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ANNUAL COMPREHENSIVE FINANCIAL REPORT
WASHINGTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT
WASHINGTON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

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

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Summary of Audit Findings

Annual Comprehensive Financial Report
Washington County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Washington County as of and for the year ended June 30, 2021.

Results

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

Our audit resulted in five 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 DIRECTOR OF SCHOOLS

- ◆ Payroll liability accounts were not reconciled accurately and timely.
- ◆ Payroll taxes were reported and withdrawn twice by the Internal Revenue Service.
- ◆ The School Federal Projects Fund had a fund deficit at June 30, 2021.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

OFFICE OF COUNTY CLERK

- ◆ The office did not review software audit logs.



INTRODUCTORY SECTION



Washington County, Tennessee

PO Box 219
Jonesborough, TN 37659-0219

LETTER OF TRANSMITTAL

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

The annual comprehensive financial report of Washington County Tennessee for the fiscal year ended June 30, 2021 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 FY2021 as the result of the COVID-19 pandemic, Washington County's retail economy experienced a robust increase in FY2021 over FY2020 of 16.3%. Sales tax collections for July 2021 through October 2021 are up approximately 20.2% over the same prior year period due in part to changes in Tennessee sales tax statute which provided for collection of local option sales tax from out-of-state retailers as well as a general influx of federal stimulus funds into the hands of consumers. 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 1.6% in calendar year 2020 as compared to 2019. The tax rate for calendar year 2020 was \$2.15 per \$100 of assessed value and unchanged from the preceding year. The unemployment rate improved greatly from a Covid-related high of 8.6% in June 2020 to 5.0% in June 2021. 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 2019 data from the Bureau of Economic Analysis, Washington County ranked 12th of the 95 counties in Tennessee in per capita income. Subsequent years data has not yet been published.

Healthy reserves and conservative management and budgeting have allowed Washington County to maintain its strong financial position in 2020 and to continue the current level of services for the near-term. With the fiscal 2023 budget process commencing in just a few months, the continuing impact of the COVID-19 pandemic

on the local economy, federal and state stimulus funds and the county tax base will be considered with conservative revenue estimates and careful scrutiny of 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 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**

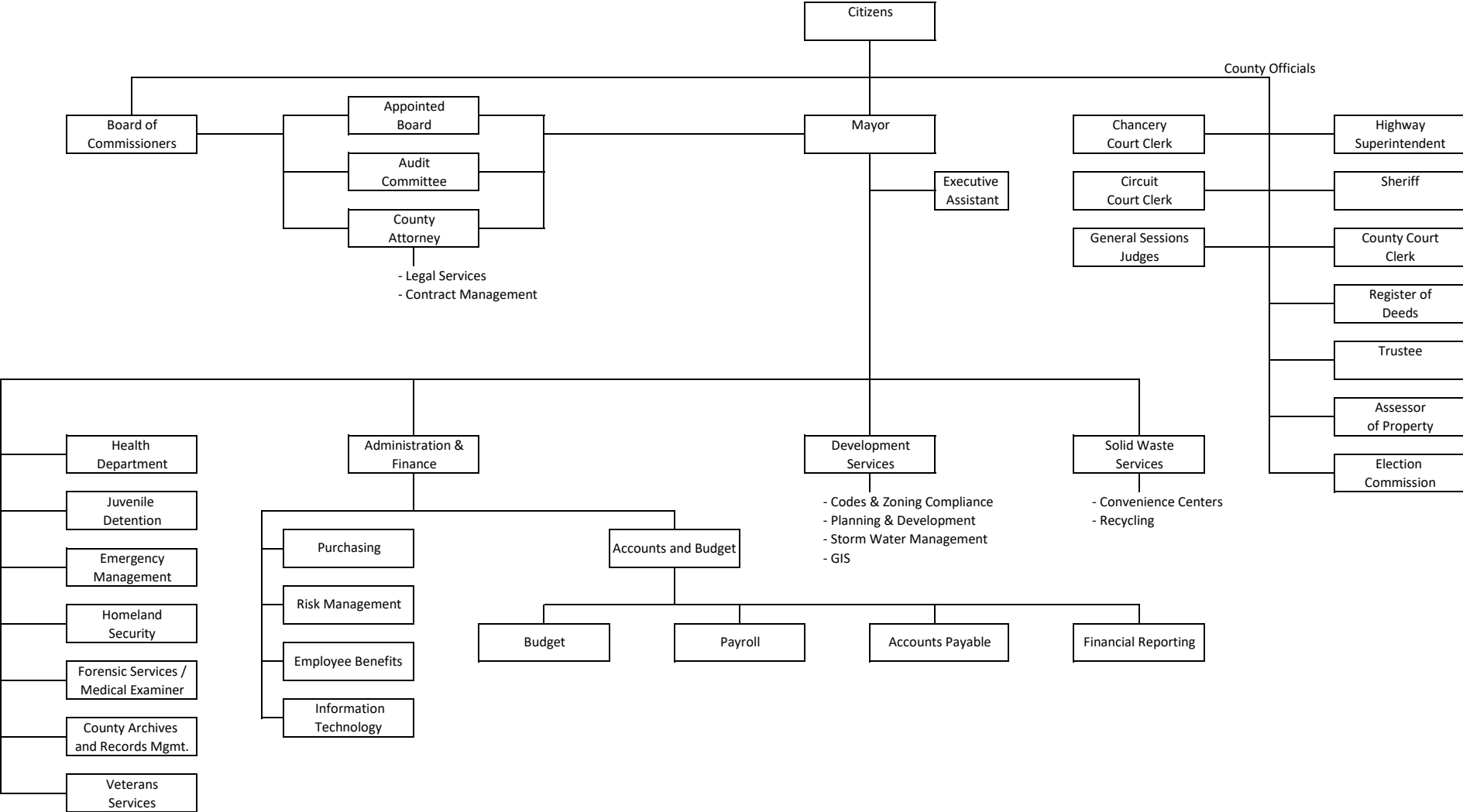
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Washington County Government Organization Chart



Washington County Officials
June 30, 2021

Officials

William Grandy, County Mayor
John Deakins, Jr., 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
Edwin Graybeal, Sheriff
Mitch Meredith, Director of Accounts and Budgets
Willie Shrewsbury, Purchasing Agent

Board of County Commissioners

Greg Matherly, Chairman	Kenneth Huffine
Phil Carriger	Jodi Jones
Larry Cate	Steve Light
Bryan Davenport	Freddie Malone
Danny Edens	Robbie Tester
Mike Ford	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 Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Washington County Emergency Communications District, which represent 3.5 percent, 3.1 percent, and 4.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Internal School Fund of the Washington County School Department (a discretely presented component unit), which represent 1.3 percent, 1.5 percent, and 1.5 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washington County Emergency Communications District and the Internal School Fund of the Washington County School Department is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and

the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Washington County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.11., to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$7,298,976 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Washington County School Department's beginning net position totaling \$1,697,565 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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), miscellaneous schedules and other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the 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), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, 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), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, 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

November 19, 2021

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, 2021. 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 liabilities and deferred inflows of the Washington County Primary Government exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$22,971,373 (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.
- The government's total net position increased by \$16,551,775 primarily as the result of increases in capital assets net of depreciation and the retirement of long-term debt.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$47,587,619, an increase of \$4,670,431 in comparison with the prior year. The increase was due primarily to a deferral of certain projects in the capital projects fund. Of the \$47,587,619 of combined governmental ending fund balances, \$15,746,724 (33%) 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 \$15,746,724 or 37% 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 two members of the legislative body and three 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 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 \$113,762,707.
- The Washington County Board of Education's net position increased by \$8,260,265 including \$1,697,565 increase from the restatement of beginning net position for application of GASB Statement 84, which recorded individual school activity funds as an Internal School Fund.

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)

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

government-wide financial statements, 2) fund financial statements, and 3) notes to the financial 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

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

governmental funds and governmental activities.

Washington County added two funds in FY2021 – an Education Capital Projects Fund to account for capital additions and improvements specifically for the Washington County Department of Education and an “Other General Government Fund” to account for the receipt and expenditure of funds allocated to the county under the American Rescue Plan Act (ARPA). As a result, the 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, Other General Government, Highway, General Debt Service, and Education Capital Projects funds, 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 officers 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-6 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 Exhibit E 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.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

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 \$24,812,040 to total \$90,791,334 at the close of the current fiscal year.

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	
	2021	2020	2021	2020
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets				
Current and Other Assets	\$ 118,964,714	\$ 94,142,162	\$ 44,791,469	\$ 36,890,582
Capital Assets	77,929,432	74,884,145	91,463,860	93,553,682
Total Assets	<u>196,894,146</u>	<u>169,026,307</u>	<u>136,255,329</u>	<u>130,444,264</u>
Deferred Outflows of Resources				
Deferred Charge of Refunding	6,667,817	7,490,754	-	-
Pension Related Deferred Outflows	3,406,471	3,399,012	6,379,546	6,020,405
OPEB Contributions Deferred Outflows	507,623	568,966	2,578,120	1,578,585
Total Deferred Outflows of Resources	<u>10,581,911</u>	<u>11,458,732</u>	<u>8,957,666</u>	<u>7,598,990</u>
Liabilities				
Long-Term Liabilities Outstanding	152,603,814	162,959,694	9,695,614	8,013,832
Other Liabilities	26,019,797	12,665,434	4,031,879	2,509,810
Total Liabilities	<u>178,623,611</u>	<u>175,625,128</u>	<u>13,727,493</u>	<u>10,523,642</u>
Deferred Inflows of Resources				
Deferred Revenues – Current Property Taxes	48,221,065	41,660,507	13,407,919	12,987,865
Pension Related Deferred Inflows	1,511,595	1,687,919	3,570,016	8,190,390
OPEB Contributions Deferred Inflows	2,091,159	1,035,163	744,860	838,915
Total Deferred Inflows of Resources	<u>51,823,819</u>	<u>44,383,589</u>	<u>17,722,795</u>	<u>22,017,170</u>
Net Position				
Net Investment in Capital Assets	51,138,226	47,231,777	91,463,860	93,553,682
Restricted	18,190,408	15,720,828	11,294,953	10,672,378
Unrestricted	(92,300,007)	(102,475,753)	11,003,894	1,276,382
Total Net Position	<u>\$ (22,971,373)</u>	<u>\$ (39,523,148)</u>	<u>\$ 113,762,707</u>	<u>\$ 105,502,442</u>

WASHINGTON COUNTY, TENNESSEE
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The primary government's net position increased by \$16,551,775. Strong tax collections, payments on long-term debt and a conservative approach to operational costs enhanced net position by \$16,151,229. The Board of Education's net position increased by \$8,260,265. Key elements of these changes are as follows:

Washington County's Change in Net Position				
	Primary Government		Component Unit - Washington County Board of Education	
	2021	2020	2021	2020
Revenues				
Program Revenues				
Charges for Services	\$ 11,047,224	\$ 10,912,413	\$ 1,361,621	\$ 1,361,486
Operating Grants and Contributions	9,371,195	6,090,135	11,570,985	6,238,159
Capital Grants and Contributions	2,135,732	1,318,420	3,013,174	28,648,090
General Revenues				
Property Taxes	49,034,782	48,190,018	13,617,417	13,186,538
Other Taxes	2,549,320	2,604,961	19,639,445	16,730,070
Grants and Contributions not Restricted to Specific Programs	2,539,569	2,510,600	40,182,163	38,957,107
Other	596,979	1,760,273	341,486	626,063
Total Revenues	<u>77,274,801</u>	<u>73,386,820</u>	<u>89,726,291</u>	<u>105,747,513</u>
Expenses				
General Government	6,207,838	6,242,198	-	-
Finance	3,298,803	3,180,532	-	-
Administration of Justice	4,699,935	4,516,369	-	-
Public Safety	23,018,475	22,076,953	-	-
Highway	8,141,482	5,818,526	-	-
Public Health and Welfare	6,174,715	1,121,962	-	-
Social, Cultural and Recreation	1,239,701	570,990	-	-
Agriculture and Natural Resources	585,286	7,785,415	-	-
Education	2,553,266	28,860,320	83,163,591	81,407,482
Interest on Long Term Debt	4,803,525	5,072,694	-	-
Total Expenses	<u>60,723,026</u>	<u>85,245,959</u>	<u>83,163,591</u>	<u>81,407,482</u>
Increase (Decrease) in Net Position	16,551,775	(11,859,139)	6,562,700	24,340,031
Net Position, Beginning	(39,523,148)	(27,664,009)	105,502,442	81,162,411
Restatement for GASB 84, Internal School Fund	-	-	1,697,565	-
Net Position, Ending	<u>\$ (22,971,373)</u>	<u>\$ (39,523,148)</u>	<u>\$ 113,762,707</u>	<u>\$ 105,502,442</u>

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.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$47,587,619, an increase of \$4,670,431 in comparison with the prior year. Approximately 33% of the ending fund balance, or \$15,746,724 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance consists of a nonspendable portion in the amount of \$104,894, a restricted portion of \$21,609,551, a committed portion of \$7,061,488, and an assigned portion of \$3,064,962.

The General, Other General Government, General Debt Service, Highway 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 \$15,746,724 which is an increase of \$1,353,784 from the prior year. The nonspendable fund balance was \$104,894, restricted fund balance was \$770,257, committed fund balance was \$721,845, and assigned fund balance was \$3,064,962. The total fund balance was \$20,408,682. 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 37% of total General Fund expenditures while total fund balance represents 48% of that same amount.

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 received an allocation of \$12,564,788 from the US Treasury under ARPA. The use of those funds is restricted. The county legislative body is considering projects that are transformative. The funds are currently reported as a "Due to Other Governments" (i.e., the United States) pending determination of specific qualified uses.

The General Debt Service Fund has a total fund balance of \$6,836,321 which is a decrease of \$155,804 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 \$13,918,160 in the current fiscal year. This represents an increase of \$278,143 over the prior year.

The Highway Fund has a total fund balance of \$7,219,684 which is an increase of \$283,873 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 Fund operations and produced total local tax revenue of \$5,217,372 in the current fiscal year. This represents an increase of \$131,613 from the prior year.

In fiscal year 2021, the county split its Capital Project fund into two funds – an Education Capital Projects Fund and a General Capital Projects Fund. The Education Capital Projects Fund is considered a major governmental fund and is used to account for revenues and expenditures for large capital projects that benefit the Washington County Department of Education. The General Capital Projects Fund is considered a nonmajor governmental fund. The Education Capital Projects Fund has a total fund balance of \$3,163,040. 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 did not issue any debt in the current fiscal year. The county also levies a portion of its property tax specifically for Education Capital Project purposes and produced total local tax revenue of \$6,054,562.

General Fund Budgetary Highlights

The County Commission approved and adopted its 2021 annual operating budget in June 2020. The original General Fund operating budget was balanced by a transfer of \$2,000,000 from the Debt Service,

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

General Capital Projects and Education Capital Projects funds along with a \$426,057 use of fund balance.

During the year, the County Commission approved a total of \$3,016,647 in amendments to the General Fund operating expenditures and a \$2,377,787 increase to the General Fund revenue budget. These amendments were primarily the result of grant funding provided under the Corona Virus Relief Fund (CRF) and unrestricted grants from the state of Tennessee.

Actual revenues and other financing sources were more than budget by \$1,438,289 and actual expenditures were \$2,860,241 less than budget for an overall positive budget variance of \$4,298,530. 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 unanticipated Covid-related 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's investment in capital assets as of June 30, 2021 amounts to \$77,929,432 (net of accumulated depreciation) and \$91,463,860 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.

Washington County's Capital Assets

	Primary Government		Component Unit - Washington County Board of Education	
	2021	2020	2021	2020
	Land	\$ 11,218,802	\$ 7,750,881	\$ 3,352,389
Building and Improvements	49,345,815	48,818,246	150,499,360	150,224,390
Infrastructure - Roads & Bridges	57,669,601	56,028,801	-	-
Other Capital Assets	30,411,400	26,542,100	17,529,821	14,530,982
Construction in Progress	4,359,384	6,784,067	23,420	-
Less: Accumulated Depreciation	<u>(75,075,570)</u>	<u>(71,039,950)</u>	<u>(79,941,130)</u>	<u>(73,749,974)</u>
Totals	<u>\$ 77,929,432</u>	<u>\$ 74,884,145</u>	<u>\$ 91,463,860</u>	<u>\$ 93,553,682</u>

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

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of \$143,720,407. Of this amount, \$141,185,000 comprises debt backed by the full faith and credit of the government. The capital outlay notes of \$1,650,000 are secured by the taxing power of the county as is the \$367,580 nonexchange financial guarantee. 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 \$111,780,453 (78%) of outstanding debt.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

Washington County's Long-Term Debt

	Primary Government			
	2021	2020	Increase	(Decrease)
General Obligation Bonds	\$ 141,185,000	\$ 148,450,000	\$ -	\$(7,265,000)
Capital Outlay Notes	1,650,000	2,110,000	-	(460,000)
Capital Lease	517,827	-	644,866	(127,039)
Nonexchange Financial Guarantee	367,580	839,628	10,242	(482,290)
Total	<u>\$ 143,720,407</u>	<u>\$ 151,399,628</u>	<u>\$ 655,108</u>	<u>\$(8,334,329)</u>

Washington County has recorded as a long-term liability its guarantee of 22.5% of the Tri Cities Airport Authority Aerospace Park bond issue as more fully described in Note IV. F. to the Financial Statements. The Nonexchange Financial Guarantee totaled \$367,580 at June 30, 2021. The county is prefunding an escrow account in order to retire the county's share of the bond guarantee within the next four years.

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 2021, Washington County made \$8,334,329 of scheduled debt retirements on its general obligation bonds, capital outlay notes, capital lease and nonexchange financial guarantee.

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 Capital Projects fund completed or underway in fiscal 2021 include \$1.1 million for upgrades to the sheriff's radio communication system, \$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, \$850,000 Health Department building renovations, \$2.4 million in renovations to the historic Jonesborough courthouse, and approximately \$5 million for various school building improvements. The Capital Projects fund also annually provides \$640,000 for school technology capital and \$500,000 for school bus replacements. Combining the General Capital Projects Fund and the Education Capital Projects Fund, total tax and other revenues collected in fiscal year 2021 were approximately \$7.9 million. The Health Department renovations and sheriff radio communication system

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

upgrades were completed in fiscal 2021. The historic Jonesborough courthouse renovations, the HVAC renovations at the Detention Center and the multi-purpose park and athletic facility are planned for completion in fiscal 2022. The county is committed to replace an existing elementary and middle school with a new K-8 in Jonesborough. 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 and is anticipated to be funded from Education Capital Projects Fund revenues. Completion is anticipated to be in July 2023. See item IV. C. in the notes to the financial statements.

Property Tax

Tennessee counties are required to periodically reappraise their real property. Upon reappraisal, the County Commission must certify a new property tax rate that results in the same amount of property tax as the county assessed in the preceding year. Due to the increase in appraised values, the equalized 2020 tax rate for Washington County was \$2.1504 per \$100 of assessed value as compared to the 2019 tax rate of \$2.38. The County Commission set the property tax rate at \$2.15 for 2020 and made no change for the 2021 fiscal year.

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 1.6% in fiscal 2021.
- Given the impact of the Covid-19 pandemic, the county's retail economy exhibited substantial growth. Retail sales for 2021 were up approximately 16.3% over 2020 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 payable to the county (as compared to the two municipalities) 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 2019 data from the Bureau of Economic Analysis, Washington County ranked 12th in Tennessee in per capita personal income (\$44,593) which was a 2.2% increase from 2018. Tennessee experienced a 3.6% overall increase in the same measure. The American Community Survey estimated the five-year average (2014-18) median household income for Washington County to be \$46,752.
- The unemployment rate stood at 5.0% in June 2021 as compared to 8.6% in June 2020. Local unemployment at fiscal year-end was slightly higher than the state average of 4.9%. The relative stability of Washington County's employment picture can be attributed to the county's diversified and stable job base.
- In March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic's impact on Washington County's fiscal 2021 operations was lessened in part due to federal and state stimulus funds provided to the county. Because the pandemic significantly impacted the economic conditions across the nation and created significant uncertainties in the local economy, the county reduced its estimate of fiscal 2021 property tax collections from 96% to 95%. Fortunately, property taxes continued to be substantially collected as in the previous non-pandemic period with 97.1% of the 2020 levy being collected in fiscal 2021. While many local businesses were closed for a period of time in 2021,

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

sales tax collections exceeded prior year amounts principally as a result of online sales tax collections.

