209
State Bridge Program - State Department of Transportation	N/A	(4)		2,162,128
CTE Major Clarity Grant - State Department of Education	N/A	(4)		14,500
CTE Career Exploration Grant - State Department of Education	N/A	(4)		18,503
Governor's Early Literacy Foundation - State Department of Education	N/A	(4)		243
Lottery for Education After School Program - State Department of Education	N/A	(4)		57,254
Local Health Center - State Department of Health	N/A	GG-22-70264-00		372,613 (8)
Summer Learning Camps - State Department of Education	N/A	(4)		503,171
Recovery Court Grant - Administrative Office of the Courts	N/A	(4)		78,677
State Direct Appropriation Grant FY 2021 - Department of Finance and Administration	N/A	(4)		<u>842,032</u>
<b>Total State Grants</b>			<b>\$</b>	<b><u>4,692,161</u></b>

FAL = Federal Assistance Listing  
CFDA = Catalog of Federal Domestic Assistance  
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.  
(2) Washington County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.  
(3) No amounts (\$0) were passed-through to subrecipients.  
(4) Information not available.  
(5) Forest Service Schools and Roads Cluster total \$17,296; Child Nutrition Cluster total \$4,232,026;  
Special Education Cluster total \$1,993,409; and Medicaid Cluster total \$43,530.  
(6) Total for FAL No. 10.555, \$3,478,837; Total FAL No. 84.027, \$1,954,434; Total FAL No. 84.425, \$5,581,219.  
(7) During the year ended June 30, 2022, Washington County received excess military equipment from  
the U.S. Department of Defense valued at \$1,081.  
(8) Total for federal GG-22-70264-00 is \$279,612. Total state and federal is \$652,225.  
(9) CONSOLIDATED ADMINISTRATION

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Provided to Consolidated Administration</u>
Title I Grants to Local Educational Agencies	84.010	\$ 186,760
Improving Teacher Quality State Grants	84.367	20,481
Student Support and Academic Enrichment Program	84.424	1,638
Total amounts consolidated for administration purposes		<u>\$ 208,879</u>

Washington 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 Comprehensive Financial Report for Washington 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
<b><u>OFFICE OF DIRECTOR OF SCHOOLS</u></b>					
2021	289	2021-001	Payroll liability accounts were not reconciled accurately and timely.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2021	290	2021-002	Payroll taxes were reported and withdrawn twice by the Internal Revenue Service.	N/A	Corrected
2021	291	2021-003	The School Federal Projects Fund had a fund deficit at June 30, 2021.	N/A	Corrected
<b><u>OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK</u></b>					
2021	291	2021-004	The office did not review a list of voided transactions.	N/A	Corrected
<b><u>OFFICE OF COUNTY CLERK</u></b>					
2021	292	2021-005	The office did not review software audit logs.	N/A	Corrected

***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

- |   |     |
|---|-----|
| 1. Our report on the financial statements of Washington 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.                           | \$1,236,264   |
| 9. Auditee qualified as low-risk auditee?   | YES   |



## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2022-001**

#### **THE LIBRARY DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

The Washington County Library located in Jonesborough did not deposit some funds with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated (TCA)*. This statute requires county officials to deposit all funds within three days of collection. We judgmentally selected receipts for the month of March 2022 to trace to deposits with the county trustee's office. Our examination revealed 11 instances where receipts were held for as many as 10 days before being deposited with the county trustee. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation. This deficiency is the result of a lack of management oversight.

#### **RECOMMENDATION**

All collections should be deposited with the county trustee within three days as required by state statute.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGET**

We agree with your recommendation that all collections should be deposited within three banking days. As you know, the library is managed by a Board of Trustees. We have reviewed this matter with the library staff and will bring it to the library's Board of Trustees attention at their next meeting. Library staff have indicated that they will schedule the transfer of collections to the county trustee each Tuesday and Friday.

**WASHINGTON COUNTY**

**FINDING 2022-002**

**UNASSIGNED FUND BALANCE FOR THE GENERAL FUND DID NOT MEET CRITERIA ESTABLISHED IN THE COUNTY'S MINIMUM FUND BALANCE POLICY**  
(Noncompliance – Under *Government Auditing Standards*)

The fund balance policy adopted by county commission provides that the General Fund will begin each fiscal year with a minimum unassigned fund balance equal to four months budgeted average expenses for each fiscal year, and that unassigned fund balance shall not at any time fall below 15 percent of projected annual expenditures. A portion of the fund balance at June 30, 2022 (\$5,980,962) was appropriated and assigned for use in the budget of the General Fund for the fiscal year ending June 30, 2023. After recognition of that assignment, the General Fund reported a balance of \$13,301,276 in unassigned fund balance at June 30, 2022. This is \$3,407,981 less than appropriations for four months average expenditures in the FY23 budget, which amounted to \$16,709,257. Therefore, Washington County had not met criteria of its minimum fund balance policy established for the General Fund.

Management stated that their interpretation of the fund balance policy was that the total of fund balance appropriated for use in the FY23 budget plus unassigned fund balance, would be used to determine compliance with the policy. However, that interpretation is not consistent with the actual wording of the policy which mentions only unassigned fund balance.

**RECOMMENDATION**

County officials should comply with the county's current fund balance policy as written or take appropriate measures to amend the policy.

**MANAGEMENT'S RESPONSE – COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGET**

We agree with your finding and recommendation. We will advise the county commission on appropriate modifications to its fund balance policy.

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**OFFICE OF SUPERINTENDENT OF HIGHWAYS**

**FINDING 2022-003**

**THE OFFICE HAD DEFICIENCIES RELATED TO TIME RECORDS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During our examination of payroll transactions, we selected a sample of 26 disbursements to obtain reasonable assurance that payroll disbursements were properly approved and supported by adequate documentation. Of the 26 items selected, six were for highway department employees. The following deficiencies were noted:

- A. In three of the six instances, the time sheets appeared to have been amended by either the addition of lunch time being included in hours worked or a manual change by the administrative assistant, and there was no indication that employees had approved or were aware of these changes.
- B. In all six instances, the employee and/or the supervisor had not signed the employees' time sheets.

Sound business practices dictate that payroll time sheets should be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed. If time sheets are not reviewed for accuracy, risks increase that time will be reported and paid incorrectly. These deficiencies can be attributed to a lack of management oversight.

#### RECOMMENDATION

Any adjustments to the time sheets should be documented and signed by the employee. Employees and supervisors should sign the employees' time sheets as evidence of accuracy, review, and approval.

#### MANAGEMENT'S RESPONSE – FORMER SUPERINTENDENT OF HIGHWAYS JOHNNY DEAKINS (PARAPHRASED)

If an employee works through lunch or overtime, his supervisor calls the office and tells the administrative assistant to add or change the time sheet. The foreman keeps a copy of those timesheets in his desk, as well as the administrative assistant in the office. It would be very difficult for an employee to sign the timesheet because we work at six locations. The employee would have to come to the office, or someone would have to carry the time sheet to the employee and return it to the office, consuming a lot of time.

Since we are not on the Skyward time management system, we must duplicate time sheets and calculate all compensatory time. To implement the Skyward time management system, the highway department's foreman's laptops would need to be upgraded to be able to support Skyward system and all employees educated how to manage their time on the system using their smart phone or the Forman's laptop.

The system we currently use has worked very well for many years as we have made some changes over the years to make the system more accurate and secure.

#### MANAGEMENT'S RESPONSE – CURRENT SUPERINTENDENT OF HIGHWAYS RICHARD THOMPSON

No formal management's response was submitted by Mr. Thompson. However, explanation to the findings is included in the Corrective Action Plan.