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, 2021

	Primary Government Governmental Activities	Component Units	
		Washington County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 332,114	\$ 1,714,144	\$ 2,367,219
Equity in Pooled Cash and Investments	65,707,449	16,634,741	0
Inventories	0	76,817	0
Accounts Receivable	351,242	0	0
Due from Other Governments	2,710,198	5,295,672	0
Property Taxes Receivable	49,603,136	13,792,204	0
Allowance for Uncollectible Property Taxes	(611,267)	(169,962)	0
Prepaid Items	104,894	603,238	16,875
Restricted Assets:			
Amounts Accumulated for Pension Benefits	0	397,340	0
Net Pension Asset - Agent Plan	766,948	335,464	0
Net Pension Asset - Teacher Retirement Plan	0	253,797	0
Net Pension Asset - Teacher Legacy Pension Plan	0	5,858,014	0
Capital Assets:			
Assets Not Depreciated:			
Land	11,218,802	3,352,389	0
Construction in Progress	4,359,384	23,420	3,049
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	28,491,106	81,529,382	2,046,165
Infrastructure	24,933,310	0	0
Other Capital Assets	8,926,830	6,558,669	555,300
Total Assets	<u>\$ 196,894,146</u>	<u>\$ 136,255,329</u>	<u>\$ 4,988,608</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 6,667,817	\$ 0	\$ 0
Pension Changes in Experience	649,714	516,310	270,673
Pension Changes in Assumptions	328,880	683,983	55,640
Pension Changes in Investment Earnings	575,368	1,580,670	52,762
Pension Changes in Proportion	0	93,705	0
Pension Contributions After Measurement Date	1,852,509	3,504,878	260,746
OPEB Changes in Experience	507,623	721,960	27,205
OPEB Changes in Assumptions	0	1,069,474	0
OPEB Changes in Proportion	0	452,387	0
OPEB Contributions after Measurement Date	0	334,299	0
Total Deferred Outflows of Resources	<u>\$ 10,581,911</u>	<u>\$ 8,957,666</u>	<u>\$ 667,026</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
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,620,540	\$ 488,990	\$ 1,311
Accrued Payroll	622,695	1,121,854	61,898
Accrued Interest Payable	495,597	0	0
Payroll Deductions Payable	103,334	2,172,600	0
Contracts Payable	1,324,772	0	0
Retainage Payable	33,739	0	0
Compensated Absences Payable	0	0	229,782
Claims and Judgments Payable	344,538	0	0
Other Current Liabilities	3,784	16,501	0
Due to Other Governments	12,564,788	0	0
Noncurrent Liabilities:			
Due Within One Year - Debt	8,092,039	0	0
Due Within One Year - Other	813,971	231,934	0
Due in More Than One Year - Debt	147,037,554	0	0
Due in More Than One Year - Other	5,566,260	9,695,614	1,507,895
Total Liabilities	\$ 178,623,611	\$ 13,727,493	\$ 1,800,886
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 48,221,065	\$ 13,407,919	\$ 0
Pension Changes in Experience	1,511,595	3,541,204	152,968
Pension Changes in Proportion	0	28,812	0
OPEB Changes in Experience	2,031,575	0	0
OPEB Changes in Assumptions	59,584	696,846	32,664
OPEB Changes in Proportion	0	48,014	0
Total Deferred Inflows of Resources	\$ 51,823,819	\$ 17,722,795	\$ 185,632
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 51,138,226	\$ 91,463,860	\$ 2,604,514
Restricted for:			
General Government	299,727	-	-
Finance	80,409	-	-
Administration of Justice	180,355	-	-
Public Safety	544,320	-	-
Highways/Public Works	2,180,952	-	-
Debt Service	6,779,534	-	-
Capital Projects	7,358,163	-	-
Education	0	4,450,338	0
Pensions	766,948	6,844,615	0
Unrestricted	(92,300,007)	11,003,894	1,064,602
Total Net Position	\$ (22,971,373)	\$ 113,762,707	\$ 3,669,116

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, 2021

Functions/Programs						<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Program Revenues</u>				<u>Primary</u>	<u>Component Units</u>		
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Government</u>	<u>Washington</u>	<u>Emergency</u>	
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Total</u>	<u>County</u>	<u>Communica-</u>	
			<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>	<u>School</u>	<u>tions</u>	
					<u>Activities</u>	<u>Department</u>	<u>District</u>	
Primary Government:								
Governmental Activities:								
General Government	\$ 6,207,838	\$ 2,756,575	\$ 2,062,652	\$ 142,367	\$ (1,246,244)	\$ 0	\$ 0	
Finance	3,298,803	3,971,296	0	0	672,493	0	0	
Administration of Justice	4,699,935	2,322,711	100,905	0	(2,276,319)	0	0	
Public Safety	23,018,475	1,584,676	2,380,447	455,437	(18,597,915)	0	0	
Public Health and Welfare	6,174,715	369,474	1,427,142	348,476	(4,029,623)	0	0	
Social, Cultural, and Recreational Services	1,239,701	1,331	19,158	300	(1,218,912)	0	0	
Agriculture and Natural Resources	585,286	0	35,000	0	(550,286)	0	0	
Highways	8,141,482	41,161	3,307,891	1,189,152	(3,603,278)	0	0	
Education	2,553,266	0	0	0	(2,553,266)	0	0	
Debt Service:								
Interest on Long-term Debt	4,803,525	0	38,000	0	(4,765,525)	0	0	
Total Primary Government	\$ 60,723,026	\$ 11,047,224	\$ 9,371,195	\$ 2,135,732	\$ (38,168,875)	\$ 0	\$ 0	
Component Units:								
Washington County School Department	\$ 83,163,591	\$ 1,361,621	\$ 11,570,985	\$ 3,013,174	\$ 0	\$ (67,217,811)	\$ 0	
Emergency Communications District	3,729,118	3,821,872	693,763	0	0	0	786,517	
Total Component Units	\$ 86,892,709	\$ 5,183,493	\$ 12,264,748	\$ 3,013,174	\$ 0	\$ (67,217,811)	\$ 786,517	

(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				\$ 36,167,944	\$ 13,617,417	\$ 0	
Property Taxes Levied for Debt Service				12,866,838	0	0	
Local Option Sales Taxes				19,379	19,215,519	0	
Litigation Tax- General				124,416	0	0	
Litigation Tax- Special Purpose				362	0	0	
Litigation Tax- Jail, Workhouse, or Courthouse				240,034	0	0	
Litigation Tax- Courtroom Security				150,561	0	0	
Mixed Drink Tax				0	3,006	0	
Wholesale Beer Tax				373,188	0	0	
Business Tax				1,532,252	420,920	0	
Mineral and Coal Severance Tax				20,354	0	0	
Other Local Taxes				88,774	0	0	
Grants and Contributions Not Restricted to Specific Programs				2,539,569	40,182,163	0	
Unrestricted Investment Income				294,096	89,291	2,330	
Miscellaneous				277,756	188,114	13,592	
Gain on Investments				0	64,081	0	
Gain on Sale of Capital Assets				25,127	0	0	
Total General Revenues				\$ 54,720,650	\$ 73,780,511	\$ 15,922	
Change in Net Position				\$ 16,551,775	\$ 6,562,700	\$ 802,439	
Net Position, July 1, 2020				(39,523,148)	105,502,442	2,866,677	
Restatement - See Notes I.D.11				0	1,697,565	0	
Net Position, June 30, 2021				\$ (22,971,373)	\$ 113,762,707	\$ 3,669,116	

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, 2021

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Education Capital Projects
<u>ASSETS</u>					
Cash	\$ 232	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	20,793,565	12,564,978	7,475,981	6,789,441	4,197,378
Accounts Receivable	49,545	0	25,777	0	54,000
Due from Other Governments	931,531	0	1,674,929	18,272	8,395
Due from Other Funds	358,163	0	351	11,399	0
Property Taxes Receivable	23,570,284	0	4,753,053	13,016,426	5,980,520
Allowance for Uncollectible Property Taxes	(290,460)	0	(59,609)	(160,403)	(73,699)
Prepaid Items	104,894	0	0	0	0
Total Assets	\$ 45,517,754	\$ 12,564,978	\$ 13,870,482	\$ 19,675,135	\$ 10,166,594
<u>LIABILITIES</u>					
Accounts Payable	\$ 998,567	\$ 0	\$ 12,911	\$ 0	\$ 520,218
Accrued Payroll	512,467	0	93,451	0	0
Payroll Deductions Payable	85,491	0	15,488	0	0
Contracts Payable	34,600	0	778,940	0	496,683
Retainage Payable	0	0	0	0	33,739
Due to Other Funds	11,399	0	0	0	0
Due to Other Governments	0	12,564,788	0	0	0
Other Current Liabilities	3,784	0	0	0	0
Total Liabilities	\$ 1,646,308	\$ 12,564,788	\$ 900,790	\$ 0	\$ 1,050,640
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 22,913,556	\$ 0	\$ 4,616,910	\$ 12,653,755	\$ 5,813,887

(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>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 335,105	\$ 0	\$ 70,022	\$ 185,059	\$ 85,027
Other Deferred/Unavailable Revenue	214,103	0	1,063,076	0	54,000
Total Deferred Inflows of Resources	<u>\$ 23,462,764</u>	<u>\$ 0</u>	<u>\$ 5,750,008</u>	<u>\$ 12,838,814</u>	<u>\$ 5,952,914</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 104,894	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	299,727	0	0	0	0
Restricted for Finance	80,409	0	0	0	0
Restricted for Administration of Justice	180,355	0	0	0	0
Restricted for Public Safety	209,766	0	0	0	0
Restricted for Highways/Public Works	0	0	1,236,908	0	0
Restricted for Debt Service	0	0	0	6,836,321	0
Restricted for Capital Projects	0	0	0	0	3,163,040
Committed:					
Committed for General Government	721,845	0	0	0	0
Committed for Public Health and Welfare	0	0	0	0	0
Committed for Highways/Public Works	0	0	5,982,776	0	0
Committed for Other Purposes	0	190	0	0	0
Assigned:					
Assigned for General Government	2,739,008	0	0	0	0
Assigned for Administration of Justice	66,806	0	0	0	0
Assigned for Public Safety	247,328	0	0	0	0
Assigned for Public Health and Welfare	608	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 Social, Cultural, and Recreational Services	\$ 11,212	\$ 0	\$ 0	\$ 0	\$ 0
Unassigned	15,746,724	0	0	0	0
Total Fund Balances	<u>\$ 20,408,682</u>	<u>\$ 190</u>	<u>\$ 7,219,684</u>	<u>\$ 6,836,321</u>	<u>\$ 3,163,040</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,517,754</u>	<u>\$ 12,564,978</u>	<u>\$ 13,870,482</u>	<u>\$ 19,675,135</u>	<u>\$ 10,166,594</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 331,882	\$		332,114
Equity in Pooled Cash and Investments	9,939,881			61,761,224
Accounts Receivable	64,502			193,824
Due from Other Governments	77,071			2,710,198
Due from Other Funds	0			369,913
Property Taxes Receivable	2,282,853			49,603,136
Allowance for Uncollectible Property Taxes	(27,096)			(611,267)
Prepaid Items	0			104,894
	<hr/>			<hr/>
Total Assets	\$ 12,669,093	\$		\$ 114,464,036
<u>LIABILITIES</u>				
Accounts Payable	\$ 64,229	\$		1,595,925
Accrued Payroll	16,777			622,695
Payroll Deductions Payable	2,355			103,334
Contracts Payable	14,549			1,324,772
Retainage Payable	0			33,739
Due to Other Funds	358,514			369,913
Due to Other Governments	0			12,564,788
Other Current Liabilities	0			3,784
Total Liabilities	<hr/>	\$		<hr/>
	\$ 456,424	\$		\$ 16,618,950
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,222,957	\$		48,221,065

(Continued)

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Deferred Delinquent Property Taxes
 Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
\$ 30,010		\$ 705,223
	0	1,331,179
<u>\$ 2,252,967</u>		<u>\$ 50,257,467</u>

FUND BALANCES

Nonspendable:

Prepaid Items

\$ 0 \$ 104,894

Restricted:

Restricted for General Government

0 299,727

Restricted for Finance

0 80,409

Restricted for Administration of Justice

0 180,355

Restricted for Public Safety

334,554 544,320

Restricted for Highways/Public Works

0 1,236,908

Restricted for Debt Service

253,751 7,090,072

Restricted for Capital Projects

9,014,720 12,177,760

Committed:

Committed for General Government

0 721,845

Committed for Public Health and Welfare

356,677 356,677

Committed for Highways/Public Works

0 5,982,776

Committed for Other Purposes

0 190

Assigned:

Assigned for General Government

0 2,739,008

Assigned for Administration of Justice

0 66,806

Assigned for Public Safety

0 247,328

Assigned for Public Health and Welfare

0 608

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Social, Cultural, and Recreational Services

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
Other	Govern- mental Funds	
\$ 0		\$ 11,212
0		15,746,724
<u>\$ 9,959,702</u>		<u>\$ 47,587,619</u>
	<u>\$ 12,669,093</u>	<u>\$ 114,464,036</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, 2021

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)		\$ 47,587,619
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 11,218,802	
Add: construction in progress	4,359,384	
Add: buildings and improvements net of accumulated depreciation	28,491,106	
Add: infrastructure net of accumulated depreciation	24,933,310	
Add: other capital assets net of accumulated depreciation	<u>8,926,830</u>	77,929,432
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (1,650,000)	
Less: bonds payable	(141,185,000)	
Less: capital lease payable	(517,827)	
Less: nonexchange financial guarantee payable	(367,580)	
Add: deferred amount on refunding	6,667,817	
Less: unamortized premium on debt	(11,409,186)	
Less: OPEB liability	(3,836,573)	
Less: compensated absences payable	(2,543,658)	
Less: accrued interest on bonds and notes	<u>(495,597)</u>	(155,337,604)
(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	\$ 3,406,471	
Less: deferred inflows of resources related to pensions	(1,511,595)	
Add: deferred outflows of resources related to OPEB	507,623	
Less: deferred inflows of resources related to OPEB	<u>(2,091,159)</u>	311,340
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		766,948
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,036,402
(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>3,734,490</u>
Net position of governmental activities (Exhibit A)		<u>\$ (22,971,373)</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, 2021

	Major Funds				
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 25,526,539	\$ 0	\$ 5,217,372	\$ 13,918,160	\$ 6,054,562
Licenses and Permits	938,296	0	737	1,682	671
Fines, Forfeitures, and Penalties	402,310	0	0	0	0
Charges for Current Services	595,443	0	0	0	0
Other Local Revenues	306,917	190	260,706	52,251	0
Fees Received From County Officials	6,790,007	0	0	0	0
State of Tennessee	5,640,870	0	3,429,970	0	0
Federal Government	3,285,023	0	3,997	0	0
Other Governments and Citizens Groups	301,685	0	37,820	0	0
Total Revenues	\$ 43,787,090	\$ 190	\$ 8,950,602	\$ 13,972,093	\$ 6,055,233
<u>Expenditures</u>					
Current:					
General Government	\$ 4,841,127	\$ 0	\$ 0	\$ 0	\$ 0
Finance	3,130,966	0	0	0	0
Administration of Justice	4,649,731	0	0	0	0
Public Safety	21,512,444	0	0	0	0
Public Health and Welfare	3,830,748	0	0	0	0
Social, Cultural, and Recreational Services	1,062,067	0	0	0	0
Agriculture and Natural Resources	577,190	0	0	0	0
Other Operations	2,889,863	0	0	0	0
Highways	0	0	8,676,154	0	0
Debt Service:					
Principal on Debt	0	0	0	7,505,000	0
Interest on Debt	0	0	0	5,429,741	0
Other Debt Service	0	0	0	274,156	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	\$ 2,002,366
Capital Projects - Donated	98,953	0	0	0	639,827
Total Expenditures	\$ 42,593,089	\$ 0	\$ 8,676,154	\$ 13,208,897	\$ 2,642,193
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,194,001	\$ 190	\$ 274,448	\$ 763,196	\$ 3,413,040
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	11,210	0	9,425	0	0
Transfers In	2,000,000	0	0	81,000	0
Transfers Out	(216,400)	0	0	(1,000,000)	(250,000)
Total Other Financing Sources (Uses)	\$ 1,794,810	\$ 0	\$ 9,425	\$ (919,000)	\$ (250,000)
Net Change in Fund Balances	\$ 2,988,811	\$ 190	\$ 283,873	\$ (155,804)	\$ 3,163,040
Fund Balance, July 1, 2020	17,419,871	0	6,935,811	6,992,125	0
Fund Balance, June 30, 2021	\$ 20,408,682	\$ 190	\$ 7,219,684	\$ 6,836,321	\$ 3,163,040

(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	
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 2,448,842	\$	53,165,475
Licenses and Permits	280		941,666
Fines, Forfeitures, and Penalties	9,074		411,384
Charges for Current Services	111,573		707,016
Other Local Revenues	396,001		1,016,065
Fees Received From County Officials	0		6,790,007
State of Tennessee	396,913		9,467,753
Federal Government	12,624		3,301,644
Other Governments and Citizens Groups	330,476		669,981
Total Revenues	<u>\$ 3,705,783</u>	<u>\$</u>	<u>76,470,991</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	4,841,127
Finance	128		3,131,094
Administration of Justice	5,909		4,655,640
Public Safety	48,047		21,560,491
Public Health and Welfare	1,608,302		5,439,050
Social, Cultural, and Recreational Services	0		1,062,067
Agriculture and Natural Resources	0		577,190
Other Operations	0		2,889,863
Highways	0		8,676,154
Debt Service:			
Principal on Debt	347,039		7,852,039
Interest on Debt	38,000		5,467,741
Other Debt Service	0		274,156

(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	
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 3,291,081	\$	5,293,447
Capital Projects - Donated	7,222		746,002
Total Expenditures	<u>\$ 5,345,728</u>	<u>\$</u>	<u>72,466,061</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,639,945)</u>	<u>\$</u>	<u>4,004,930</u>
<u>Other Financing Sources (Uses)</u>			
Capital Leases Issued	\$ 644,866	\$	644,866
Insurance Recovery	0		20,635
Transfers In	167,400		2,248,400
Transfers Out	<u>(782,000)</u>	<u></u>	<u>(2,248,400)</u>
Total Other Financing Sources (Uses)	<u>\$ 30,266</u>	<u>\$</u>	<u>665,501</u>
Net Change in Fund Balances	\$ (1,609,679)	\$	4,670,431
Fund Balance, July 1, 2020	<u>11,569,381</u>	<u></u>	<u>42,917,188</u>
Fund Balance, June 30, 2021	<u>\$ 9,959,702</u>	<u>\$</u>	<u>47,587,619</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, 2021

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)		\$ 4,670,431
(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	\$ 9,282,536	
Less: current-year depreciation expense	<u>(4,229,324)</u>	5,053,212
(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	\$ (1,913,440)	
Less: book value of other capital assets disposed	<u>(94,485)</u>	(2,007,925)
(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, 2021	\$ 2,036,402	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(1,314,338)</u>	722,064
(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	\$ 7,265,000	
Add: principal payments on notes	460,000	
Add: principal payments on capital leases	127,039	
Add: change in nonexchange financial guarantee	472,048	
Less: capital lease proceeds	(644,866)	
Add: change in unamortized premium on debt issuances	1,439,212	
Less: change in deferred amount on refunding debt	<u>(822,937)</u>	8,295,496
(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	\$ 47,941	
Change in OPEB liability	1,066,809	
Change in net pension asset/liability	(290,212)	
Change in deferred outflows related to pensions	7,459	
Change in deferred inflows related to pensions	176,324	
Change in deferred outflows related to OPEB	(61,343)	
Change in deferred inflows related to OPEB	(1,055,996)	
Change in compensated absences payable	<u>(288,825)</u>	(397,843)
(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>216,340</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 16,551,775</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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 25,526,539	\$ 0	\$ 0	\$ 25,526,539	\$ 24,929,550	\$ 24,929,550	\$ 596,989
Licenses and Permits	938,296	0	0	938,296	734,500	734,500	203,796
Fines, Forfeitures, and Penalties	402,310	0	0	402,310	577,800	546,671	(144,361)
Charges for Current Services	595,443	0	0	595,443	608,985	618,785	(23,342)
Other Local Revenues	306,917	0	0	306,917	452,500	452,500	(145,583)
Fees Received From County Officials	6,790,007	0	0	6,790,007	6,490,000	6,521,129	268,878
State of Tennessee	5,640,870	0	0	5,640,870	4,465,889	4,595,936	1,044,934
Federal Government	3,285,023	0	0	3,285,023	1,542,500	3,609,240	(324,217)
Other Governments and Citizens Groups	301,685	0	0	301,685	180,500	351,700	(50,015)
Total Revenues	\$ 43,787,090	\$ 0	\$ 0	\$ 43,787,090	\$ 39,982,224	\$ 42,360,011	\$ 1,427,079
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 104,143	\$ 0	\$ 0	\$ 104,143	\$ 109,320	\$ 109,320	\$ 5,177
Board of Equalization	3,600	0	0	3,600	6,210	6,210	2,610
County Mayor/Executive	271,855	0	0	271,855	268,246	277,030	5,175
County Attorney	281,008	0	0	281,008	328,160	328,160	47,152
Election Commission	798,685	(5,120)	25	793,590	752,587	893,809	100,219
Register of Deeds	562,102	0	0	562,102	572,744	579,029	16,927
Planning	209,304	0	0	209,304	211,860	211,860	2,556
Codes Compliance	369,324	(32,844)	174	336,654	344,420	457,680	121,026
County Buildings	386,121	(5,150)	0	380,971	416,050	416,050	35,079
Other General Administration	1,683,615	0	6,500	1,690,115	1,764,900	1,794,161	104,046
Preservation of Records	171,370	0	0	171,370	241,485	192,485	21,115
<u>Finance</u>							
Accounting and Budgeting	474,308	0	0	474,308	518,430	518,430	44,122
Purchasing	206,424	0	0	206,424	209,140	209,140	2,716
Property Assessor's Office	324,751	(480)	0	324,271	340,934	352,219	27,948
Reappraisal Program	568,278	0	0	568,278	598,190	598,190	29,912
County Trustee's Office	517,684	0	0	517,684	544,083	550,368	32,684

(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 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 1,039,521	\$ 0	\$ 0	\$ 1,039,521	\$ 1,061,904	\$ 1,083,189	\$ 43,668
<u>Administration of Justice</u>							
Circuit Court	2,119,790	(1,596)	569	2,118,763	2,163,803	2,193,147	74,384
General Sessions Judge	681,401	0	0	681,401	711,870	711,870	30,469
Drug Court	15,000	0	0	15,000	15,000	15,000	0
Chancery Court	780,777	(230)	0	780,547	800,643	807,557	27,010
District Attorney General	156,882	0	0	156,882	70,000	157,000	118
Other Administration of Justice	145,024	0	0	145,024	208,410	208,410	63,386
Courtroom Security	709,161	0	0	709,161	675,380	718,779	9,618
Victim Assistance Programs	41,696	0	0	41,696	45,000	45,000	3,304
<u>Public Safety</u>							
Sheriff's Department	9,570,305	(524,077)	171,974	9,218,202	9,245,364	9,530,685	312,483
Administration of the Sexual Offender Registry	5,800	0	0	5,800	0	9,800	4,000
Jail	8,977,762	(37,029)	75,355	9,016,088	9,575,850	9,605,850	589,762
Juvenile Services	476,428	0	0	476,428	489,125	512,625	36,197
Work Release Program	10,327	0	0	10,327	11,970	11,970	1,643
Fire Prevention and Control	971,000	0	0	971,000	992,000	992,000	21,000
Civil Defense	223,458	0	0	223,458	234,073	243,073	19,615
Rescue Squad	84,300	0	0	84,300	84,300	84,300	0
Other Emergency Management	0	0	0	0	128,000	29,047	29,047
County Coroner/Medical Examiner	285,500	0	0	285,500	286,000	286,000	500
Other Public Safety	907,564	(800)	0	906,764	917,170	917,170	10,406
<u>Public Health and Welfare</u>							
Local Health Center	1,752,534	(2,210)	607	1,750,931	2,209,629	2,201,799	450,868
Rabies and Animal Control	190,000	0	0	190,000	190,000	190,000	0
Ambulance/Emergency Medical Services	1,777,400	0	0	1,777,400	1,777,400	1,777,400	0
Regional Mental Health Center	17,000	0	0	17,000	17,000	17,000	0
General Welfare Assistance	32,200	0	0	32,200	25,000	30,000	(2,200)
Sanitation Education/Information	61,614	(19)	0	61,595	81,288	72,005	10,410

(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 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 114,000	\$ 0	\$ 0	\$ 114,000	\$ 114,000	\$ 114,000	\$ 0
Libraries	783,817	(8,013)	11,212	787,016	806,830	808,803	21,787
Other Social, Cultural, and Recreational	164,250	0	0	164,250	114,250	164,250	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	396,318	(222)	0	396,096	424,450	428,050	31,954
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	150,812	0	0	150,812	167,430	167,430	16,618
Storm Water Management	26,060	0	0	26,060	33,500	33,500	7,440
Other Agriculture and Natural Resources	2,500	0	0	2,500	2,500	2,500	0
<u>Other Operations</u>							
Tourism	6,650	0	0	6,650	6,650	6,650	0
Other Economic and Community Development	483,170	(8,275)	0	474,895	686,600	726,620	251,725
Airport	577,323	0	0	577,323	577,323	577,323	0
Veterans' Services	52,725	0	0	52,725	65,500	65,500	12,775
Contributions to Other Agencies	118,489	0	0	118,489	39,010	118,490	1
Employee Benefits	42,263	0	0	42,263	60,000	60,000	17,737
COVID-19 Grant #1	36,094	0	0	36,094	0	36,094	0
COVID-19 Grant #3	3,766	0	0	3,766	0	3,943	177
COVID-19 Grant #4	1,569,383	0	199,047	1,768,430	0	1,934,305	165,875
Miscellaneous	0	0	0	0	150,000	0	0
<u>Capital Projects - Donated</u>							
Capital Projects Donated to Other Entities	98,953	0	0	98,953	0	98,953	0
Total Expenditures	\$ 42,593,089	\$ (626,065)	\$ 465,463	\$ 42,432,487	\$ 42,492,481	\$ 45,292,728	\$ 2,860,241
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,194,001	\$ 626,065	\$ (465,463)	\$ 1,354,603	\$ (2,510,257)	\$ (2,932,717)	\$ 4,287,320
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 11,210	\$ 0	\$ 0	\$ 11,210	\$ 0	\$ 0	\$ 11,210

(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 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers In	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
City General Fund Transfer	0	0	0	0	84,200	0	0
Transfers Out	(216,400)	0	0	(216,400)	0	(216,400)	0
Total Other Financing Sources	\$ 1,794,810	\$ 0	\$ 0	\$ 1,794,810	\$ 2,084,200	\$ 1,783,600	\$ 11,210
Net Change in Fund Balance	\$ 2,988,811	\$ 626,065	\$ (465,463)	\$ 3,149,413	\$ (426,057)	\$ (1,149,117)	\$ 4,298,530
Fund Balance, July 1, 2020	17,419,871	(626,065)	0	16,793,806	16,692,962	16,692,962	100,844
Fund Balance, June 30, 2021	\$ 20,408,682	\$ 0	\$ (465,463)	\$ 19,943,219	\$ 16,266,905	\$ 15,543,845	\$ 4,399,374

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
Highway/Public Works Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,217,372	\$ 0	\$ 0	\$ 5,217,372	\$ 5,046,590	\$ 5,046,590	\$ 170,782
Licenses and Permits	737	0	0	737	700	700	37
Other Local Revenues	260,706	0	0	260,706	270,000	270,000	(9,294)
State of Tennessee	3,429,970	0	0	3,429,970	3,073,940	5,680,224	(2,250,254)
Federal Government	3,997	0	0	3,997	0	0	3,997
Other Governments and Citizens Groups	37,820	0	0	37,820	0	0	37,820
Total Revenues	\$ 8,950,602	\$ 0	\$ 0	\$ 8,950,602	\$ 8,391,230	\$ 10,997,514	\$ (2,046,912)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 956,949	\$ (79,634)	\$ 10,450	\$ 887,765	\$ 945,300	\$ 948,414	\$ 60,649
Highway and Bridge Maintenance	2,304,043	(4,371)	7,000	2,306,672	3,088,700	3,022,520	715,848
Operation and Maintenance of Equipment	816,551	0	1,621	818,172	913,290	948,290	130,118
Asphalt Plant Operations	3,094,125	0	0	3,094,125	3,437,490	3,491,660	397,535
Traffic Control	91,412	0	3,950	95,362	141,730	141,730	46,368
Capital Outlay	1,413,074	(268,961)	1,592,470	2,736,583	485,300	3,612,584	876,001
Total Expenditures	\$ 8,676,154	\$ (352,966)	\$ 1,615,491	\$ 9,938,679	\$ 9,011,810	\$ 12,165,198	\$ 2,226,519
Excess (Deficiency) of Revenues Over Expenditures	\$ 274,448	\$ 352,966	\$ (1,615,491)	\$ (988,077)	\$ (620,580)	\$ (1,167,684)	\$ 179,607
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 9,425	\$ 0	\$ 0	\$ 9,425	\$ 0	\$ 0	\$ 9,425
Total Other Financing Sources	\$ 9,425	\$ 0	\$ 0	\$ 9,425	\$ 0	\$ 0	\$ 9,425
Net Change in Fund Balance	\$ 283,873	\$ 352,966	\$ (1,615,491)	\$ (978,652)	\$ (620,580)	\$ (1,167,684)	\$ 189,032
Fund Balance, July 1, 2020	6,935,811	(352,966)	0	6,582,845	3,897,601	3,897,601	2,685,244
Fund Balance, June 30, 2021	\$ 7,219,684	\$ 0	\$ (1,615,491)	\$ 5,604,193	\$ 3,277,021	\$ 2,729,917	\$ 2,874,276

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, 2021

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Health Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 3,946,225
Accounts Receivable	<u>157,418</u>
Total Assets	<u>\$ 4,103,643</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 24,615
Claims and Judgments Payable	<u>344,538</u>
Total Liabilities	<u>\$ 369,153</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 3,734,490</u>
Total Net Position	<u>\$ 3,734,490</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, 2021

	Governmental Activities - Internal Service Fund
	<u>Fund</u>
	Employee Insurance - Health Fund
	<u>Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 6,417,983
Retiree Insurance Payments	56,123
Total Operating Revenues	<u>\$ 6,474,106</u>
<u>Operating Expenses</u>	
Pest Control	\$ 330
Rentals	18,022
Drugs and Medical Supplies	15,155
Water and Sewer	608
Electricity	1,198
Other Charges	35,287
Medical Claims	5,004,454
Handling Charges and Administrative Costs	761,511
Office Supplies	1,232
Communication	2,862
Contracts with Private Agencies	442,369
Data Processing Equipment	362
Total Operating Expenses	<u>\$ 6,283,390</u>
Operating Income (Loss)	<u>\$ 190,716</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 25,624
Total Nonoperating Revenues (Expenses)	<u>\$ 25,624</u>
Change in Net Position	\$ 216,340
Net Position, July 1, 2020	<u>3,518,150</u>
Net Position, June, 30, 2021	<u><u>\$ 3,734,490</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, 2021

	Governmental Activities - Internal Service Fund
	Employee Insurance - Health Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 6,474,106
Excess Risk Insurance Recovery	554,139
Payments for Administrative Costs	(761,657)
Payments for Claims	(5,639,895)
Payments for Vendors	(498,205)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 128,488</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 25,624
Net Cash Provided By (Used In) Investing Activities	<u>\$ 25,624</u>
Increase (Decrease) in Cash	\$ 154,112
Cash, July 1, 2020	<u>3,792,113</u>
Cash, June 30, 2021	<u><u>\$ 3,946,225</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 190,716
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	(28,752)
Increase (Decrease) in Accounts Payable	18,710
Increase (Decrease) in Claims and Judgements Payable	(52,186)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 128,488</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, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,061,193
Equity in Pooled Cash and Investments	2,127,590
Accounts Receivable	122,183
Due from Other Governments	8,361,528
Taxes Receivable	12,240,647
Allowance for Uncollectible Taxes	<u>(150,841)</u>
Total Assets	<u>\$ 28,762,300</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 3,172
Due to Other Taxing Units	<u>10,237,612</u>
Total Liabilities	<u>\$ 10,240,784</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 12,073,620</u>
Total Deferred Inflows of Resources	<u>\$ 12,073,620</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 6,447,896</u>
Total Net Position	<u><u>\$ 6,447,896</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, 2021

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 29,491,917
ADA - Educational Funds Collected for Cities	29,914,872
Fines/Fees and Other Collections	21,635,506
Drug Task Force Collections	68,757
District Attorney General Collections	34,307
Total Additions	<u>\$ 81,145,359</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 29,491,917
Payments to City School Systems	29,914,872
Payments to State	17,972,269
Payments to Individuals and Others	4,536,907
Payment of Drug Task Force Expenses	64,999
Payment of District Attorney General Expenses	15,475
Total Deductions	<u>\$ 81,996,439</u>

Net Increase (Decrease) in Fiduciary Net Position	\$ (851,080)
Net Position, July 1, 2020	0
Restatement - See Note I.D.11	<u>7,298,976</u>
Net Position, June 30, 2021	<u><u>\$ 6,447,896</u></u>

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

WASHINGTON COUNTY, TENNESSEE
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WASHINGTON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 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.

Blended Component Unit – 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. In a prior year, the county agreed to account for operations of the Industrial Development Board and recognizes activity through the General Fund. Financial activity of the board has thus far been limited to transactions serving the primary government though the execution of industrial recruitment incentives to a business on behalf of Washington 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 School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Washington County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021.

Separate financial statements are provided for governmental funds, 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, 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 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 fund:

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.

Additionally, the Washington County School Department reports the following fund type:

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

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. Other than investments in the pension stabilization trust discussed in Note I.D.4., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.63 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.

Most payables are disaggregated on the face of the financial statements. Other current liabilities of the General Fund consist of balances for benefit plan payments not drawn as of June 30, 2021. 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, 2021. Claims and judgments payable are discussed in Note V.A. Risk Management.

Due to Other Governments on the Statement of Net Position for the primary government represents grant amounts received in advance under the American Rescue Plan Act.

Retainage payable in the primary government's Education Capital 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 Education Capital Projects Fund.

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), 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:

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

6. Deferred Outflows/Inflows of Resources

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

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 and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and 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 \$18,190,408 of restricted net position for the primary government, of which \$1,104,811 is restricted by enabling legislation.

As of June 30, 2021, Washington County had \$113,958,422 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. In addition, Washington County had a nonexchange financial guarantee liability totaling \$367,580 on June 30, 2021, for capital purposes of a joint venture, the Tri-Cities Regional Airport. This nonexchange financial guarantee is also a liability of Washington County, but the capital assets acquired are reported by the Tri-Cities Regional Airport. 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, 2021, the Highway/Public Works Fund had paid all future requirements through the final maturity date of the note, July 15, 2025. As a result, \$795,325 of the total \$6,836,321 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.

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 (\$465,463), amounts assigned by the county commission for various purposes within the general government (\$744,375), and amounts appropriated for use in the 2021-22 year budget (\$1,855,124). Assigned fund balance in the discretely presented school department’s General Purpose School Fund consists of amounts assigned for encumbrances (\$477,429) and amounts appropriated for use in the 2021-22 year budget (\$4,375,862).

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

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Washington County School Department. A restatement of \$1,697,565 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning net position of these funds has been restated by \$7,298,976 using the economic measurement focus and the accrual basis of accounting.

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 and the Other General Government (special revenue) fund which reported no expenditures for the 2020-2021 year. 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, 2021, Washington County and the Washington County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 465,463
Highway/Public Works	1,615,491
Education Capital Projects	608,723
Nonmajor Funds:	
Solid/Waste Sanitation	258
General Capital Projects	1,141,856
School Department:	
Major Fund:	
General Purpose School	477,429
Nonmajor Fund:	
School Federal Projects	720,137

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 \$68,594 at June 30, 2021. This deficit unassigned fund balance resulted from failure to request reimbursement of grant funds on a timely basis and from the recognition of a prepaid asset. The deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2021.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the General Welfare Assistance major appropriation category (the legal level of control) in the General Fund by \$2,200 and the Capital Projects Donated to Other Entities major appropriation category in the General Capital Projects Fund by \$7,081. 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.

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 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Other than the school department’s investment in the TCRS Stabilization Trust as discussed below, the county had no pooled or nonpooled investments as of June 30, 2021.

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, 2021, 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	\$ 123,175
Developed Market International Equity	N/A	N/A	55,628
Emerging Market International Equity	N/A	N/A	15,894
U.S. Fixed Income	N/A	N/A	79,468
Real Estate	N/A	N/A	39,734
Short-term Securities	N/A	N/A	3,973
NAV - Private Equity and Strategic Lending	N/A	N/A	79,468
Total			\$ 397,340

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/2020/ag20045.pdf>.

B. Capital Assets

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

Primary Government - Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 7,750,881	\$ 3,467,922	\$ (1)	\$ 11,218,802
Construction in Progress	6,784,067	3,786,422	(6,211,105)	4,359,384
Total Capital Assets Not Depreciated	\$ 14,534,948	\$ 7,254,344	\$ (6,211,106)	\$ 15,578,186
Capital Assets Depreciated:				
Buildings and Improvements	\$ 48,818,246	\$ 1,920,791	\$ (1,393,222)	\$ 49,345,815 (1)
Infrastructure	56,028,801	1,640,800	0	57,669,601
Other Capital Assets	26,542,100	4,583,221	(713,921)	30,411,400 (2)
Total Capital Assets Depreciated	\$ 131,389,147	\$ 8,144,812	\$ (2,107,143)	\$ 137,426,816
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 19,531,723	\$ 1,322,986	\$ 0	\$ 20,854,709
Infrastructure	31,346,455	1,389,836	0	32,736,291
Other Capital Assets	20,161,772	1,516,502	(193,704)	21,484,570
Total Accumulated Depreciation	\$ 71,039,950	\$ 4,229,324	\$ (193,704)	\$ 75,075,570
Total Capital Assets Depreciated, Net	\$ 60,349,197	\$ 3,915,488	\$ (1,913,439)	\$ 62,351,246
Governmental Activities Capital Assets, Net	\$ 74,884,145	\$ 11,169,832	\$ (8,124,545)	\$ 77,929,432

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

(2) Decreases to other capital assets include \$520,218 contributed to the school department before beginning depreciation.

At June 30, 2021, construction in progress balances include \$1,909,907 for construction of buildings and improvements that will be donated to the school department.

During the 2020-21 year, the Education Capital Projects Fund purchased \$639,827 of data processing equipment which did not meet capitalization thresholds and donated those items to the school department.

The primary government's General Fund has received a nonrefundable option payment of \$800,000 for property in the county industrial park on behalf of the Washington County Industrial Development Board, a blended component unit of Washington County. Under the terms of the option the payor has until January 31, 2023, to pay an additional \$400,000 to complete the purchase. The property under option is recorded in the capital assets of Washington County and has a carrying value of \$1,075,852.

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

Governmental Activities:

General Government	\$ 427,974
Finance	9,625
Administration of Justice	3,263
Public Safety	1,567,832
Public Health and Welfare	228,261
Social, Cultural, and Recreational Services	138,860
Agriculture and Natural Resources	2,995
Highways/Public Works	<u>1,850,514</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 4,229,324</u></u>

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

	Balance 7-1-20	Reclass- ification	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:					
Land	\$ 2,548,284	\$ 804,105	\$ 0	\$ 0	\$ 3,352,389
Construction in Progress	0	0	23,420	0	23,420
Total Capital Assets Not Depreciated	\$ 2,548,284	\$ 804,105	\$ 23,420	\$ 0	\$ 3,375,809
Capital Assets Depreciated:					
Buildings and Improvements	\$ 150,224,390	\$ (1,717,066)	\$ 2,063,562 (1)	\$ (71,526)	\$ 150,499,360
Other Capital Assets	14,530,982	912,961	2,271,057 (2)	(185,179)	17,529,821
Total Capital Assets Depreciated	\$ 164,755,372	\$ (804,105)	\$ 4,334,619	\$ (256,705)	\$ 168,029,181
Less Accumulated Depreciated For:					
Buildings and Improvements	\$ 64,005,535	\$ 0	\$ 4,996,538	\$ (32,095)	\$ 68,969,978
Other Capital Assets	9,744,439	0	1,411,661	(184,948)	10,971,152
Total Accumulated Depreciation	\$ 73,749,974	\$ 0	\$ 6,408,199	\$ (217,043)	\$ 79,941,130
Total Capital Assets Depreciated, Net	\$ 91,005,398	\$ (804,105)	\$ (2,073,580)	\$ (39,662)	\$ 88,088,051
Governmental Activities Capital Assets, Net	\$ 93,553,682	\$ 0	\$ (2,050,160)	\$ (39,662)	\$ 91,463,860

(1) Increases totaling \$1,203,807 are for a school building and improvements contributed from the primary government.

(2) Increases to other capital assets include \$520,218 for school buses and \$189,415 for a cooling tower contributed from the primary government.

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

Governmental Activities:

Instruction	\$ 4,996,538
Support Services	1,192,906
Operation of Non-instructional Services	<u>218,755</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,408,199</u>

C. Construction Commitments

At June 30, 2021, the General Fund had an uncompleted construction contract of \$48,725 for a paving project. The Highway/Public Works Fund had uncompleted construction contracts of approximately \$1,331,724 for road and bridge construction. The General Capital Projects Fund had uncompleted construction contracts of approximately \$226,941 for courthouse renovations, \$138,178 for justice center renovations, \$16,368 for waterline development, and \$550,778 for school construction. The Education Capital Projects Fund had uncompleted construction contracts of approximately \$608,723 for school construction. Funding for the future expenditures of the General Fund, Highway/Public Works Fund, General Capital Projects Fund and Education Capital Projects Fund is being provided by available fund balance and from future local taxes.

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/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, 2021, 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.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 358,163
Highway/Public Works	"	351
General Debt Service	General	11,399
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	56,448
Nonmajor governmental	General Purpose School	311

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, 2021, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 49,000	\$ 167,400
General Debt Service Fund	1,000,000	0	0
Education Capital Projects Fund	250,000		
Nonmajor governmental funds	750,000	32,000	0
Total	\$ 2,000,000	\$ 81,000	\$ 167,400

Transfers to the General Fund represent budgeted transfers for operation needs. 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 needs.

Discretely Presented Washington County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 500,000
Nonmajor governmental funds	113,148	0
Total	\$ 113,148	\$ 500,000

Transfers to the General Purpose School Fund represent indirect cost and operation reimbursements from nonmajor governmental funds. Transfers to the nonmajor governmental funds from the General Purpose School Fund represent amounts transferred for cash flow purposes.

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.

E. Operating Leases

The discretely presented Washington County School Department rents two vehicles. The rent expenditures for the year ended June 30, 2021, were \$8,187 for the governmental funds. The lease agreements allow for termination at any point in time with early termination charges made. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2022	\$ 8,186
2023	<u>1,014</u>
Total	<u>\$ 9,200</u>

F. Capital Leases

On July 28, 2020, Washington County entered into a five-year lease-purchase agreement for a phone system. The terms of the agreement require total lease payments of \$644,866. Title to the equipment transfers to Washington County at the end of the lease period. The lease payments are made from the General Capital Projects Fund.

The assets acquired through capital leases are as follows:

<u>Asset</u>	Governmental Activities
Machinery and Equipment	\$ 644,866
Less: Accumulated Depreciation	<u>(64,487)</u>
Total Book Value	<u>\$ 580,379</u>

Future minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30	Governmental Funds
2022	\$ 127,039
2023	127,039
2024	127,038
2025	127,038
2026	9,673
Total Minimum Lease Payments	<u>\$ 517,827</u>

The lease carries no stated interest rate. The difference between the non-discounted future payments shown above and the net present value of those payments has not been calculated but is not considered material to the government-wide financial statements.