## OFFICES OF DIRECTOR OF SCHOOLS AND COUNTY TRUSTEE

### FINDING 2022-004

#### **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT AT JUNE 30, 2022, AND THE TRUSTEE PAID CHECKS FROM THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED AVAILABLE FUNDS**

(A. - Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies related to the School Federal Projects Fund:

- A. The School Federal Projects Fund had a cash overdraft of \$370,528 at June 30, 2022. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee despite a transfer of \$1,000,000 from the General Purpose School Fund in prior years for cash flow purposes. Sound business practices dictate that disbursements be held within available funds.
- B. The trustee paid checks issued from the School Federal Projects Fund that exceeded the available cash on deposit. At June 30, 2022, the paid checks exceeded the available cash on deposit by \$354,469. Section 8-11-104(5), *Tennessee Code Annotated*, prohibits the trustee from paying a check if sufficient funds are not available.

These deficiencies exist because the school department issued checks exceeding cash on deposit with the trustee, and the trustee continued paying checks that exceeded available cash. The cash overdraft was liquidated subsequent to June 30, 2022, with receipt of funds from the Tennessee Department of Education.

### RECOMMENDATION

School department personnel should monitor their cash balance and not issue checks exceeding cash on deposit with the county trustee. The county trustee should not pay checks that exceed available cash as required by state statute.

### MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan.

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## OFFICE OF DIRECTOR OF SCHOOLS

### FINDING 2022-005

#### **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO ESCROW ACCOUNTS**

(Noncompliance Under *Government Auditing Standards* - Internal Control)

The school department entered into a contract totaling \$5,651,432 for HVAC upgrades in the schools; however, the department did not deposit amounts withheld from contractor payments into escrow accounts. Retainage withheld through June 30, 2022, totaled \$68,247. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractors.

### RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into escrow accounts in compliance with state statute.

### MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan.

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### FINDING 2022-006

#### **PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED ACCURATELY AND TIMELY**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our audit revealed the following deficiencies related to the administration and maintenance of the accounting and reporting systems.

- A. From our review of accounting records, it was noted that a debit (negative) balance was maintained in the Medical Insurance Contribution payroll liability account in the General Purpose School Fund for three of 12 months, with the highest debt balance totaling \$635,722 for the month ending September 30, 2021. Bank clearing account reconciliations with the general ledger, subsidiary records, monthly billings, receipts, and payments were performed to identify the balance in this payroll liability account in the current year; however, accounting department staff expensed \$57,635 in June 2022 to correct the amount in the liability account at year end.
- B. It should also be noted that an unidentified balance existed in the Retirement Contribution payroll liability account in the General Purpose School Fund. Accounting department staff posted a negative expenditure of \$162,874 in June 2022 to correct the amount in the liability account at year end.

Sound business practices dictate that financial records should be reviewed for accuracy and completeness, and all general ledger accounts should be reconciled monthly. The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner. These deficiencies can be attributed to lack of management oversight and their failure to take responsibility for the accounting records. Also, management's failed to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

All payroll deductions, general ledger payroll liability accounts, and payroll clearing accounts should be reconciled accurately monthly with subsidiary records, monthly billings, receipts and payments, and any identified errors corrected promptly. The school department should maintain accounting records on a current basis and review the financial statements for accuracy and completeness and provide the school board with accurate financial reports each month.

#### MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan.

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### **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.

**Washington 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
<b><u>OFFICE OF COUNTY MAYOR - COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS</u></b>		
2022-001	The library did not deposit some funds within three days of collection.	305
<b><u>WASHINGTON COUNTY - COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS</u></b>		
2022-002	Unassigned fund balance for the general fund did not meet criteria established in the county's minimum fund balance policy.	305
<b><u>OFFICE OF SUPERINTENDENT OF HIGHWAYS - CURRENT SUPERINTENDENT OF HIGHWAYS RICHARD THOMPSON</u></b>		
2022-003	The office had deficiencies related to time records.	306
<b><u>OFFICE OF DIRECTOR OF SCHOOLS - SCHOOL'S CHIEF FINANCIAL OFFICER</u></b>		
2022-004	The School Federal Projects Fund had a cash overdraft at June 30, 2022.	307
2022-005	Amounts withheld from contractor payments were not deposited into escrow accounts.	308
2022-006	Payroll liability accounts were not reconciled accurately and timely.	309
<b><u>OFFICE OF TRUSTEE</u></b>		
2022-004	Trustee paid checks from the School Federal Projects Fund that exceeded available funds.	310