G. Long-term Debt

Primary Government

General Obligation Bonds, Notes, Other Loans, and Nonexchange Financial Guarantee

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, 2021, will be retired from the General Debt Service Fund and Rural 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 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. Capital outlay notes outstanding were issued for an original term of 12 years. There were no other loans outstanding at June 30, 2021. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the

term of the debt. All notes included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Nonexchange Financial Guarantee – Washington County has recorded a liability for a proportionate share of outstanding Aerospace Park Bonds issued by the Tri-Cities Airport Authority. The authority is a joint venture discussed in Note V.E. It is considered more likely than not that net revenues will not be generated by the aerospace park project in the foreseeable future. Consequently, it is expected that members of the joint venture will be required to pay this debt of the airport authority based on guaranty agreements entered into by the members. The total amount of bonds issued was \$8,500,000 and Washington County’s proportionate share of the guarantee is 22.5 percent, or \$1,912,500 of the original principal, plus interest. The bonds mature serially each May 1, ending in 2038. Interest rates vary from 3 percent to 4.5 percent with payments due semi-annually.

General obligation bonds, capital outlay notes, nonexchange financial guarantee, and capital lease outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	2 to 5	%	6-1-37	\$ 35,965,000	\$ 30,040,000
General Obligation Bonds - Refunding	1.7 to 4		6-1-37	125,735,000	111,145,000
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	2 to 3		7-15-25	5,520,000	1,650,000
Capital Lease	0		8-10-25	644,866	517,827
Nonexchange Financial Guarantee	3 to 4.5		5-1-38	1,912,500	367,580

The annual requirements to amortize all general obligation bonds and notes, outstanding as of June 30, 2021, including interest payments are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 7,490,000	\$ 5,158,161	\$ 12,648,161
2023	7,740,000	4,854,687	12,594,687
2024	7,375,000	4,539,533	11,914,533
2025	7,670,000	4,237,543	11,907,543
2026	7,725,000	3,922,928	11,647,928
2027-2031	41,825,000	14,700,736	56,525,736
2032-2036	50,250,000	6,414,862	56,664,862
2037	11,110,000	347,188	11,457,188
Total	\$ 141,185,000	\$ 44,175,638	\$ 185,360,638

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2022	\$ 475,000	\$ 39,638	\$ 514,638
2023	310,000	29,825	339,825
2024	315,000	21,225	336,225
2025	270,000	12,450	282,450
2026	280,000	4,200	284,200
Total	\$ 1,650,000	\$ 107,338	\$ 1,757,338

Washington County has decided to accelerate payments on its obligation under the nonexchange financial guarantee for the Tri-Cities Airport Authority. Accordingly, the authority has established an irrevocable escrow account with the bond paying agent. Payments by the county are deposited to the account and used to pay Washington County's portion of the bond principal and interest as it becomes due. During the fiscal year ended June 30, 2021, Washington County deposited funds totaling \$559,493 into the escrow account. The balance in the escrow account, including investment earnings, has been reduced from the outstanding bond balance in determining the county's liability for nonexchange financial guarantees at June 30, 2021.

The nonexchange financial guarantee will be retired from the General Fund. The amount of the liability reported at June 30, 2021, is management's best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee. Balances in the escrow account accumulate investment earnings at rates which are not expected to vary materially from the interest rates on the bonds. The following tables reflect the annual requirements on the outstanding bonds and reconciles those amounts with the liability reflected for nonexchange financial guarantees.

Principal and Interest Requirements on Outstanding Aerospace Park Bonds:

Year Ending June 30	Principal	Interest	Total
2022	\$ 75,000	\$ 61,450	\$ 136,450
2023	75,000	58,075	133,075
2024	80,000	54,700	134,700
2025	85,000	51,100	136,100
2026	90,000	47,275	137,275
2027-2031	485,000	192,937	677,937
2032-2036	570,000	107,063	677,063
2037-2038	255,000	13,956	268,956
Total	\$ 1,715,000	\$ 586,556	\$ 2,301,556

Calculation of Nonexchange Financial Guarantee Liability:

Principal Balance of Outstanding Aerospace Park Bonds, 6-30-21	\$ 1,715,000
Add: Interest Accrued on Bonds	10,242
Less: Funds accumulated in Airport Authority's Escrow Account	<u>(1,357,662)</u>
Nonexchange Financial Guarantee Balance, 6-30-21	<u>\$ 367,580</u>

There is \$7,090,072 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,053, for residents living inside the Johnson City school district and \$1,072 for residents living outside the Johnson City school district, based on the 2020 federal census. Total debt per capita, including, bonds, notes, nonexchange financial guarantee, and unamortized premium on debt, totaled \$1,154, for residents living inside the Johnson City school district and \$1,177 for residents living outside the Johnson City school district based on the 2020 federal census.

During the year, the school department contributed \$260,000 to the county Rural Debt Service Fund to be applied toward the retirement of school related debt. As described in Note IV.I., the school department has pledged a portion of its basic education capital outlay funds revenues toward the retirement of the rural school bonds issued in 2013. At June 30, 2021, the amount outstanding on these bonds totaled \$1,195,000.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Nonexchange Financial Guarantee
Balance, July 1, 2020	\$ 148,450,000	\$ 2,110,000	\$ 839,628
Additions	0	0	10,242
Reductions	(7,265,000)	(460,000)	(482,290)
Balance, June 30, 2021	<u>\$ 141,185,000</u>	<u>\$ 1,650,000</u>	<u>\$ 367,580</u>
Balance Due Within One Year	<u>\$ 7,490,000</u>	<u>\$ 475,000</u>	<u>\$ 0</u>

Governmental Activities:

	Capital Leases - Direct Placement
Balance, July 1, 2020	\$ 0
Additions	644,866
Reductions	(127,039)
Balance, June 30, 2021	<u>\$ 517,827</u>
Balance Due Within One Year	<u>\$ 127,039</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 143,720,407
Less: Balance Due Within One Year - Debt	(8,092,039)
Add: Unamortized Premium on Debt	<u>11,409,186</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 147,037,554</u>

Since Washington County has made advance payments for the nonexchange financial guarantee, there is no amount due on that agreement within one year.

H. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>	<u>Other Post- Employment Benefits</u>
Balance, July 1, 2020	\$ 2,254,833	\$ 4,903,382
Additions	1,737,394	480,099
Reductions	<u>(1,448,569)</u>	<u>(1,546,908)</u>
Balance, June 30, 2021	<u>\$ 2,543,658</u>	<u>\$ 3,836,573</u>
Balance Due Within One Year	<u>\$ 813,971</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 6,380,231
Less: Balance Due Within One Year - Other	<u>(813,971)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 5,566,260</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, 2021, was as follows:

Governmental Activities:	Other		
	Compensated Absences	Postemployment Benefits	Retirement Incentive
Balance, July 1, 2020	\$ 239,433	\$ 8,013,832	\$ 29,873
Additions	389,382	1,864,909	28,231
Reductions	(422,044)	(183,127)	(32,941)
Balance, June 30, 2021	<u>\$ 206,771</u>	<u>\$ 9,695,614</u>	<u>\$ 25,163</u>
Balance Due Within One Year	<u>\$ 206,771</u>	<u>\$ 0</u>	<u>\$ 25,163</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 9,927,548
Less: Balance Due Within One Year - Other	<u>(231,934)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 9,695,614</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 \$260,000 annually of its restricted basic education plan funds received from the state toward the retirement of rural school bonds issued by Washington County in 2013. Total principal and interest remaining on the debt is \$1,285,150 with annual requirements ranging from \$256,325 in the next fiscal year to \$258,825 in the final year of 2026. As discussed in Note V.L., Subsequent Events, these bonds were called and redeemed on October 18, 2021.

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, 2021, were \$154,901. 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
2019-2020	\$ 476,425	\$ 3,933,977	\$ (4,013,678)	\$ 396,724
2020-2021	396,724	5,004,454	(5,056,640)	344,538

Current year claims and estimates, along with payments, are presented net of excess risk insurance recovery of \$606,687. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Discretely Presented Washington County School Department

The school department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

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

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity

interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

Washington County has early implemented GASB Statement No. 98 *The Annual Comprehensive Financial Report*. This statement changes the name of the report from the Comprehensive Annual Financial Report to the Annual Comprehensive Financial Report.

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 \$730,000 at June 30, 2021.

On March 29, 2018, Tri-Cities Regional Airport issued Aerospace Park bonds in the amount of \$8,500,000. Washington County is liable for 22.5 percent of the principal and interest on these bonds in the event revenues of the airport authority are not sufficient to cover the payments. Washington County has recorded a liability for its share of these Aerospace Park bonds as discussed in Note IV.G.

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. Change in Administration

Jerry Boyd succeeded William Flanary as director of schools on April 1, 2021.

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 contributed \$6,000 to the DTF for the year ended June 30, 2021.

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 Juvenile Detention Center was formed through a cooperative agreement 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 23.4 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 \$190,000 to the operations during the fiscal year ended June 30, 2021.

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 \$1,777,400 to the operations during the fiscal year ended June 30, 2021.

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 \$150,000 to the operations during the fiscal year ended June 30, 2021.

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 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
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 69.57 percent, the non-certified employees of the discretely presented school department comprise 30.43 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 an automatic cost of living adjustment (COLA) 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	730
Inactive Employees Entitled to But Not Yet Receiving Benefits	917
Active Employees	916
Total	<u><u>2,563</u></u>

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, 2021, the employer contribution for Washington County was \$2,641,199 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, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	31
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
Total		100

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate 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, 2019	\$ 113,764,942	\$ 115,338,799	\$ (1,573,857)
Changes for the Year:			
Service Cost	\$ 2,289,957	\$ 0	\$ 2,289,957
Interest	8,236,046	0	8,236,046
Differences Between Expected and Actual Experience	(1,819,353)	0	(1,819,353)
Contributions-Employer	0	2,652,100	(2,652,100)
Net Investment Income	0	5,662,967	(5,662,967)
Benefit Payments, Including Refunds of Employee Contributions	(4,908,541)	(4,908,541)	0
Administrative Expense	0	(79,862)	79,862
Net Changes	\$ 3,798,109	\$ 3,326,664	\$ 471,445
Balance, June 30, 2020	\$ 117,563,051	\$ 118,665,463	\$ (1,102,412)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	69.57%	\$ 81,788,615	\$ 82,555,563	\$ (766,948)
School Department	30.43%	35,774,436	36,109,900	(335,464)
Total		\$ 117,563,051	\$ 118,665,463	\$ (1,102,412)

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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Washington County	6.25%	7.25%	8.25%
Primary Government	\$ 9,590,123	\$ (766,948)	\$ (9,429,750)
School Department	4,194,731	(335,464)	(4,124,584)
Total Net Pension Liability (Asset)	\$ 13,784,854	\$ (1,102,412)	\$ (13,554,334)

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, 2021, Washington County recognized pension expense (negative pension expense) of \$2,983,440.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 649,714	\$ 284,185	\$ 933,899
Changes in Assumptions	328,880	143,852	472,732
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	575,368	251,667	827,035
Contributions Subsequent to the Measurement Date of June 30, 2020	1,852,509	788,690	2,641,199
Total	<u>\$ 3,406,471</u>	<u>\$ 1,468,394</u>	<u>\$ 4,874,865</u>

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

Deferred Inflows of Resources:

	Primary Government	School Department	Total
Difference Between Expected and Actual Experience	\$ 1,511,595	\$ 661,174	\$ 2,172,769
Total	<u>\$ 1,511,595</u>	<u>\$ 661,174</u>	<u>\$ 2,172,769</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
2022	\$ (172,163)	\$ (75,304)	\$ (247,467)
2023	(116,430)	(50,926)	(167,356)
2024	220,337	96,375	316,712
2025	110,623	48,387	159,010
2026	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, 2021, Washington County reported a payable of \$150,790 for the outstanding amount of contributions due to the pension plan at year end.

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 69.57 percent and the non-certified employees of the discretely presented school department comprise 30.43 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 an automatic cost of living adjustment (COLA) 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 COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers 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, 2021, to the Teacher Retirement Plan were \$135,942, which is 2.02 percent of covered payroll. In addition, employer contributions of \$127,060 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$253,797) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. 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, 2020, the school department’s proportion was .446321 percent. The proportion as of June 30, 2019, was .426618 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$102,077.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 9,429	\$ 63,601
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	20,675	0
Changes in Assumptions	7,958	0
Changes in Proportion of Net Pension Liability (Asset)	10,196	17,158
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>135,942</u>	<u>N/A</u>
Total	<u>\$ 184,200</u>	<u>\$ 80,759</u>

The school department's employer contributions of \$135,942 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. 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
2022	\$ (2,623)
2023	365
2024	1,888
2025	2,322
2026	(4,681)
Thereafter	(29,772)

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

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 Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate 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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 197,412 \$ (253,797) \$ (586,393)

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

Payable to the Pension Plan

At June 30, 2021, the Washington County School Department reported a payable of \$31,741 for the outstanding amount of contributions due to the pension plan at year end.

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 an automatic cost of living adjustment (COLA) 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, 2021, to the Teacher Legacy Pension Plan were \$2,580,246, which is 10.27 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, 2021, the school department reported a liability (asset) of (\$5,858,014) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. 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, 2020, the school department’s proportion was .768190 percent. The proportion measured at June 30, 2019, was .788352 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$80,395).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 222,696	\$ 2,816,429
Changes in Assumptions	532,173	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,308,328	0
Changes in Proportion of Net Pension Liability (Asset)	83,509	11,654
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>2,580,246</u>	<u>N/A</u>
Total	<u>\$ 4,726,952</u>	<u>\$ 2,828,083</u>

The school department’s employer contributions of \$2,580,246 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2022. 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
2022	\$ (1,414,106)
2023	(194,533)
2024	60,588
2025	866,673
2026	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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to 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, 2016, 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 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate 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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 18,218,295 \$ (5,858,014) \$ (25,822,930)

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

Payable to the Pension Plan

At June 30, 2021, the Washington County School Department reported a payable of \$599,559 for the outstanding amount of contributions due to the pension plan at year end.

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 \$342,992 and teachers contributed \$258,653 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	463
Total	473

Total OPEB Liability

The county’s total OPEB liability of \$3,836,573 was measured as of June 30, 2021, 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	2.16%
Healthcare Cost Trend Rates	7% initially with an ultimate rate of 5% in 2024
Retirees share of Benefit-related Cost	50% of medical premium and 100% 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 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, 2020	<u>\$ 4,903,382</u>
Changes for the Year:	
Service Cost	\$ 306,810
Interest	83,529
Changes in Benefit Terms	76,610
Difference between Expected and Actuarial Experience	(1,457,613)
Changes in Assumption and Other Inputs	13,150
Benefit Payments	<u>(89,295)</u>
Net Changes	<u>\$ (1,066,809)</u>
Balance June 30, 2021	<u><u>\$ 3,836,573</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21 percent in 2020 to 2.16 percent, and a change in the healthcare cost trend rate from 7.5 percent to 7 percent in 2021.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized OPEB expense of \$139,825. At June 30, 2021, 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	\$ 507,623	\$ 2,031,575
Changes of Assumptions/Inputs	<u>0</u>	<u>59,584</u>
Total	<u>\$ 507,623</u>	<u>\$ 2,091,159</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
2022	\$ (327,124)
2023	(327,124)
2024	(327,124)
2025	(323,140)
2026	(261,419)
Thereafter	(17,605)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability	\$ 4,227,084	\$ 3,836,573	\$ 3,488,799

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease (6% decreasing to 4%)	Current Trend Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Total OPEB Liability	\$ 3,441,731	\$ 3,836,573	\$ 4,310,663

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, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, 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	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 9.02% for pre-65 retirees in the 2021 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 2.21%, based on the daily rate of Bond Buyer's 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, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, 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, 2012 - June 30, 2016. 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 RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. 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 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 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 \$336 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 retirees 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, 2020, 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	681
Total	<u>717</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 \$334,299 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> 72.29%	<u>State of TN</u> 27.71%	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 8,013,830	\$ 3,295,619	\$ 11,309,449
Changes for the Year:			
Service Cost	\$ 436,112	\$ 167,134	\$ 603,246
Interest	296,277	113,544	409,821
Difference between Expected and Actuarial Experience	125,006	47,906	172,912
Changes in Proportion	162,259	(162,259)	0
Changes in Assumption and Other Inputs	1,007,625	386,157	1,393,782
Benefit Payments	(345,495)	(132,406)	(477,901)
Net Changes	\$ 1,681,784	\$ 420,076	\$ 2,101,860
Balance June 30, 2020	\$ 9,695,614	\$ 3,715,695	\$ 13,411,309

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 employers 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 \$278,426 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 72.2943 percent and the State of Tennessee's share was 27.7057 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$1,200,917, including the state's share of the expense. At June 30, 2021, 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	\$ 721,960	\$ 0
Changes of Assumptions/Inputs	1,069,474	696,846
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	452,387	48,014
Benefits Paid After the Measurement Date of June 30, 2020	<u>334,299</u>	<u>0</u>
Total	<u>\$ 2,578,120</u>	<u>\$ 744,860</u>

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

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

<u>Year Ending June 30</u>	<u>School Department</u>
2022	\$ 190,102
2023	190,102
2024	190,102
2025	190,102
2026	190,102
Thereafter	548,451

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 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
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Proportionate Share of the Collective Total OPEB Liability	\$ 10,417,742	\$ 9,695,614	\$ 9,001,478
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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 8.02 to 3.5%	Current Rate 9.02 to 4.5%	1% Increase 10.02 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 8,559,788	\$ 9,695,614	\$ 11,047,512
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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, 2021, five employees had given notice of their intent to retire during the 2021-22 year. The estimated cost of the payments due to those individuals reported in the government-wide Statement of Net Position is \$25,163. The entire amount is expected to be paid within one year. The governmental funds' financial statements reflect retirement incentive expenditures of \$32,941 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

Sheriff Edwin Graybeal resigned August 30, 2021, and was succeeded in an interim role by Leighta Laitinen effective September 1, 2021. The county commission has yet to appoint a sheriff for the duration of the current term as of the date of this report.

On September 27, 2021, Washington County approved the issuance of other loans through the Energy Efficient School Initiative for up to \$2,327,736. Washington County also approved a \$10,000,000 increase in cost of construction of the Jonesborough K-8 school facility for a total aggregate maximum cost not to exceed \$42,750,000 as discussed in note IV.C.

On October 18, 2021, the outstanding balances of the General Obligation Capital Outlay Notes, Series 2013 totaling \$1,175,000, General Obligation School Bonds 2013 totaling \$320,000, and Rural Schools bonds 2013 totaling \$970,000 were called and redeemed from the General Debt Service and Rural Debt Service Funds.

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, 2021 are as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Compensated Absences	\$ 459,793	\$ 333,594	\$ 299,073	\$ 494,314

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.

6. COVID-19

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets.

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, 2021, 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 7-1-20	Additions	Decreases	Balance 6-30-21
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 0	\$ 3,049	\$ 0	\$ 3,049
Total Capital Assets, Not Being Depreciated:	0	3,049	0	3,049
Capital Assets Depreciated:				
Building Improvements	\$ 2,166,937	\$ 143,920	\$ 0	\$ 2,310,857
Vehicle	85,037	0	0	85,037
Communication and Office Equipment	1,645,066	52,122	(15,416)	1,681,772
Furniture and Fixtures	229,501	23,869	(499)	252,871
	\$ 4,126,541	\$ 219,911	\$ (15,915)	\$ 4,330,537
Accumulated Depreciation	(1,527,705)	(217,074)	15,707	(1,729,072)
Capital Assets Depreciated, Net	\$ 2,598,836	\$ 5,886	\$ (208)	\$ 2,604,514

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

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	39
Active employees	38
	<u>89</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, 2021, employer contributions for the district were \$260,746 based on a rate of 13.13 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, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. 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	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		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 7.25 percent based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the 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, 2019	\$ 6,541,004	\$ 6,524,371	\$ 16,633
Changes for the year:			
Service Cost	\$ 115,539	\$ 0	\$ 115,539
Interest	475,994	0	475,994
Differences Between Expected and Actual Experience	144,854	0	144,854
Contributions-Employer	0	242,992	(242,992)
Net Investment Income	0	325,039	(325,039)
Benefit Payments, Including Refunds of Employee Contributions	(182,218)	(182,218)	0
Administrative Expense	0	(3,329)	3,329
Net Changes	\$ 554,169	\$ 382,484	\$ 171,685
Balance, June 30, 2020	\$ 7,095,173	\$ 6,906,855	\$ 188,318

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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.0-percentage-point lower (6.25 percent) or 1.0-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Washington County Emergency Communications District's Net Pension Liability (Asset)	\$ 1,320,382	\$ 188,318	\$ (741,074)
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense

For the year ended June 30, 2021, the district recognized pension expense of \$162,960.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, 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	\$ 270,673	\$ 152,968
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	52,762	0
Changes in Assumptions	55,640	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>260,746</u>	<u>0</u>
Total	<u>\$ 639,821</u>	<u>\$ 152,968</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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>
2022	\$ (1,444)
2023	34,582
2024	72,276
2025	79,483
2026	20,510
Thereafter	20,700

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

F. Other Postemployment Benefits

Plan Types

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, 2020 measurement date with a roll forward to June 30, 2021, the following employees were covered by the benefit terms:

Retirees receiving benefits	1
Not fully eligible active employees	28
Fully eligible active employees	5
	<hr style="width: 100%;"/>
	<u>34</u>

Total OPEB Liability

The district's total OPEB liability of \$1,055,045 was measured based on an actuarial valuation performed as of July 1, 2019, with a roll forward to June

30, 2021, and a measurement date of June 30, 2020.