Washington County, Tennessee  
 P.O. Box 219  
 Jonesborough, Tennessee 37659-0219

Corrective Action Plans

**FINDING** THE LIBRARY DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION

**Response and Corrective Action Plan Prepared by:**  
 Mitch Meredith, CPA, Director of Accounts & Budget

**Person Responsible for Implementing the Corrective Action:**  
 Richard Griffin, Library Director

**Anticipated Completion Date of Corrective Action:**  
 November 18, 2022

**Repeat Finding:**  
 No

**Planned Corrective Action:**  
 Library staff will remit all collections to the county Trustee on Tuesday and Friday of each week.

**FINDING** UNASSIGNED FUND BALANCE FOR THE GENERAL FUND DID NOT MEET CRITERIA ESTABLISHED IN THE COUNTY'S MINIMUM FUND BALANCE POLICY

**Response and Corrective Action Plan Prepared by:**  
 Mitch Meredith, CPA, Director of Accounts & Budget

**Person Responsible for Implementing the Corrective Action:**  
 County Commission

**Anticipated Completion Date of Corrective Action:**  
 January 31, 2023

**Repeat Finding:**  
 No

**Planned Corrective Action:**  
 Management will seek a revision to the county's fund balance policy to clarify the treatment of the GASB 54 Assignment requirement as it relates to the county's intent reserve/restrict fund balances to insure at least four months of budgeted expenses are funded at the beginning of each year.

  
 Mitchell G. Meredith, CPA  
 Director of Accounts & Budget

  
 William J. Grandy (NOV 17, 2022 10:41 EST)  
 William J. Grandy  
 Mayor



*Richard A. Thompson :*  
*Highway Superintendent*  
608 Depot Street • Jonesborough, Tennessee 37659  
Phone 423-753-1714 • Fax 423-753-1710

**Corrective Action Plan**

**FINDING: THE OFFICE HAD DEFICIENCIES RELATED TO TIME RECORDS**

**Response and Corrective Action Plan Prepared by:**  
Richard Thompson, Washington County Road Superintendent

**Person Responsible for Implementing the Corrective Action:**  
Richard Thompson, Washington County Road Superintendent

**Anticipated Completion Date of Corrective Action:**  
November 16, 2022

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
The administrative assistant who was responsible for processing payroll is no longer employed by the Washington County Highway Department. Effective immediately when payroll is pulled from the computer, checked and processed the Assistant Road Supt. or the Road Superintendent will go over employee time sheets and sign off for accuracy and approval of payroll to be processed.

Signature:

A handwritten signature in black ink that reads "Richard A. Thompson". The signature is written in a cursive style and is positioned to the right of the word "Signature:".



Mr. Jerry S. Boyd  
Superintendent

405 W. College St.  
Jonesborough, TN 37659  
Phone (423) 753-1100

*Corrective Action Plan*

**FINDING: THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT AT JUNE 30, 2022**

**Response and Corrective Action Plan Prepared by:**  
W. Brad Hale, CFO

**Person Responsible for Implementing the Corrective Action:**  
W. Brad Hale, CFO

**Anticipated Completion Date of Corrective Action:**  
Current

**Repeat Finding:**  
No

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

**Planned Corrective Action:**

The overdraft referenced is in regards to the Accounting perspective and not the actual bank account balances. A large amount of capital project expenditures occurred in the latter part of June 2022 which was the final month of the Accounting fiscal year. Due to the ESSER funding we had a much larger amount of Capital Project expenses incurred as compared to previous years. In order to meet these demands these expenses had to be paid, however due to outstanding checks and reimbursements that arrived the week following June 30, 2022 the actual Federal Fund bank sweep accounts did not overdraw or go negative. From an Accounting perspective, the Board of Education will make a decision as to whether to transfer additional working capital dollars to the Federal Projects Fund to prevent the Accounting overage going forward.