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 2.75 percent (per the actuarial report) 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 2028 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 2027 are scaled between the 2022 and 2028 rates. Average claims costs for future years were assumed to increase at the rates below:

Years Beginning	Healthcare Trend Rate
2020-2021	6.75 %
2022-2023	6.25
2024-2025	5.75
2026-2027	5.25
2028+	5.00

Mortality. These rates were based on a June 30, 2016 TCRS Experience Study with the MP-2018 generational improvement scale (multiplied by 50 percent).

Disability, Retirement and Turnover. These rates were from the June 30, 2016, TCRS Experience Study.

Per Capita Benefit Costs. Health benefit costs were based on group medical premiums for the period July 1, 2020, through June 30, 2021. 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 two 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, 2020	\$ 999,502
Changes for the year:	
Service Cost	27,306
Interest	<u>28,237</u>
Net Changes	<u>55,543</u>
Balance at June 30, 2021	<u>\$ 1,055,045</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 Discount Rate	1%
	Decrease		Increase
	<u>1.75%</u>	<u>2.75%</u>	<u>3.75%</u>
Total OPEB Liability	\$ 1,169,653	\$ 1,055,045	\$ 950,796

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 Trend	1%
	Decrease		Increase
	<u>1%</u>	<u>2.75%</u>	<u>3.75%</u>
Total OPEB Liability	\$ 926,527	\$ 1,055,045	\$ 1,204,989

For the year ended June 30, 2021, the district recognized OPEB expense of \$55,270. At June 30, 2021, 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	\$ 27,205	\$ 0
Changes in Assumptions	0	32,664
Total	<u>\$ 27,205</u>	<u>\$ 32,664</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
2022	\$ (273)
2023	(273)
2024	(273)
2025	(273)
2026	(273)
Thereafter	(4,367)

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, 2021, 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
Total Pension Liability							
Service Cost	\$ 1,959,654	\$ 2,006,787	\$ 1,999,322	\$ 2,038,780	\$ 2,246,506	\$ 2,222,818	\$ 2,289,957
Interest	5,997,939	6,309,733	6,702,327	7,019,820	7,475,372	7,773,754	8,236,046
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)
Changes in Assumptions	0	0	0	2,363,660	0	0	0
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)
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
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
Total Pension Liability, Ending (a)	\$ 83,661,323	\$ 89,025,187	\$ 93,349,309	\$ 102,858,365	\$ 107,234,954	\$ 113,764,942	\$ 117,563,051
Plan Fiduciary Net Position							
Contributions - Employer	\$ 3,503,113	\$ 3,289,974	\$ 3,329,914	\$ 2,399,314	\$ 2,267,322	\$ 2,676,427	\$ 2,652,100
Contributions - Employee	145	16,673	752	0	0	240	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
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)
Administrative Expense	(37,958)	(47,685)	(71,170)	(81,735)	(86,480)	(80,614)	(79,862)
Other	0	0	0	209	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
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
Plan Fiduciary Net Position, Ending (b)	\$ 88,047,688	\$ 90,942,470	\$ 93,291,341	\$ 102,528,593	\$ 109,152,137	\$ 115,338,799	\$ 118,665,463
Net Pension Liability (Asset), Ending (a - b)	\$ (4,386,365)	\$ (1,917,283)	\$ 57,968	\$ 329,772	\$ (1,917,183)	\$ (1,573,857)	\$ (1,102,412)
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%
Covered Payroll	\$ 24,479,597	\$ 25,133,489	\$ 25,454,977	\$ 27,415,356	\$ 26,457,412	\$ 27,422,396	\$ 27,494,994
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.92%)	(7.63%)	0.23%	1.20%	(7.25%)	(5.74%)	(4.01%)

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
Actuarially Determined Contribution	\$ 3,503,113	\$ 3,289,974	\$ 3,329,914	\$ 2,399,314	\$ 2,267,322	\$ 2,676,427	\$ 2,652,100	\$ 2,641,199
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)	(2,641,199)
Contribution Deficiency (Excess)	\$ 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	\$ 27,483,848
Contributions as a Percentage of Covered Payroll	14.31%	13.1%	13.1%	8.75%	8.57%	9.76%	9.65%	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
Contractually Required Contribution	\$ 44,103	\$ 78,777	\$ 117,903	\$ 141,649	\$ 87,581	\$ 114,334	\$ 135,942
Less Contributions in Relation to the Contractually Required Contribution	(44,103)	(78,777)	(117,903)	(141,649)	(87,581)	(114,334)	(135,942)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

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%

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
Contractually Required Contribution	\$ 2,648,436	\$ 2,590,548	\$ 2,534,123	\$ 2,535,337	\$ 2,498,309	\$ 2,765,056	\$ 2,717,809	\$ 2,580,246
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)	(2,580,246)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.59%	10.27%

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
School Department's Proportion of the Net Pension Liability (Asset)	0.530664%	0.447589%	0.449095%	0.405231%	0.426618%	0.446321%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (21,348)	\$ (46,595)	\$ (118,487)	\$ (183,784)	\$ (240,820)	\$ (253,797)
Covered Payroll	\$ 1,102,569	\$ 1,969,416	\$ 2,947,592	\$ 3,541,246	\$ 4,514,489	\$ 5,632,206
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%)
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%

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
School Department's Proportion of the Net Pension Liability (Asset)	0.759867%	0.765500%	0.776562%	0.793385%	0.785750%	0.788352%	0.768190%
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)
Covered Payroll	\$ 29,824,732	\$ 28,656,529	\$ 28,032,471	\$ 28,045,726	\$ 27,514,425	\$ 26,434,559	\$ 25,671,328
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%)
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%

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

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%

(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%

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.

Exhibit F-8

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

Notes:

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%

(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%

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, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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.

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

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

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

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

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

Exhibit G-1

Washington County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2021

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 331,882	\$ 331,882	\$ 0
Equity in Pooled Cash and Investments	358,214	336,761	0	694,975	253,751
Accounts Receivable	38,261	0	26,241	64,502	0
Due from Other Governments	40,352	0	0	40,352	0
Property Taxes Receivable	1,227,467	0	0	1,227,467	0
Allowance for Uncollectible Property Taxes	(14,090)	0	0	(14,090)	0
Total Assets	\$ 1,650,204	\$ 336,761	\$ 358,123	\$ 2,345,088	\$ 253,751
<u>LIABILITIES</u>					
Accounts Payable	\$ 62,022	\$ 2,207	\$ 0	\$ 64,229	\$ 0
Accrued Payroll	16,777	0	0	16,777	0
Payroll Deductions Payable	2,355	0	0	2,355	0
Contracts Payable	0	0	0	0	0
Due to Other Funds	391	0	358,123	358,514	0
Total Liabilities	\$ 81,545	\$ 2,207	\$ 358,123	\$ 441,875	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,196,977	\$ 0	\$ 0	\$ 1,196,977	\$ 0
Deferred Delinquent Property Taxes	15,005	0	0	15,005	0
Total Deferred Inflows of Resources	\$ 1,211,982	\$ 0	\$ 0	\$ 1,211,982	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Fund Rural Debt Service
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 334,554	\$ 0	\$ 334,554	\$ 0
Restricted for Debt Service	0	0	0	0	253,751
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	356,677	0	0	356,677	0
Total Fund Balances	<u>\$ 356,677</u>	<u>\$ 334,554</u>	<u>\$ 0</u>	<u>\$ 691,231</u>	<u>\$ 253,751</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,650,204</u>	<u>\$ 336,761</u>	<u>\$ 358,123</u>	<u>\$ 2,345,088</u>	<u>\$ 253,751</u>

(Continued)

Exhibit G-1

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 331,882
Equity in Pooled Cash and Investments	8,991,155	9,939,881
Accounts Receivable	0	64,502
Due from Other Governments	36,719	77,071
Property Taxes Receivable	1,055,386	2,282,853
Allowance for Uncollectible Property Taxes	(13,006)	(27,096)
	<u>\$ 10,070,254</u>	<u>\$ 12,669,093</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 64,229
Accrued Payroll	0	16,777
Payroll Deductions Payable	0	2,355
Contracts Payable	14,549	14,549
Due to Other Funds	0	358,514
Total Liabilities	<u>\$ 14,549</u>	<u>\$ 456,424</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 1,025,980	\$ 2,222,957
Deferred Delinquent Property Taxes	15,005	30,010
Total Deferred Inflows of Resources	<u>\$ 1,040,985</u>	<u>\$ 2,252,967</u>

(Continued)

Exhibit G-1

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

<u>FUND BALANCES</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Restricted:		
Restricted for Public Safety	\$ 0	\$ 334,554
Restricted for Debt Service	0	253,751
Restricted for Capital Projects	9,014,720	9,014,720
Committed:		
Committed for Public Health and Welfare	0	356,677
Total Fund Balances	<u>\$ 9,014,720</u>	<u>\$ 9,959,702</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,070,254</u>	<u>\$ 12,669,093</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, 2021

	Special Revenue Funds				Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Rural Debt Service
<u>Revenues</u>					
Local Taxes	\$ 1,109,161	\$ 0	\$ 0	\$ 1,109,161	\$ 0
Licenses and Permits	136	0	0	136	0
Fines, Forfeitures, and Penalties	0	9,074	0	9,074	0
Charges for Current Services	105,536	0	6,037	111,573	0
Other Local Revenues	267,123	2,338	0	269,461	587
State of Tennessee	118,913	0	0	118,913	0
Federal Government	178	12,446	0	12,624	0
Other Governments and Citizens Groups	0	0	0	0	260,000
Total Revenues	\$ 1,601,047	\$ 23,858	\$ 6,037	\$ 1,630,942	\$ 260,587
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 128	\$ 128	\$ 0
Administration of Justice	0	0	5,909	5,909	0
Public Safety	0	48,047	0	48,047	0
Public Health and Welfare	1,608,302	0	0	1,608,302	0
Debt Service:					
Principal on Debt	0	0	0	0	220,000
Interest on Debt	0	0	0	0	38,000
Capital Projects	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	\$ 1,608,302	\$ 48,047	\$ 6,037	\$ 1,662,386	\$ 258,000

(Continued)

Exhibit G-2

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

	Special Revenue Funds			Total	Debt Service
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		Rural Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,255)	\$ (24,189)	\$ 0	\$ (31,444)	\$ 2,587
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	150,000	0	0	150,000	0
Transfers Out	(32,000)	0	0	(32,000)	0
Total Other Financing Sources (Uses)	\$ 118,000	\$ 0	\$ 0	\$ 118,000	\$ 0
Net Change in Fund Balances	\$ 110,745	\$ (24,189)	\$ 0	\$ 86,556	\$ 2,587
Fund Balance, July 1, 2020	245,932	358,743	0	604,675	251,164
Fund Balance, June 30, 2021	\$ 356,677	\$ 334,554	\$ 0	\$ 691,231	\$ 253,751

(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>	
	General Capital Projects	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	\$ 1,339,681	\$ 2,448,842
Licenses and Permits	144	280
Fines, Forfeitures, and Penalties	0	9,074
Charges for Current Services	0	111,573
Other Local Revenues	125,953	396,001
State of Tennessee	278,000	396,913
Federal Government	0	12,624
Other Governments and Citizens Groups	70,476	330,476
Total Revenues	<u>\$ 1,814,254</u>	<u>\$ 3,705,783</u>
<u>Expenditures</u>		
Current:		
Finance	\$ 0	\$ 128
Administration of Justice	0	5,909
Public Safety	0	48,047
Public Health and Welfare	0	1,608,302
Debt Service:		
Principal on Debt	127,039	347,039
Interest on Debt	0	38,000
Capital Projects	3,291,081	3,291,081
Capital Projects - Donated	7,222	7,222
Total Expenditures	<u>\$ 3,425,342</u>	<u>\$ 5,345,728</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>	<u>Total Nonmajor Governmental Funds</u>
	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,611,088)	\$ (1,639,945)
<u>Other Financing Sources (Uses)</u>		
Capital Leases Issued	\$ 644,866	\$ 644,866
Transfers In	17,400	167,400
Transfers Out	(750,000)	(782,000)
Total Other Financing Sources (Uses)	<u>\$ (87,734)</u>	<u>\$ 30,266</u>
Net Change in Fund Balances	\$ (1,698,822)	\$ (1,609,679)
Fund Balance, July 1, 2020	<u>10,713,542</u>	<u>11,569,381</u>
Fund Balance, June 30, 2021	<u>\$ 9,014,720</u>	<u>\$ 9,959,702</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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,109,161	\$ 0	\$ 0	\$ 1,109,161	\$ 1,073,260	\$ 1,073,260	\$ 35,901
Licenses and Permits	136	0	0	136	100	100	36
Charges for Current Services	105,536	0	0	105,536	92,000	92,000	13,536
Other Local Revenues	267,123	0	0	267,123	105,200	105,200	161,923
State of Tennessee	118,913	0	0	118,913	90,000	90,000	28,913
Federal Government	178	0	0	178	0	0	178
Total Revenues	\$ 1,601,047	\$ 0	\$ 0	\$ 1,601,047	\$ 1,360,560	\$ 1,360,560	\$ 240,487
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 1,385,753	\$ (6,419)	\$ 258	\$ 1,379,592	\$ 1,446,273	\$ 1,461,887	\$ 82,295
Other Waste Disposal	222,549	0	0	222,549	192,276	234,736	12,187
Total Expenditures	\$ 1,608,302	\$ (6,419)	\$ 258	\$ 1,602,141	\$ 1,638,549	\$ 1,696,623	\$ 94,482
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,255)	\$ 6,419	\$ (258)	\$ (1,094)	\$ (277,989)	\$ (336,063)	\$ 334,969
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0
Transfers Out	(32,000)	0	0	(32,000)	0	(32,000)	0
Total Other Financing Sources	\$ 118,000	\$ 0	\$ 0	\$ 118,000	\$ 150,000	\$ 118,000	\$ 0
Net Change in Fund Balance	\$ 110,745	\$ 6,419	\$ (258)	\$ 116,906	\$ (127,989)	\$ (218,063)	\$ 334,969
Fund Balance, July 1, 2020	245,932	(6,419)	0	239,513	244,085	244,085	(4,572)
Fund Balance, June 30, 2021	\$ 356,677	\$ 0	\$ (258)	\$ 356,419	\$ 116,096	\$ 26,022	\$ 330,397

Exhibit G-4

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,074	\$ 20,200	\$ 20,200	\$ (11,126)
Other Local Revenues	2,338	14,000	14,000	(11,662)
Federal Government	12,446	0	0	12,446
Total Revenues	<u>\$ 23,858</u>	<u>\$ 34,200</u>	<u>\$ 34,200</u>	<u>\$ (10,342)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 48,047	\$ 108,600	\$ 114,600	\$ 66,553
Total Expenditures	<u>\$ 48,047</u>	<u>\$ 108,600</u>	<u>\$ 114,600</u>	<u>\$ 66,553</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (24,189)</u>	<u>\$ (74,400)</u>	<u>\$ (80,400)</u>	<u>\$ 56,211</u>
Net Change in Fund Balance	\$ (24,189)	\$ (74,400)	\$ (80,400)	\$ 56,211
Fund Balance, July 1, 2020	358,743	410,568	410,568	(51,825)
Fund Balance, June 30, 2021	<u>\$ 334,554</u>	<u>\$ 336,168</u>	<u>\$ 330,168</u>	<u>\$ 4,386</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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 587	\$ 1,800	\$ 1,800	\$ (1,213)
Other Governments and Citizens Groups	260,000	0	260,000	0
Total Revenues	\$ 260,587	\$ 1,800	\$ 261,800	\$ (1,213)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 220,000	\$ 220,000	\$ 220,000	\$ 0
<u>Interest on Debt</u>				
Education	38,000	38,000	38,000	0
Total Expenditures	\$ 258,000	\$ 258,000	\$ 258,000	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,587	\$ (256,200)	\$ 3,800	\$ (1,213)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 260,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 260,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ 2,587	\$ 3,800	\$ 3,800	\$ (1,213)
Fund Balance, July 1, 2020	251,164	252,631	252,631	(1,467)
Fund Balance, June 30, 2021	\$ 253,751	\$ 256,431	\$ 256,431	\$ (2,680)

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,339,681	\$ 0	\$ 0	\$ 1,339,681	\$ 1,072,573	\$ 1,072,573	\$ 267,108
Licenses and Permits	144	0	0	144	75	75	69
Other Local Revenues	125,953	0	0	125,953	279,250	279,250	(153,297)
State of Tennessee	278,000	0	0	278,000	0	0	278,000
Other Governments and Citizens Groups	70,476	0	0	70,476	0	0	70,476
Total Revenues	\$ 1,814,254	\$ 0	\$ 0	\$ 1,814,254	\$ 1,351,898	\$ 1,351,898	\$ 462,356
<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	818,451	(314,149)	412,148	916,450	7,853,500	2,141,302	1,224,852
Public Safety Projects	1,319,018	(22,099)	162,563	1,459,482	0	3,921,025	2,461,543
Public Health and Welfare Projects	348,000	(348,000)	0	0	0	0	0
Social, Cultural, and Recreation Projects	687,599	(722,305)	35,705	999	0	2,309,000	2,308,001
Education Capital Projects	118,013	(633,085)	515,072	0	0	0	0
<u>Capital Projects - Donated</u>							
Capital Projects Donated to Other Entities	7,222	(16,509)	16,368	7,081	0	0	(7,081)
Total Expenditures	\$ 3,425,342	\$ (2,056,147)	\$ 1,141,856	\$ 2,511,051	\$ 7,853,500	\$ 8,498,366	\$ 5,987,315
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,611,088)	\$ 2,056,147	\$ (1,141,856)	\$ (696,797)	\$ (6,501,602)	\$ (7,146,468)	\$ 6,449,671
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 644,866	\$ 0	\$ 0	\$ 644,866	\$ 0	\$ 644,866	\$ 0
Transfers In	17,400	0	0	17,400	0	0	17,400
Transfers Out	(750,000)	0	0	(750,000)	(750,000)	(750,000)	0
Total Other Financing Sources	\$ (87,734)	\$ 0	\$ 0	\$ (87,734)	\$ (750,000)	\$ (105,134)	\$ 17,400

(Continued)

Exhibit G-6

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (1,698,822)	\$ 2,056,147	\$ (1,141,856)	\$ (784,531)	\$ (7,251,602)	\$ (7,251,602)	\$ 6,467,071
Fund Balance, July 1, 2020	10,713,542	(2,056,147)	0	8,657,395	7,316,731	7,316,731	1,340,664
Fund Balance, June 30, 2021	\$ 9,014,720	\$ 0	\$ (1,141,856)	\$ 7,872,864	\$ 65,129	\$ 65,129	\$ 7,807,735

Major Governmental Funds

Debt Service Funds

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

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

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.

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 13,918,160	\$ 13,573,280	\$ 13,573,280	\$ 344,880
Licenses and Permits	1,682	1,500	1,500	182
Other Local Revenues	52,251	164,000	164,000	(111,749)
Total Revenues	<u>\$ 13,972,093</u>	<u>\$ 13,738,780</u>	<u>\$ 13,738,780</u>	<u>\$ 233,313</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,395,000	\$ 3,624,490	\$ 1,395,010	\$ 10
Highways and Streets	246,560	80,987	246,565	5
Education	5,863,440	3,799,498	5,863,440	0
<u>Interest on Debt</u>				
General Government	1,114,543	1,099,714	1,114,544	1
Highways and Streets	30,150	78,873	30,153	3
Education	4,285,048	4,251,149	4,285,049	1
<u>Other Debt Service</u>				
General Government	274,156	279,540	279,490	5,334
Total Expenditures	<u>\$ 13,208,897</u>	<u>\$ 13,214,251</u>	<u>\$ 13,214,251</u>	<u>\$ 5,354</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 763,196</u>	<u>\$ 524,529</u>	<u>\$ 524,529</u>	<u>\$ 238,667</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 81,000	\$ 81,000	\$ 81,000	\$ 0
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources	<u>\$ (919,000)</u>	<u>\$ (919,000)</u>	<u>\$ (919,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (155,804)	\$ (394,471)	\$ (394,471)	\$ 238,667
Fund Balance, July 1, 2020	6,992,125	6,993,948	6,993,948	(1,823)
Fund Balance, June 30, 2021	<u>\$ 6,836,321</u>	<u>\$ 6,599,477</u>	<u>\$ 6,599,477</u>	<u>\$ 236,844</u>

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, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 6,054,562	\$ 0	\$ 6,054,562	\$ 6,077,900	\$ 6,077,900	\$ (23,338)
Licenses and Permits	671	0	671	425	425	246
Total Revenues	<u>\$ 6,055,233</u>	<u>\$ 0</u>	<u>\$ 6,055,233</u>	<u>\$ 6,078,325</u>	<u>\$ 6,078,325</u>	<u>\$ (23,092)</u>
<u>Expenditures</u>						
<u>Capital Projects</u>						
Education Capital Projects	\$ 2,002,366	\$ 608,723	\$ 2,611,089	\$ 4,722,500	\$ 5,140,718	\$ 2,529,629
<u>Capital Projects - Donated</u>						
Capital Projects Donated to School Department	639,827	0	639,827	1,096,000	677,782	37,955
Total Expenditures	<u>\$ 2,642,193</u>	<u>\$ 608,723</u>	<u>\$ 3,250,916</u>	<u>\$ 5,818,500</u>	<u>\$ 5,818,500</u>	<u>\$ 2,567,584</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,413,040</u>	<u>\$ (608,723)</u>	<u>\$ 2,804,317</u>	<u>\$ 259,825</u>	<u>\$ 259,825</u>	<u>\$ 2,544,492</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (250,000)	\$ 0	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ 0
Total Other Financing Sources	<u>\$ (250,000)</u>	<u>\$ 0</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 3,163,040	\$ (608,723)	\$ 2,554,317	\$ 9,825	\$ 9,825	\$ 2,544,492
Fund Balance, July 1, 2020	0	0	0	0	0	0
Fund Balance, June 30, 2021	<u>\$ 3,163,040</u>	<u>\$ (608,723)</u>	<u>\$ 2,554,317</u>	<u>\$ 9,825</u>	<u>\$ 9,825</u>	<u>\$ 2,544,492</u>

Custodial Funds

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

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

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, 2021

	Custodial Funds			
	Cities - Sales Tax	City School ADA - Johnson City	Constitu - tional Officers - Custodial	Other Custodial
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 6,061,193	\$ 0
Equity in Pooled Cash and Investments	0	1,865,751	0	18,766
Accounts Receivable	0	0	120,016	0
Due from Other Governments	5,272,629	3,083,046	0	0
Property Taxes Receivable	0	12,240,647	0	0
Allowance for Uncollectible Property Taxes	0	(150,841)	0	0
Total Assets	<u>\$ 5,272,629</u>	<u>\$ 17,038,603</u>	<u>\$ 6,181,209</u>	<u>\$ 18,766</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Taxing Units	5,272,629	4,964,983	0	0
Total Liabilities	<u>\$ 5,272,629</u>	<u>\$ 4,964,983</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 12,073,620	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 12,073,620</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 6,181,209	\$ 18,766
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,181,209</u>	<u>\$ 18,766</u>

(Continued)

Exhibit I-1

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

	<u>Custodial Funds (Cont.)</u>		
	<u>Judicial District Drug</u>	<u>District Attorney General</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 6,061,193
Equity in Pooled Cash and Investments	85,664	157,409	2,127,590
Accounts Receivable	2,167	0	122,183
Due from Other Governments	4,876	977	8,361,528
Property Taxes Receivable	0	0	12,240,647
Allowance for Uncollectible Property Taxes	0	0	(150,841)
Total Assets	<u>\$ 92,707</u>	<u>\$ 158,386</u>	<u>\$ 28,762,300</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,861	\$ 311	\$ 3,172
Due to Other Taxing Units	0	0	10,237,612
Total Liabilities	<u>\$ 2,861</u>	<u>\$ 311</u>	<u>\$ 10,240,784</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 12,073,620
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,073,620</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 89,846</u>	<u>\$ 158,075</u>	<u>\$ 6,447,896</u>
Total Net Position	<u>\$ 89,846</u>	<u>\$ 158,075</u>	<u>\$ 6,447,896</u>

Exhibit I-2

Washington County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	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	\$ 29,491,917	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,491,917
ADA - Educational Funds Collected for Cities	0	29,914,872	0	0	0	0	29,914,872
Fines/Fees and Other Collections	0	0	21,635,506	0	0	0	21,635,506
Drug Task Force Collections	0	0	0	0	68,757	0	68,757
District Attorney General Collections	0	0	0	0	0	34,307	34,307
Total Additions	\$ 29,491,917	\$ 29,914,872	\$ 21,635,506	\$ 0	\$ 68,757	\$ 34,307	\$ 81,145,359
<u>Deductions</u>							
Payment of Sales Tax Collections for Other Governments	\$ 29,491,917	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,491,917
Payments to City School System	0	29,914,872	0	0	0	0	29,914,872
Payments to State	0	0	17,972,269	0	0	0	17,972,269
Payments to Individuals and Others	0	0	4,536,907	0	0	0	4,536,907
Payment of Drug Task Force Expenses	0	0	0	0	64,999	0	64,999
Payment of District Attorney General Expenses	0	0	0	0	0	15,475	15,475
Total Deductions	\$ 29,491,917	\$ 29,914,872	\$ 22,509,176	\$ 0	\$ 64,999	\$ 15,475	\$ 81,996,439
Change in Net Position	\$ 0	\$ 0	\$ (873,670)	\$ 0	\$ 3,758	\$ 18,832	\$ (851,080)
Net Position July 1, 2020	0	0	0	0	0	0	0
Restatement - See Note I.D.11	0	0	7,054,879	18,766	86,088	139,243	7,298,976
Net Position June 30, 2021	\$ 0	\$ 0	\$ 6,181,209	\$ 18,766	\$ 89,846	\$ 158,075	\$ 6,447,896

Washington County School Department

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.

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, 2021

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	\$ 53,065,509	\$ 31,585	\$ 6,017,992	\$ 908,149	\$ (46,107,783)
Support Services	24,039,881	0	973,269	2,105,025	(20,961,587)
Operation of Non-instructional Services	5,798,201	1,330,036	4,579,724	0	111,559
Debt Service	260,000	0	0	0	(260,000)
Total Governmental Activities	\$ 83,163,591	\$ 1,361,621	\$ 11,570,985	\$ 3,013,174	\$ (67,217,811)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,617,417
Local Option Sales Taxes					19,215,519
Mixed Drink Tax					3,006
Business Tax					420,920
Grants and Contributions Not Restricted for Specific Programs					40,182,163
Unrestricted Investment Income					89,291
Miscellaneous					188,114
Gain on Investments					64,081
Total General Revenues					\$ 73,780,511
Change in Net Position					\$ 6,562,700
Net Position, July 1, 2020					105,502,442
Restatement - See Note I.D.11					1,697,565
Net Position, June 30, 2021					\$ 113,762,707

Exhibit J-2

Washington County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Washington County School Department
June 30, 2021

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	Funds	Funds	Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,714,144	\$ 1,714,144
Equity in Pooled Cash and Investments	13,958,359	2,676,382	16,634,741
Inventories	0	76,817	76,817
Due from Other Governments	4,467,858	827,814	5,295,672
Due from Other Funds	56,448	311	56,759
Property Taxes Receivable	13,792,204	0	13,792,204
Allowance for Uncollectible Property Taxes	(169,962)	0	(169,962)
Prepaid Items	575,333	27,905	603,238
Restricted Assets	397,340	0	397,340
Total Assets	<u>\$ 33,077,580</u>	<u>\$ 5,323,373</u>	<u>\$ 38,400,953</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 477,129	\$ 11,861	\$ 488,990
Accrued Payroll	726,593	395,261	1,121,854
Payroll Deductions Payable	2,063,779	108,821	2,172,600
Due to Other Funds	311	56,448	56,759
Other Current Liabilities	16,501	0	16,501
Total Liabilities	<u>\$ 3,284,313</u>	<u>\$ 572,391</u>	<u>\$ 3,856,704</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 13,407,919	\$ 0	\$ 13,407,919
Deferred Delinquent Property Taxes	196,088	0	196,088
Other Deferred/Unavailable Revenue	783,131	41,000	824,131
Total Deferred Inflows of Resources	<u>\$ 14,387,138</u>	<u>\$ 41,000</u>	<u>\$ 14,428,138</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 76,817	\$ 76,817
Prepaid Items	575,333	27,905	603,238
Restricted:			
Restricted for Education	27,353	3,598,854	3,626,207
Restricted for Hybrid Retirement Stabilization Funds	397,340	0	397,340
Committed:			
Committed for Education	0	1,075,000	1,075,000
Assigned:			
Assigned for Education	4,853,291	0	4,853,291
Unassigned	9,552,812	(68,594)	9,484,218
Total Fund Balances	<u>\$ 15,406,129</u>	<u>\$ 4,709,982</u>	<u>\$ 20,116,111</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,077,580</u>	<u>\$ 5,323,373</u>	<u>\$ 38,400,953</u>

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, 2021

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)		\$	20,116,111
(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		23,420	
Add: buildings and improvements net of accumulated depreciation		81,529,382	
Add: other capital assets net of accumulated depreciation		<u>6,558,669</u>	91,463,860
(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	\$	(206,771)	
Less: OPEB liability		(9,695,614)	
Less: retirement incentive payable		<u>(25,163)</u>	(9,927,548)
(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	\$	6,379,546	
Less: deferred inflows of resources related to pensions		(3,570,016)	
Add: deferred outflows of resources related to OPEB		2,578,120	
Less: deferred inflows of resources related to OPEB		<u>(744,860)</u>	4,642,790
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	335,464	
Add: net pension asset - teacher retirement plan		253,797	
Add: net pension asset - teacher legacy pension plan		<u>5,858,014</u>	6,447,275
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>1,020,219</u>
Net position of governmental activities (Exhibit A)			<u>\$ 113,762,707</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, 2021

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 33,699,384	\$ 0	\$ 33,699,384
Licenses and Permits	1,776	0	1,776
Charges for Current Services	1,278,432	81,761	1,360,193
Other Local Revenues	327,490	1,376,567	1,704,057
State of Tennessee	39,418,131	31,370	39,449,501
Federal Government	590,810	9,508,482	10,099,292
Other Governments and Citizens Groups	662,605	0	662,605
Total Revenues	<u>\$ 75,978,628</u>	<u>\$ 10,998,180</u>	<u>\$ 86,976,808</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 45,597,306	\$ 4,849,393	\$ 50,446,699
Support Services	23,360,099	1,360,773	24,720,872
Operation of Non-Instructional Services	1,514,383	4,257,342	5,771,725
Capital Outlay	0	5,784	5,784
Debt Service:			
Other Debt Service	260,000	0	260,000
Total Expenditures	<u>\$ 70,731,788</u>	<u>\$ 10,473,292</u>	<u>\$ 81,205,080</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,246,840</u>	<u>\$ 524,888</u>	<u>\$ 5,771,728</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 155,500	\$ 0	\$ 155,500
Transfers In	113,148	500,000	613,148
Transfers Out	(500,000)	(113,148)	(613,148)
Total Other Financing Sources (Uses)	<u>\$ (231,352)</u>	<u>\$ 386,852</u>	<u>\$ 155,500</u>
Net Change in Fund Balances	\$ 5,015,488	\$ 911,740	\$ 5,927,228
Restatement - See Note I.D.11.	0	1,697,565	1,697,565
Fund Balance, July 1, 2020	10,390,641	2,100,677	12,491,318
Fund Balance, June 30, 2021	<u>\$ 15,406,129</u>	<u>\$ 4,709,982</u>	<u>\$ 20,116,111</u>

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, 2021

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)		\$ 5,927,228
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 2,444,599	
Less: current-year depreciation expense	<u>(6,408,199)</u>	(3,963,600)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net assets.</p>		
Add: capital assets transferred from the primary government	\$ 1,913,440	
Less: book value of assets disposed	<u>(39,662)</u>	1,873,778
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 1,020,219	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(307,701)</u>	712,518
<p>(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.</p>		
Change in compensated absences payable	\$ 32,662	
Change in OPEB liability	(1,681,782)	
Change in retirement incentive payable	4,710	
Change in net pension assets/liability	(2,415,919)	
Change in deferred outflows related to pensions	359,141	
Change in deferred inflows related to pensions	4,620,374	
Change in deferred outflows related to OPEB	999,535	
Change in deferred inflows related to OPEB	<u>94,055</u>	<u>2,012,776</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,562,700</u>

Exhibit J-6

Washington County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Washington County School Department
June 30, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>ASSETS</u>				
Cash	\$ 0	\$ 50	\$ 1,714,094	\$ 1,714,144
Equity in Pooled Cash and Investments	866,313	1,810,069	0	2,676,382
Inventories	0	76,817	0	76,817
Due from Other Governments	665,761	162,053	0	827,814
Due from Other Funds	311	0	0	311
Prepaid Items	27,905	0	0	27,905
Total Assets	<u>\$ 1,560,290</u>	<u>\$ 2,048,989</u>	<u>\$ 1,714,094</u>	<u>\$ 5,323,373</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 11,861	\$ 0	\$ 11,861
Accrued Payroll	395,261	0	0	395,261
Payroll Deductions Payable	108,270	551	0	108,821
Due to Other Funds	56,448	0	0	56,448
Total Liabilities	<u>\$ 559,979</u>	<u>\$ 12,412</u>	<u>\$ 0</u>	<u>\$ 572,391</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 41,000	\$ 0	\$ 0	\$ 41,000
Total Deferred Inflows of Resources	<u>\$ 41,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,000</u>

(Continued)

Exhibit J-6

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

FUND BALANCES

Nonspendable:

Inventory

Prepaid Items

Restricted:

Restricted for Education

Committed:

Committed for Education

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
School Federal Projects	Central Cafeteria	Internal School		
\$ 0	\$ 76,817	\$ 0	\$ 76,817	
27,905	0	0	27,905	
0	1,884,760	1,714,094	3,598,854	
1,000,000	75,000	0	1,075,000	
(68,594)	0	0	(68,594)	
<u>\$ 959,311</u>	<u>\$ 2,036,577</u>	<u>\$ 1,714,094</u>	<u>\$ 4,709,982</u>	
<u>\$ 1,560,290</u>	<u>\$ 2,048,989</u>	<u>\$ 1,714,094</u>	<u>\$ 5,323,373</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, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 81,761	\$ 0	\$ 81,761
Other Local Revenues	0	0	1,376,567	1,376,567
State of Tennessee	0	31,370	0	31,370
Federal Government	6,384,307	3,124,175	0	9,508,482
Total Revenues	<u>\$ 6,384,307</u>	<u>\$ 3,237,306</u>	<u>\$ 1,376,567</u>	<u>\$ 10,998,180</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 4,849,393	\$ 0	\$ 0	\$ 4,849,393
Support Services	1,360,773	0	0	1,360,773
Operation of Non-Instructional Services	95,898	2,801,406	1,360,038	4,257,342
Capital Outlay	5,784	0	0	5,784
Total Expenditures	<u>\$ 6,311,848</u>	<u>\$ 2,801,406</u>	<u>\$ 1,360,038</u>	<u>\$ 10,473,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 72,459</u>	<u>\$ 435,900</u>	<u>\$ 16,529</u>	<u>\$ 524,888</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Transfers Out	(113,148)	0	0	(113,148)
Total Other Financing Sources (Uses)	<u>\$ 386,852</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 386,852</u>

(Continued)

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 (Cont.)

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
Net Change in Fund Balances	\$ 459,311	\$ 435,900	\$ 16,529	\$ 911,740
Restatement - See Note I.D.11	0	0	1,697,565	1,697,565
Fund Balance, July 1, 2020	500,000	1,600,677	0	2,100,677
Fund Balance, June 30, 2021	<u>\$ 959,311</u>	<u>\$ 2,036,577</u>	<u>\$ 1,714,094</u>	<u>\$ 4,709,982</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, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 33,699,384	\$ 0	\$ 33,699,384	\$ 30,083,112	\$ 30,083,112	\$ 3,616,272
Licenses and Permits	1,776	0	1,776	2,500	2,500	(724)
Charges for Current Services	1,278,432	0	1,278,432	624,000	624,000	654,432
Other Local Revenues	327,490	0	327,490	463,427	479,668	(152,178)
State of Tennessee	39,418,131	0	39,418,131	39,251,025	40,159,165	(741,034)
Federal Government	590,810	0	590,810	172,400	618,277	(27,467)
Other Governments and Citizens Groups	662,605	0	662,605	0	639,827	22,778
Total Revenues	\$ 75,978,628	\$ 0	\$ 75,978,628	\$ 70,596,464	\$ 72,606,549	\$ 3,372,079
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 38,274,144	\$ 0	\$ 38,274,144	\$ 40,173,115	\$ 39,996,113	\$ 1,721,969
Special Education Program	4,086,203	0	4,086,203	4,415,783	4,465,783	379,580
Career and Technical Education Program	2,642,456	0	2,642,456	2,644,662	2,782,662	140,206
Adult Education Program	0	0	0	12,555	12,555	12,555
COVID-19 Expenditures	594,503	0	594,503	0	594,503	0
<u>Support Services</u>						
Attendance	136,068	0	136,068	142,267	138,267	2,199
Health Services	868,517	0	868,517	836,095	875,857	7,340
Other Student Support	1,406,507	0	1,406,507	1,468,141	1,470,141	63,634
Regular Instruction Program	1,719,081	0	1,719,081	2,134,201	2,047,201	328,120
Special Education Program	972,581	0	972,581	1,066,619	1,067,619	95,038
Career and Technical Education Program	107,905	0	107,905	175,541	164,541	56,636
Technology	1,866,388	0	1,866,388	1,880,226	2,127,726	261,338
Other Programs	154,901	0	154,901	0	154,901	0

(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)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Board of Education	\$ 1,264,016	\$ 0	\$ 1,264,016	\$ 1,347,178	\$ 1,346,178	\$ 82,162
Director of Schools	704,734	0	704,734	656,061	710,535	5,801
Office of the Principal	3,901,287	0	3,901,287	3,963,282	4,063,282	161,995
Fiscal Services	400,062	0	400,062	408,578	433,578	33,516
Operation of Plant	4,412,504	0	4,412,504	5,000,095	5,030,195	617,691
Maintenance of Plant	2,366,371	477,429	2,843,800	2,023,610	2,906,710	62,910
Transportation	2,954,643	0	2,954,643	3,672,888	3,678,588	723,945
Central and Other	124,534	0	124,534	148,056	150,556	26,022
<u>Operation of Non-Instructional Services</u>						
Food Service	578,833	0	578,833	703,038	705,538	126,705
Community Services	611,876	0	611,876	593,385	705,610	93,734
Early Childhood Education	323,674	0	323,674	397,930	411,430	87,756
<u>Other Debt Service</u>						
Education	260,000	0	260,000	0	260,000	0
Total Expenditures	\$ 70,731,788	\$ 477,429	\$ 71,209,217	\$ 73,863,306	\$ 76,300,069	\$ 5,090,852
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 5,246,840	\$ (477,429)	\$ 4,769,411	\$ (3,266,842)	\$ (3,693,520)	\$ 8,462,931
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 155,500	\$ 0	\$ 155,500	\$ 31,906	\$ 173,510	\$ (18,010)
Transfers In	113,148	0	113,148	54,400	108,500	4,648
Transfers Out	(500,000)	0	(500,000)	(260,000)	(500,000)	0
Total Other Financing Sources	\$ (231,352)	\$ 0	\$ (231,352)	\$ (173,694)	\$ (217,990)	\$ (13,362)

(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)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 5,015,488	\$ (477,429)	\$ 4,538,059	\$ (3,440,536)	\$ (3,911,510)	\$ 8,449,569
Fund Balance, July 1, 2020	10,390,641	0	10,390,641	8,000,000	8,000,000	2,390,641
Fund Balance, June 30, 2021	\$ 15,406,129	\$ (477,429)	\$ 14,928,700	\$ 4,559,464	\$ 4,088,490	\$ 10,840,210

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, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 6,384,307	\$ 0	\$ 6,384,307	\$ 4,065,256	\$ 12,425,765	\$ (6,041,458)
Total Revenues	\$ 6,384,307	\$ 0	\$ 6,384,307	\$ 4,065,256	\$ 12,425,765	\$ (6,041,458)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,069,471	\$ 0	\$ 3,069,471	\$ 1,417,181	\$ 4,941,242	\$ 1,871,771
Alternative Instruction Program	54,479	0	54,479	44,651	55,414	935
Special Education Program	1,560,375	0	1,560,375	1,515,789	2,130,486	570,111
Career and Technical Education Program	165,068	0	165,068	83,347	172,997	7,929
<u>Support Services</u>						
Health Services	55,825	0	55,825	0	438,316	382,491
Other Student Support	84,988	0	84,988	131,202	105,255	20,267
Regular Instruction Program	482,187	0	482,187	436,569	704,913	222,726
Special Education Program	31,440	0	31,440	0	252,389	220,949
Technology	104,996	0	104,996	500	456,546	351,550
Maintenance of Plant	123,077	0	123,077	0	273,077	150,000
Transportation	478,260	0	478,260	384,734	620,984	142,724
<u>Operation of Non-Instructional Services</u>						
Food Service	95,898	0	95,898	0	95,898	0
<u>Capital Outlay</u>						
Regular Capital Outlay	5,784	720,137	725,921	0	1,214,511	488,590
Total Expenditures	\$ 6,311,848	\$ 720,137	\$ 7,031,985	\$ 4,013,973	\$ 11,462,028	\$ 4,430,043
Excess (Deficiency) of Revenues Over Expenditures	\$ 72,459	\$ (720,137)	\$ (647,678)	\$ 51,283	\$ 963,737	\$ (1,611,415)

(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)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 500,000	\$ 0	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Transfers Out	(113,148)	0	(113,148)	(44,943)	(963,737)	850,589
Total Other Financing Sources	<u>\$ 386,852</u>	<u>\$ 0</u>	<u>\$ 386,852</u>	<u>\$ (44,943)</u>	<u>\$ (463,737)</u>	<u>\$ 850,589</u>
Net Change in Fund Balance	\$ 459,311	\$ (720,137)	\$ (260,826)	\$ 6,340	\$ 500,000	\$ (760,826)
Fund Balance, July 1, 2020	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
Fund Balance, June 30, 2021	<u>\$ 959,311</u>	<u>\$ (720,137)</u>	<u>\$ 239,174</u>	<u>\$ 6,340</u>	<u>\$ 500,000</u>	<u>\$ (260,826)</u>