Board of Directors

Annette Buchanan  
Mary Beth Dellinger  
Keith Ervin

Chad Fleenor  
David Hammond  
Gregg Huddleston

Mike Masters  
Whitney Riddle  
Vince Walters



Mr. Jerry S. Boyd  
Superintendent

405 W. College St.  
Jonesborough, TN 37659  
Phone (423) 753-1100

---

**FINDING: AMOUNTS WITHHELD FROM CONTRACTOR  
PAYMENTS WERE NOT DEPOSITED INTO  
ESCROW ACCOUNTS**

**Response and Corrective Action Plan Prepared by:**

W. Brad Hale, CFO

**Person Responsible for Implementing the Corrective Action:**

W. Brad Hale, CFO

**Anticipated Completion Date of Corrective Action:**

Immediate

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

Normally capital projects over \$500,000 are handled through the Washington County Capital Education Fund managed at the County Government level. However, due to mostly ESSER funding the School System has taken on some of these projects. This was simply a matter of the Finance Department not being aware this needed to be done. Going forward the Finance Office will work with all parties involved to ensure compliance.

Board of Directors

Annette Buchanan  
Mary Beth Dellinger  
Keith Ervin

Chad Fleenor  
David Hammond  
Gregg Huddleston

Mike Masters  
Whitney Riddle  
Vince Walters



Mr. Jerry S. Boyd  
Superintendent

405 W. College St.  
Jonesborough, TN 37659  
Phone (423) 753-1100

**FINDING:** PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED ACCURATELY AND TIMELY

**Response and Corrective Action Plan Prepared by:**

W. Brad Hale, CFO

**Person Responsible for Implementing the Corrective Action:**

W. Brad Hale, CFO

**Anticipated Completion Date of Corrective Action:**

FY23

**Repeat Finding:**

Yes

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

Significant evaluation and progress was made

**Planned Corrective Action:**

Research and testing is continuing in this area. We believe we have the Medical Insurance liability corrected, however as a carryover we believe one more large adjustment will need to take place in FY23 to catch the balance sheet up from prior deficits. As it relates to the retirement liability account, management is evaluating the cash flow through the financial system and is actively trying to identify variances contributing to this issue.

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

Board of Directors

Annette Buchanan  
Mary Beth Dellinger  
Keith Ervin

Chad Fleenor  
David Hammond  
Gregg Huddleston

Mike Masters  
Whitney Riddle  
Vince Walters





Washington County Trustee  
Rick Storey, Trustee  
P.O. Box 215  
Jonesborough, TN 37659  
423-753-1602

Corrective Action Plan

**FINDING:** The Trustee paid checks from the school Federal Projects Fund that exceeded available funds.

**Response and Corrective Action Plan Prepared by:**

Name: Rick Storey, Trustee

**Person Responsible for Implementing the Corrective Action:**

Name: Rick Storey, Trustee and Chief Deputy

**Anticipated Completion Date of Corrective Action:**

Date: November 16, 2022

**Repeat Finding:** NO

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

N/A

**Planned Corrective Action and Comment:**

- The Trustee will speak with the Finance Department at WCDE to inform them that no checks will be honored (paid) unless a deposit is made on or before the day item is presented for payment. If no deposit, item(s) will be returned.  
WCDE generates checks on this account, not the Trustee and must insure funds are available prior to mailing or processing any payment request.

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

A handwritten signature in blue ink, appearing to read "Rick Storey", is written over a horizontal line.

November 15, 2022

## **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 Washington County.

### **WASHINGTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING THAT INCLUDES THE DISCRETELY PRESENTED WASHINGTON COUNTY SCHOOL DEPARTMENT**

Washington County does not have a central system of accounting, budgeting, and purchasing that includes the discretely presented Washington County School Department. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Washington County. Therefore, we recommend the adoption of a centralized system of accounting, budgeting, and purchasing as authorized in the *Tennessee Code Annotated* or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.