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 81,761	\$ 0	\$ 81,761	\$ 983,000	\$ 983,000	\$ (901,239)
State of Tennessee	31,370	0	31,370	26,000	26,000	5,370
Federal Government	3,124,175	0	3,124,175	2,231,306	2,231,306	892,869
Total Revenues	\$ 3,237,306	\$ 0	\$ 3,237,306	\$ 3,240,306	\$ 3,240,306	\$ (3,000)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,801,406	\$ (12,881)	\$ 2,788,525	\$ 3,239,776	\$ 3,442,876	\$ 654,351
Total Expenditures	\$ 2,801,406	\$ (12,881)	\$ 2,788,525	\$ 3,239,776	\$ 3,442,876	\$ 654,351
Excess (Deficiency) of Revenues Over Expenditures	\$ 435,900	\$ 12,881	\$ 448,781	\$ 530	\$ (202,570)	\$ 651,351
Net Change in Fund Balance	\$ 435,900	\$ 12,881	\$ 448,781	\$ 530	\$ (202,570)	\$ 651,351
Fund Balance, July 1, 2020	1,600,677	(12,881)	1,587,796	1,250,000	1,250,000	337,796
Fund Balance, June 30, 2021	\$ 2,036,577	\$ 0	\$ 2,036,577	\$ 1,250,530	\$ 1,047,430	\$ 989,147

MISCELLANEOUS SCHEDULES

Exhibit K-1

Washington County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, Capital Leases and Nonexchange Financial Guarantee
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued or Other Increases During Period	Paid and/or Matured During Period	Outstanding 6-30-21
<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	\$ 2,110,000	\$ 0	\$ 460,000	\$ 1,650,000
Total Payable through General Debt Service Fund					<u>\$ 2,110,000</u>	<u>\$ 0</u>	<u>\$ 460,000</u>	<u>\$ 1,650,000</u>
Total Notes Payable					<u>\$ 2,110,000</u>	<u>\$ 0</u>	<u>\$ 460,000</u>	<u>\$ 1,650,000</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	\$ 640,000	\$ 0	\$ 325,000	\$ 315,000
School Construction Refunding 2011	2,870,000	1.7 to 4	6-27-11	4-1-23	1,260,000	0	295,000	965,000
General Obligation School 2013	1,385,000	2 to 3.8	9-13-13	7-25-25	605,000	0	140,000	465,000
General Obligation Refunding, Series 2016A	115,970,000	2.88 to 4	7-13-16	6-1-37	112,895,000	0	3,030,000	109,865,000
General Obligation Refunding, Series 2016B	4,540,000	2	7-13-16	6-1-21	1,880,000	0	1,880,000	0
General Obligation Bonds, Series 2017A	15,535,000	2.88 to 5	6-30-17	6-1-37	14,960,000	0	605,000	14,355,000
General Obligation Bonds, Series 2017B	14,565,000	2.88 to 5	6-30-17	6-1-37	13,580,000	0	545,000	13,035,000
General Obligation Bonds, Series 2017C	1,850,000	2.3 to 5	6-30-17	6-1-25	1,215,000	0	225,000	990,000
Total Payable through General Debt Service Fund					<u>\$ 147,035,000</u>	<u>\$ 0</u>	<u>\$ 7,045,000</u>	<u>\$ 139,990,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural Schools 2013	2,630,000	2 to 3	9-13-13	6-30-26	\$ 1,415,000	\$ 0	\$ 220,000	\$ 1,195,000
Total Payable through Rural Debt Service Fund					<u>\$ 1,415,000</u>	<u>\$ 0</u>	<u>\$ 220,000</u>	<u>\$ 1,195,000</u>
Total Bonds Payable					<u>\$ 148,450,000</u>	<u>\$ 0</u>	<u>\$ 7,265,000</u>	<u>\$ 141,185,000</u>
<u>CAPITAL LEASE PAYABLE</u>								
<u>Payable through General Capital Projects Fund</u>								
Phone System	644,866	0	7-28-20	8-10-25	\$ 0	\$ 644,866	\$ 127,039	\$ 517,827
Total Payable through General Capital Projects Fund					<u>\$ 0</u>	<u>\$ 644,866</u>	<u>\$ 127,039</u>	<u>\$ 517,827</u>
Total Capital Lease Payable					<u>\$ 0</u>	<u>\$ 644,866</u>	<u>\$ 127,039</u>	<u>\$ 517,827</u>

(Continued)

Exhibit K-1

Washington County, Tennessee

Schedule of Changes in Long-term Notes, Bonds, Capital Leases, and Nonexchange Financial Guarantee (Cont.)

						Balance			Balance
						7-1-20	Additions	Reductions	6-30-21
<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	\$ 839,628	\$ 10,242	\$ 482,290	\$ 367,580
Total Payable through General Fund						\$ 839,628	\$ 10,242	\$ 482,290	\$ 367,580
Total Nonexchange Financial Guarantee						\$ 839,628	\$ 10,242	\$ 482,290	\$ 367,580

Exhibit K-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2022	\$ 127,039	\$ 0	\$ 127,039
2023	127,039	0	127,039
2024	127,038	0	127,038
2025	127,038	0	127,038
2026	9,673	0	9,673
Total	\$ 517,827	\$ 0	\$ 517,827

Year Ending June 30	Notes		
	Principal	Interest	Total
2022	\$ 475,000	\$ 39,638	\$ 514,638
2023	310,000	29,825	339,825
2024	315,000	21,225	336,225
2025	270,000	12,450	282,450
2026	280,000	4,200	284,200
Total	\$ 1,650,000	\$ 107,338	\$ 1,757,338

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 7,490,000	\$ 5,158,161	\$ 12,648,161
2023	7,740,000	4,854,687	12,594,687
2024	7,375,000	4,539,533	11,914,533
2025	7,670,000	4,237,543	11,907,543
2026	7,725,000	3,922,928	11,647,928
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

(Continued)

Exhibit K-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
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	<u>\$ 141,185,000</u>	<u>\$ 44,175,638</u>	<u>\$ 185,360,638</u>

Year Ending June 30	Nonexchange Financial Guarantee		
	Principal	Interest	Total

Principal and Interest Requirements
on Outstanding Aerospace Park Bonds:

2022	\$ 75,000	\$ 61,450	\$ 136,450
2023	75,000	58,075	133,075
2024	80,000	54,700	134,700
2025	85,000	51,100	136,100
2026	90,000	47,275	137,275
2027	90,000	44,575	134,575
2028	95,000	41,762	136,762
2029	95,000	38,675	133,675
2030	100,000	35,587	135,587
2031	105,000	32,338	137,338
2032	105,000	28,925	133,925
2033	110,000	25,381	135,381
2034	115,000	21,669	136,669
2035	120,000	17,644	137,644
2036	120,000	13,444	133,444
2037	125,000	9,244	134,244
2038	130,000	4,712	134,712
Total	<u>\$ 1,715,000</u>	<u>\$ 586,556</u>	<u>\$ 2,301,556</u>

(Continued)

Exhibit K-2

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

Calculation of Nonexchange Financial Guarantee Liability:

Principal Balance Above	\$	1,715,000
Add: Accrued Interest		10,242
Less: Funds Accumulated in Airport Authority's Escrow Account		<u>(1,357,662) *</u>
Washington County's Nonexchange Financial Guarantee Liability 6-30-21	\$	<u>367,580</u>

*Amounts in escrow will be used to make the required principal and interest payments when due.

Exhibit K-3

Washington County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Washington County School Department
For the Year Ended June 30, 2021

<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	150,000
"	General Capital Projects	Operations	17,400
Solid Waste/Sanitation	General Debt Service	Debt retirement	32,000
General Debt Service	General	Operations	1,000,000
General Capital Projects	"	"	750,000
Education Capital Projects	"	"	250,000
Total Transfers Primary Government			<u>\$ 2,248,400</u>
<u>DISCRETELY PRESENTED WASHINGTON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash Flow	\$ 500,000
School Federal Projects	General Purpose School	Indirect Costs	72,148
"	"	Operations	41,000
Total Transfers Discretely Presented Washington County School Department			<u>\$ 613,148</u>

Exhibit K-4

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, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond/ Insurance	Surety
County Mayor	Section 8-24-102, TCA	\$ 142,346 (1)	\$ 400,000	Local Government Property and Casualty Fund
Superintendent of Highways	Section 8-24-102, TCA	123,243 (2)	100,000	RLI Insurance Company
Director of Schools:				
William Flanary (7-1-20 through 4-1-21)	State Board of Education and County Board of Education	154,779 (3)	100,000	RLI Insurance Company
Jerry Boyd (4-1-21 through 6-30-21)	State Board of Education and County Board of Education	42,250 (4)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, TCA	101,854 (5)	4,072,699	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	101,854 (5)	400,000	Local Government Property and Casualty Fund
Director of Accounts and Budgets	County Commission	96,820	400,000	"
County Clerk	Section 8-24-102, TCA	101,854 (5)	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	112,039 (6)	400,000	"
Clerk and Master	Section 8-24-102, TCA	112,039 (6)	400,000	"
Register of Deeds	Section 8-24-102, TCA	101,854 (5)	400,000	"
Sheriff	Section 8-24-102, TCA	135,568 (7)	400,000	"
Purchasing Agent	County Commission	66,166	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	The Netherlands Insurance Company

- (1) Includes \$1,458 for amounts earned in 2019-2020 as result of change in 2020 census population.
(2) Includes \$1,262 for amounts earned in 2019-2020 as result of change in 2020 census population.
(3) Includes base salary of \$139,731 and vacation payout of \$15,048. Does not include career ladder supplements of \$5,000, travel allowance of \$4,800, retirement honorarium of \$2,150, or bonus of \$1,397.
(4) Includes base salary of \$35,000, moving allowance of \$5,000 and housing allowance of \$2,250. Does not include CEO supplement of \$500.
(5) Includes \$1,043 for amounts earned in 2019-2020 as result of change in 2020 census population.
(6) Includes \$1,147 for amounts earned in 2019-2020 as result of change in 2020 census population and \$10,081 for administration of multiple courts.
(7) Includes \$1,388 for amounts earned in 2019-2020 as result of change in 2020 census population, \$12,198 supplement as workhouse superintendent. Does not include law enforcement training supplement of \$800.

Exhibit K-5

Washington County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	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	\$ 22,451,644	\$ 1,005,310	\$ 0	\$ 0	\$ 0	\$ 4,691,394
Trustee's Collections - Prior Year	706,558	31,588	0	0	0	147,419
Trustee's Collections - Bankruptcy	2,709	107	0	0	0	570
Circuit Clerk/Clerk and Master Collections - Prior Years	171,596	7,683	0	0	0	35,856
Interest and Penalty	167,578	7,497	0	0	0	35,021
Payments in-Lieu-of Taxes - T.V.A.	1,827	82	0	0	0	382
Payments in-Lieu-of Taxes - Local Utilities	383,038	17,151	0	0	0	80,038
Payments in-Lieu-of Taxes - Other	5,434	243	0	0	0	22,687
<u>County Local Option Taxes</u>						
Local Option Sales Tax	19,379	0	0	0	0	0
Litigation Tax - General	124,416	0	0	0	0	0
Litigation Tax - Special Purpose	362	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	150,561	0	0	0	0	0
Business Tax	728,091	32,722	0	0	0	152,018
Mineral Severance Tax	0	0	0	0	0	20,354
<u>Statutory Local Taxes</u>						
Bank Excise Tax	151,384	6,778	0	0	0	31,633
Wholesale Beer Tax	373,188	0	0	0	0	0
Other Statutory Local Taxes	88,774	0	0	0	0	0
Total Local Taxes	\$ 25,526,539	\$ 1,109,161	\$ 0	\$ 0	\$ 0	\$ 5,217,372
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,046	\$ 136	\$ 0	\$ 0	\$ 0	\$ 637
Cable TV Franchise	516,463	0	0	0	0	0

(Continued)

Exhibit K-5

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>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 392,972	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	25,815	0	0	0	0	100
Total Licenses and Permits	\$ 938,296	\$ 136	\$ 0	\$ 0	\$ 0	\$ 737
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 19,661	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Criminal Court</u>						
Fines	5,294	0	0	0	0	0
Officers Costs	2,511	0	0	0	0	0
Drug Control Fines	0	0	3,305	0	0	0
Drug Court Fees	1,315	0	0	0	0	0
Jail Fees	17,506	0	0	0	0	0
DUI Treatment Fines	1,758	0	0	0	0	0
Data Entry Fee - Criminal Court	6,034	0	0	0	0	0
Courtroom Security Fee	24,473	0	0	0	0	0
Victims Assistance Assessments	5,810	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	54,282	0	0	0	0	0
Officers Costs	67,513	0	0	0	0	0
Game and Fish Fines	90	0	0	0	0	0
Drug Control Fines	0	0	5,769	0	0	0
Drug Court Fees	7,294	0	0	0	0	0
Jail Fees	101,047	0	0	0	0	0
DUI Treatment Fines	14,137	0	0	0	0	0

(Continued)

Exhibit K-5

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>						
Data Entry Fee - General Sessions Court	\$ 22,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	3,196	0	0	0	0	0
Victims Assistance Assessments	35,886	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	498	0	0	0	0	0
Officers Costs	2,087	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,439	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,195	0	0	0	0	0
Data Entry Fee - Chancery Court	5,340	0	0	0	0	0
Courtroom Security Fee	244	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 402,310	\$ 0	\$ 9,074	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 105,536	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	435	0	0	0	0	0
Other General Service Charges	84	0	0	0	0	0
<u>Fees</u>						
Copy Fees	1,311	0	0	0	0	0
Library Fees	1,331	0	0	0	0	0
Archives and Records Management Fee	266,977	0	0	0	0	0
Telephone Commissions	133,229	0	0	0	0	0
Electronic Citation Fee	1,916	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	6,037	0

(Continued)

Exhibit K-5

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>						
Data Processing Fee - Register	\$ 51,629	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	4,482	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,750	0	0	0	0	0
Data Processing Fee - County Clerk	18,117	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessi	10,000	0	0	0	0	0
Vehicle Registration Reinstatement Fees	6,182	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	90,000	0	0	0	0	0
Total Charges for Current Services	<u>\$ 595,443</u>	<u>\$ 105,536</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,037</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 99,804	\$ 1,291	\$ 2,238	\$ 190	\$ 0	\$ 39,409
Lease/Rentals	65,451	0	0	0	0	146,854
Sale of Materials and Supplies	0	0	0	0	0	3,341
Commissary Sales	72,632	0	0	0	0	0
Sale of Recycled Materials	0	263,938	0	0	0	0
Miscellaneous Refunds	46,313	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	5,028	1,352	0	0	0	66,672
Sale of Property	11,111	0	0	0	0	0
Damages Recovered from Individuals	5,592	0	0	0	0	4,370
Contributions and Gifts	25	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	961	542	100	0	0	60
Total Other Local Revenues	<u>\$ 306,917</u>	<u>\$ 267,123</u>	<u>\$ 2,338</u>	<u>\$ 190</u>	<u>\$ 0</u>	<u>\$ 260,706</u>

(Continued)

Exhibit K-5

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>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 1,520,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	534,341	0	0	0	0	0
General Sessions Court Clerk	904,240	0	0	0	0	0
Clerk and Master	454,921	0	0	0	0	0
Register	940,631	0	0	0	0	0
Sheriff	27,891	0	0	0	0	0
Trustee	2,407,438	0	0	0	0	0
Total Fees Received From County Officials	\$ 6,790,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	72,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	803,768	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	126,076
Litter Program	83,234	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	159,683	0	0	0	0	0
Beer Tax	18,369	0	0	0	0	0
Vehicle Certificate of Title Fees	18,886	0	0	0	0	0
Alcoholic Beverage Tax	176,001	0	0	0	0	0
State Revenue Sharing - Telecommunications	257,784	0	0	0	0	0

(Continued)

Exhibit K-5

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>Other State Revenues (Cont.)</u>						
State Shared Sports Gaming Privilege Tax	\$ 32,726	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	1,336,257	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	3,215,159
Petroleum Special Tax	0	0	0	0	0	88,735
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	29,202	0	0	0	0	0
Other State Revenues	2,623,091	118,913	0	0	0	0
Total State of Tennessee	\$ 5,640,870	\$ 118,913	\$ 0	\$ 0	\$ 0	\$ 3,429,970
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 62,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	45,336	0	0	0	0	0
Law Enforcement Grants	3,366	0	0	0	0	0
COVID-19 Grant #1	35,914	178	0	0	0	3,997
COVID-19 Grant #3	3,686	0	0	0	0	0
COVID-19 Grant #4	1,929,105	0	0	0	0	0
COVID-19 Grant A	59,390	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	14,002	0	12,446	0	0	0
Other Direct Federal Revenue	1,131,724	0	0	0	0	0
Total Federal Government	\$ 3,285,023	\$ 178	\$ 12,446	\$ 0	\$ 0	\$ 3,997

(Continued)

Exhibit K-5

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	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,820
Contributions	13,500	0	0	0	0	0
Contracted Services	142,599	0	0	0	0	0
<u>Other</u>						
Other	145,586	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 301,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,820</u>
Total	<u>\$ 43,787,090</u>	<u>\$ 1,601,047</u>	<u>\$ 23,858</u>	<u>\$ 190</u>	<u>\$ 6,037</u>	<u>\$ 8,950,602</u>

(Continued)

Exhibit K-5

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	\$ 12,398,689	\$ 0	\$ 976,740	\$ 5,725,338	\$ 47,249,115
Trustee's Collections - Prior Year	389,605	0	210,558	0	1,485,728
Trustee's Collections - Bankruptcy	1,366	0	898	0	5,650
Circuit Clerk/Clerk and Master Collections - Prior Years	94,762	0	51,223	0	361,120
Interest and Penalty	92,486	0	43,003	7,041	352,626
Payments in-Lieu-of Taxes - T.V.A.	1,009	0	82	464	3,846
Payments in-Lieu-of Taxes - Local Utilities	211,528	0	17,151	97,189	806,095
Payments in-Lieu-of Taxes - Other	3,001	0	647	1,379	33,391
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	19,379
Litigation Tax - General	0	0	0	0	124,416
Litigation Tax - Special Purpose	0	0	0	0	362
Litigation Tax - Jail, Workhouse, or Courthouse	240,034	0	0	0	240,034
Litigation Tax - Courthouse Security	0	0	0	0	150,561
Business Tax	402,080	0	32,601	184,740	1,532,252
Mineral Severance Tax	0	0	0	0	20,354
<u>Statutory Local Taxes</u>					
Bank Excise Tax	83,600	0	6,778	38,411	318,584
Wholesale Beer Tax	0	0	0	0	373,188
Other Statutory Local Taxes	0	0	0	0	88,774
Total Local Taxes	\$ 13,918,160	\$ 0	\$ 1,339,681	\$ 6,054,562	\$ 53,165,475
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,682	\$ 0	\$ 144	\$ 671	\$ 6,316
Cable TV Franchise	0	0	0	0	516,463

(Continued)

Exhibit K-5

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	392,972
Other Permits	0	0	0	0	25,915
Total Licenses and Permits	\$ 1,682	\$ 0	\$ 144	\$ 671	\$ 941,666
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	19,661
<u>Criminal Court</u>					
Fines	0	0	0	0	5,294
Officers Costs	0	0	0	0	2,511
Drug Control Fines	0	0	0	0	3,305
Drug Court Fees	0	0	0	0	1,315
Jail Fees	0	0	0	0	17,506
DUI Treatment Fines	0	0	0	0	1,758
Data Entry Fee - Criminal Court	0	0	0	0	6,034
Courtroom Security Fee	0	0	0	0	24,473
Victims Assistance Assessments	0	0	0	0	5,810
<u>General Sessions Court</u>					
Fines	0	0	0	0	54,282
Officers Costs	0	0	0	0	67,513
Game and Fish Fines	0	0	0	0	90
Drug Control Fines	0	0	0	0	5,769
Drug Court Fees	0	0	0	0	7,294
Jail Fees	0	0	0	0	101,047
DUI Treatment Fines	0	0	0	0	14,137

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	22,700
Courtroom Security Fee	0	0	0	0	3,196
Victims Assistance Assessments	0	0	0	0	35,886
<u>Juvenile Court</u>					
Fines	0	0	0	0	498
Officers Costs	0	0	0	0	2,087
Data Entry Fee - Juvenile Court	0	0	0	0	1,439
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	2,195
Data Entry Fee - Chancery Court	0	0	0	0	5,340
Courtroom Security Fee	0	0	0	0	244
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	411,384
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	105,536
Work Release Charges for Board	0	0	0	0	435
Other General Service Charges	0	0	0	0	84
<u>Fees</u>					
Copy Fees	0	0	0	0	1,311
Library Fees	0	0	0	0	1,331
Archives and Records Management Fee	0	0	0	0	266,977
Telephone Commissions	0	0	0	0	133,229
Electronic Citation Fee	0	0	0	0	1,916
Constitutional Officers' Fees and Commissions	0	0	0	0	6,037

(Continued)

Exhibit K-5

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>					
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	51,629
Data Processing Fee - Sheriff	0	0	0	0	4,482
Sexual Offender Registration Fee - Sheriff	0	0	0	0	9,750
Data Processing Fee - County Clerk	0	0	0	0	18,117
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	10,000
Vehicle Registration Reinstatement Fees	0	0	0	0	6,182
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	90,000
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	707,016
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 52,251	\$ 587	\$ 72,703	\$ 0	268,473
Lease/Rentals	0	0	53,250	0	265,555
Sale of Materials and Supplies	0	0	0	0	3,341
Commissary Sales	0	0	0	0	72,632
Sale of Recycled Materials	0	0	0	0	263,938
Miscellaneous Refunds	0	0	0	0	46,313
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	73,052
Sale of Property	0	0	0	0	11,111
Damages Recovered from Individuals	0	0	0	0	9,962
Contributions and Gifts	0	0	0	0	25
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	1,663
Total Other Local Revenues	\$ 52,251	\$ 587	\$ 125,953	\$ 0	1,016,065

(Continued)

Exhibit K-5

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>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	1,520,545
Circuit Court Clerk	0	0	0	0	534,341
General Sessions Court Clerk	0	0	0	0	904,240
Clerk and Master	0	0	0	0	454,921
Register	0	0	0	0	940,631
Sheriff	0	0	0	0	27,891
Trustee	0	0	0	0	2,407,438
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	6,790,007
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	13,905
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	72,800
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	278,000	0	1,081,768
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	126,076
Litter Program	0	0	0	0	83,234
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	159,683
Beer Tax	0	0	0	0	18,369
Vehicle Certificate of Title Fees	0	0	0	0	18,886
Alcoholic Beverage Tax	0	0	0	0	176,001
State Revenue Sharing - Telecommunications	0	0	0	0	257,784

(Continued)

Exhibit K-5

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>Other State Revenues (Cont.)</u>					
State Shared Sports Gaming Privilege Tax	\$ 0	\$ 0	\$ 0	\$ 0	32,726
Contracted Prisoner Boarding	0	0	0	0	1,336,257
Gasoline and Motor Fuel Tax	0	0	0	0	3,215,159
Petroleum Special Tax	0	0	0	0	88,735
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	29,202
Other State Revenues	0	0	0	0	2,742,004
Total State of Tennessee	\$ 0	\$ 0	\$ 278,000	\$ 0	\$ 9,467,753
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	62,500
Homeland Security Grants	0	0	0	0	45,336
Law Enforcement Grants	0	0	0	0	3,366
COVID-19 Grant #1	0	0	0	0	40,089
COVID-19 Grant #3	0	0	0	0	3,686
COVID-19 Grant #4	0	0	0	0	1,929,105
COVID-19 Grant A	0	0	0	0	59,390
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	0	0	0	0	26,448
Other Direct Federal Revenue	0	0	0	0	1,131,724
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,301,644

(Continued)

Exhibit K-5

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 Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	37,820
Contributions	0	260,000	70,476	0	343,976
Contracted Services	0	0	0	0	142,599
<u>Other</u>					
Other	0	0	0	0	145,586
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 260,000</u>	<u>\$ 70,476</u>	<u>\$ 0</u>	<u>669,981</u>
Total	<u>\$ 13,972,093</u>	<u>\$ 260,587</u>	<u>\$ 1,814,254</u>	<u>\$ 6,055,233</u>	<u>\$ 76,470,991</u>

Exhibit K-6

Washington County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Washington County School Department
For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 13,138,011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,138,011
Trustee's Collections - Prior Year	412,796	0	0	0	0	412,796
Trustee's Collections - Bankruptcy	1,602	0	0	0	0	1,602
Circuit Clerk/Clerk and Master Collections - Prior Years	89,037	0	0	0	0	89,037
Interest and Penalty	87,584	0	0	0	0	87,584
Payments in-Lieu-of Taxes - T.V.A.	2,018	0	0	0	0	2,018
Payments in-Lieu-of Taxes - Local Utilities	224,135	0	0	0	0	224,135
Payments in-Lieu-of Taxes - Other	17,594	0	0	0	0	17,594
<u>County Local Option Taxes</u>						
Local Option Sales Tax	19,215,519	0	0	0	0	19,215,519
Business Tax	420,920	0	0	0	0	420,920
Mixed Drink Tax	3,006	0	0	0	0	3,006
<u>Statutory Local Taxes</u>						
Bank Excise Tax	87,162	0	0	0	0	87,162
Total Local Taxes	<u>\$ 33,699,384</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,699,384</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,776	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,776
Total Licenses and Permits	<u>\$ 1,776</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,776</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 31,585	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,585

(Continued)

Exhibit K-6

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>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 58,289	\$ 0	\$ 0	\$ 58,289
Lunch Payments - Adults	0	0	1,114	0	0	1,114
Income from Breakfast	0	0	3,182	0	0	3,182
A la Carte Sales	0	0	16,360	0	0	16,360
Community Service Fees - Children	1,237,926	0	0	0	0	1,237,926
Other Charges for Services	8,921	0	2,816	0	0	11,737
Total Charges for Current Services	\$ 1,278,432	\$ 0	\$ 81,761	\$ 0	\$ 0	\$ 1,360,193
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 153,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 153,372
Lease/Rentals	540	0	0	0	0	540
Sale of Materials and Supplies	888	0	0	0	0	888
<u>Nonrecurring Items</u>						
Sale of Equipment	25,152	0	0	0	0	25,152
Damages Recovered from Individuals	50,789	0	0	0	0	50,789
Contributions and Gifts	10,074	0	0	0	0	10,074
<u>Other Local Revenues</u>						
Other Local Revenues	86,675	0	0	1,376,567	0	1,463,242
Total Other Local Revenues	\$ 327,490	\$ 0	\$ 0	\$ 1,376,567	\$ 0	\$ 1,704,057
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 154,901	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,901

(Continued)

Exhibit K-6

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	\$ 36,874,960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,874,960
Early Childhood Education	163,988	0	0	0	0	163,988
Driver Education	30,453	0	0	0	0	30,453
Other State Education Funds	156,000	0	0	0	0	156,000
Career Ladder Program	120,679	0	0	0	0	120,679
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,188,742	0	0	0	0	1,188,742
Other State Grants	579,782	0	0	0	0	579,782
Other State Revenues	148,626	0	31,370	0	0	179,996
Total State of Tennessee	<u>\$ 39,418,131</u>	<u>\$ 0</u>	<u>\$ 31,370</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,449,501</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,941,642	\$ 0	\$ 0	\$ 1,941,642
USDA - Commodities	0	0	233,422	0	0	233,422
Breakfast	0	0	883,527	0	0	883,527
USDA - Other	0	0	65,584	0	0	65,584
Vocational Education - Basic Grants to States	0	174,251	0	0	0	174,251
Title I Grants to Local Education Agencies	0	1,734,715	0	0	0	1,734,715
Special Education - Grants to States	0	1,838,257	0	0	0	1,838,257
Special Education Preschool Grants	0	36,563	0	0	0	36,563
English Language Acquisition Grants	3,500	0	0	0	0	3,500
Eisenhower Professional Development State Grants	0	254,277	0	0	0	254,277
COVID-19 Grant #1	0	710,309	0	0	0	710,309

(Continued)

Exhibit K-6

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>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
COVID-19 Grant #2	\$ 0	\$ 99,999	\$ 0	\$ 0	\$ 0	\$ 99,999
COVID-19 Grant #4	0	262,538	0	0	0	262,538
COVID-19 Grant B	0	1,147,082	0	0	0	1,147,082
COVID-19 Grant C	18,209	0	0	0	0	18,209
COVID-19 Grant E	445,877	0	0	0	0	445,877
Other Federal through State	0	126,316	0	0	0	126,316
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	123,224	0	0	0	0	123,224
Total Federal Government	<u>\$ 590,810</u>	<u>\$ 6,384,307</u>	<u>\$ 3,124,175</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,099,292</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 639,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 639,827
<u>Citizens Groups</u>						
Donations	22,778	0	0	0	0	22,778
Total Other Governments and Citizens Groups	<u>\$ 662,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 662,605</u>
Total	<u>\$ 75,978,628</u>	<u>\$ 6,384,307</u>	<u>\$ 3,237,306</u>	<u>\$ 1,376,567</u>	<u>\$ 0</u>	<u>\$ 86,976,808</u>

Exhibit K-7

Washington County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	66,375	
Other Per Diem and Fees		1,200	
Social Security		4,190	
Pensions		3,575	
Employer Medicare		980	
Contracts with Private Agencies		2,529	
Dues and Memberships		5,916	
Maintenance Agreements		5,425	
Rentals		95	
Travel		2,202	
Tuition		1,500	
Office Supplies		230	
Other Charges		170	
Other Capital Outlay		9,756	
Total County Commission			\$ 104,143

Board of Equalization

Board and Committee Members Fees	\$	3,600	
Total Board of Equalization			3,600

County Mayor/Executive

County Official/Administrative Officer	\$	142,346	
Assistant(s)		55,600	
Social Security		12,450	
Pensions		19,023	
Employee and Dependent Insurance		21,114	
Employer Medicare		2,819	
Other Fringe Benefits		6,600	
Communication		552	
Contracts with Private Agencies		300	
Dues and Memberships		2,572	
Maintenance Agreements		2,733	
Postal Charges		35	
Rentals		3,407	
Travel		828	
Tuition		300	
Other Contracted Services		140	
Duplicating Supplies		116	
Office Supplies		207	
Other Charges		713	
Total County Mayor/Executive			271,855

County Attorney

Supervisor/Director	\$	155,888	
Paraprofessionals		49,752	
Social Security		12,328	
Pensions		19,762	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Employee and Dependent Insurance	\$	21,114	
Employer Medicare		2,883	
Contracts with Private Agencies		26	
Dues and Memberships		1,171	
Legal Services		10,080	
Legal Notices, Recording, and Court Costs		96	
Licenses		348	
Maintenance Agreements		396	
Postal Charges		162	
Printing, Stationery, and Forms		165	
Rentals		168	
Tuition		125	
Office Supplies		1,390	
Periodicals		5,154	
Total County Attorney			\$ 281,008

Election Commission

County Official/Administrative Officer	\$	91,669	
Deputy(ies)		167,389	
Part-time Personnel		131,909	
Election Commission		20,500	
Election Workers		71,135	
Social Security		24,725	
Pensions		22,982	
Employee and Dependent Insurance		64,822	
Employer Medicare		5,719	
Communication		111	
Contracts with Private Agencies		2,586	
Data Processing Services		14,214	
Legal Notices, Recording, and Court Costs		7,830	
Maintenance Agreements		23,442	
Printing, Stationery, and Forms		21,348	
Internet Connectivity		915	
Rentals		76,169	
Travel		1,294	
Other Contracted Services		17,150	
Data Processing Supplies		5,292	
Duplicating Supplies		639	
Electricity		6,320	
Natural Gas		963	
Office Supplies		4,388	
Water and Sewer		622	
Liability Insurance		10,215	
Data Processing Equipment		4,337	
Total Election Commission			798,685

(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	\$	101,854	
Deputy(ies)		257,608	
Part-time Personnel		13,312	
Social Security		21,547	
Pensions		34,544	
Employee and Dependent Insurance		86,994	
Employer Medicare		4,944	
Other Fringe Benefits		54	
Communication		227	
Contracts with Private Agencies		186	
Dues and Memberships		973	
Maintenance Agreements		18,892	
Postal Charges		1,309	
Rentals		2,020	
Travel		967	
Data Processing Supplies		6,479	
Duplicating Supplies		945	
Office Supplies		9,247	
Total Register of Deeds			\$ 562,102

Planning

Assistant(s)	\$	84,017	
Supervisor/Director		64,935	
Board and Committee Members Fees		3,936	
Social Security		9,120	
Pensions		14,306	
Employee and Dependent Insurance		18,954	
Employer Medicare		2,133	
Dues and Memberships		582	
Legal Notices, Recording, and Court Costs		1,121	
Maintenance Agreements		9,750	
Tuition		450	
Total Planning			209,304

Codes Compliance

Assistant(s)	\$	32,350	
Supervisor/Director		60,571	
Other Salaries and Wages		89,653	
Social Security		10,580	
Pensions		17,545	
Employee and Dependent Insurance		54,054	
Employer Medicare		2,474	
Communication		4,044	
Contracts with Private Agencies		322	
Dues and Memberships		1,262	
Licenses		72	
Maintenance Agreements		9,561	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Maintenance and Repair Services - Vehicles	\$	111	
Rentals		5,413	
Travel		454	
Tuition		388	
Data Processing Supplies		1,511	
Duplicating Supplies		548	
Gasoline		6,507	
Office Supplies		4,206	
Uniforms		958	
Vehicle Parts		383	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		1,711	
Hazardous Waste Cleanup		13,770	
Data Processing Equipment		8,756	
Furniture and Fixtures		9,176	
Motor Vehicles		32,844	
Total Codes Compliance			\$ 369,324

County Buildings

Maintenance Agreements	\$	47,736	
Maintenance and Repair Services - Buildings		22,254	
Maintenance and Repair Services - Equipment		7,100	
Pest Control		2,115	
Rentals		5,783	
Permits		175	
Custodial Supplies		19,753	
Electricity		190,573	
Equipment and Machinery Parts		6	
Natural Gas		26,332	
Water and Sewer		8,532	
Other Supplies and Materials		177	
Building and Contents Insurance		55,585	
Total County Buildings			386,121

Other General Administration

Custodial Personnel	\$	56,322	
Part-time Personnel		13,751	
Other Salaries and Wages		96,637	
Social Security		8,739	
Pensions		14,696	
Employee and Dependent Insurance		52,398	
Employer Medicare		2,248	
Audit Services		53,862	
Communication		37,928	
Consultants		7,371	
Contracts with Private Agencies		12,464	
Dues and Memberships		2,780	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Legal Notices, Recording, and Court Costs	\$	5,567	
Licenses		123	
Maintenance Agreements		75,648	
Postal Charges		185	
Internet Connectivity		22,121	
Rentals		1,752	
Travel		1,358	
Data Processing Supplies		59	
Food Supplies		81	
Office Supplies		997	
Software		789	
Other Supplies and Materials		1,456	
Liability Insurance		72,028	
Premiums on Corporate Surety Bonds		50	
Trustee's Commission		544,712	
Workers' Compensation Insurance		266,508	
Liability Claims		750	
Fines, Assessments, and Penalties		53	
Tax Relief Program		308,729	
Other Charges		21,053	
Heating and Air Conditioning Equipment		400	
Total Other General Administration			\$ 1,683,615

Preservation of Records

Assistant(s)	\$	30,471	
Supervisor/Director		65,016	
Part-time Personnel		9,336	
Social Security		6,262	
Pensions		9,176	
Employee and Dependent Insurance		18,954	
Employer Medicare		1,465	
Maintenance Agreements		1,270	
Maintenance and Repair Services - Buildings		2,364	
Pest Control		361	
Postal Charges		25	
Internet Connectivity		1,043	
Custodial Supplies		110	
Electricity		11,490	
Office Supplies		13,279	
Water and Sewer		608	
Building and Contents Insurance		140	
Total Preservation of Records			171,370

Finance

Accounting and Budgeting

Supervisor/Director	\$	96,820	
Accountants/Bookkeepers		187,068	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Part-time Personnel	\$	15,360	
Social Security		16,593	
Pensions		27,001	
Employee and Dependent Insurance		81,562	
Employer Medicare		4,110	
Other Fringe Benefits		168	
Communication		1,445	
Data Processing Services		27,291	
Dues and Memberships		285	
Maintenance Agreements		5,266	
Maintenance and Repair Services - Office Equipment		887	
Internet Connectivity		68	
Tuition		2,789	
Data Processing Supplies		2,083	
Duplicating Supplies		464	
Office Supplies		1,857	
Data Processing Equipment		1,851	
Furniture and Fixtures		1,340	
Total Accounting and Budgeting			\$ 474,308

Purchasing

Supervisor/Director	\$	66,166	
Purchasing Personnel		76,412	
Social Security		8,399	
Pensions		13,702	
Employee and Dependent Insurance		33,210	
Employer Medicare		1,964	
Communication		989	
Legal Notices, Recording, and Court Costs		3,227	
Maintenance Agreements		476	
Duplicating Supplies		399	
Office Supplies		801	
Data Processing Equipment		679	
Total Purchasing			206,424

Property Assessor's Office

County Official/Administrative Officer	\$	101,854	
Deputy(ies)		67,440	
Other Salaries and Wages		38,750	
Social Security		12,592	
Pensions		19,985	
Employee and Dependent Insurance		32,940	
Employer Medicare		2,849	
Contracts with Private Agencies		612	
Data Processing Services		32,798	
Dues and Memberships		3,310	
Legal Notices, Recording, and Court Costs		201	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Licenses	\$	25	
Maintenance Agreements		3,745	
Postal Charges		1,000	
Rentals		1,015	
Tuition		675	
Data Processing Supplies		505	
Duplicating Supplies		431	
Food Supplies		414	
Gasoline		1,187	
Office Supplies		936	
Periodicals		656	
Other Supplies and Materials		274	
Premiums on Corporate Surety Bonds		50	
Data Processing Equipment		507	
Total Property Assessor's Office			\$ 324,751

Reappraisal Program

Deputy(ies)	\$	255,651	
Other Salaries and Wages		75,863	
Social Security		19,462	
Pensions		31,858	
Employee and Dependent Insurance		99,090	
Employer Medicare		4,552	
Other Fringe Benefits		438	
Accounting Services		40,800	
Data Processing Services		11,675	
Maintenance Agreements		572	
Maintenance and Repair Services - Vehicles		223	
Postal Charges		5,977	
Printing, Stationery, and Forms		1,194	
Data Processing Supplies		6,185	
Duplicating Supplies		374	
Gasoline		3,521	
Office Supplies		4,542	
Vehicle Parts		220	
Vehicle and Equipment Insurance		2,730	
Fines, Assessments, and Penalties		193	
Data Processing Equipment		3,158	
Total Reappraisal Program			568,278

County Trustee's Office

County Official/Administrative Officer	\$	101,854	
Deputy(ies)		172,303	
Salary Supplements		3,500	
Temporary Personnel		42,366	
Social Security		18,895	
Pensions		26,683	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Employee and Dependent Insurance	\$	55,944	
Employer Medicare		4,323	
Communication		1,501	
Contracts with Private Agencies		148	
Data Processing Services		23,850	
Dues and Memberships		1,053	
Legal Notices, Recording, and Court Costs		507	
Maintenance Agreements		27,431	
Internet Connectivity		458	
Rentals		28,146	
Travel		2,009	
Tuition		70	
Duplicating Supplies		290	
Electricity		1,415	
Natural Gas		663	
Office Supplies		3,412	
Data Processing Equipment		458	
Office Equipment		405	
Total County Trustee's Office			\$ 517,684

County Clerk's Office

County Official/Administrative Officer	\$	101,854	
Deputy(ies)		507,812	
Social Security		35,202	
Pensions		57,071	
Employee and Dependent Insurance		204,129	
Employer Medicare		8,137	
Other Fringe Benefits		363	
Communication		287	
Contracts with Private Agencies		756	
Dues and Memberships		988	
Maintenance Agreements		32,171	
Maintenance and Repair Services - Buildings		160	
Postal Charges		40,662	
Printing, Stationery, and Forms		323	
Internet Connectivity		2,430	
Rentals		30,338	
Travel		2,144	
Data Processing Supplies		4,750	
Duplicating Supplies		3,157	
Electricity		1,415	
Natural Gas		663	
Office Supplies		4,699	
Fines, Assessments, and Penalties		10	
Total County Clerk's Office			1,039,521

(Continued)

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	112,039	
Deputy(ies)		1,212,743	
Part-time Personnel		13,899	
Overtime Pay		8,207	
Social Security		78,537	
Pensions		112,662	
Employee and Dependent Insurance		441,639	
Employer Medicare		18,262	
Other Fringe Benefits		270	
Communication		1,172	
Contracts with Private Agencies		356	
Dues and Memberships		1,013	
Maintenance Agreements		64,226	
Printing, Stationery, and Forms		2,842	
Rentals		6,006	
Travel		355	
Data Processing Supplies		6,051	
Duplicating Supplies		2,609	
Office Supplies		13,276	
Periodicals		585	
Data Processing Equipment		21,163	
Furniture and Fixtures		1,878	
Total Circuit Court			\$ 2,119,790

General Sessions Judge

Judge(s)	\$	529,084	
Part-time Personnel		8,822	
Social Security		28,577	
Pensions		50,845	
Employee and Dependent Insurance		50,990	
Employer Medicare		7,661	
Dues and Memberships		1,345	
Licenses		992	
Maintenance and Repair Services - Office Equipment		1,591	
Office Supplies		265	
Periodicals		485	
Data Processing Equipment		744	
Total General Sessions Judge			681,401

Drug Court

Contracts with Private Agencies	\$	15,000	
Total Drug Court			15,000

Chancery Court

County Official/Administrative Officer	\$	112,039	
Deputy(ies)		359,639	
Part-time Personnel		1,895	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	28,198	
Pensions		45,329	
Employee and Dependent Insurance		115,236	
Employer Medicare		6,489	
Communication		522	
Contracts with Private Agencies		173	
Dues and Memberships		1,013	
Legal Notices, Recording, and Court Costs		39,137	
Licenses		579	
Maintenance Agreements		54,103	
Postal Charges		2,500	
Rentals		4,014	
Duplicating Supplies		870	
Office Supplies		7,486	
Periodicals		1,555	
Total Chancery Court			\$ 780,777

District Attorney General

Contracts with Government Agencies	\$	69,882	
Legal Services		87,000	
Total District Attorney General			156,882

Other Administration of Justice

Part-time Personnel	\$	29,998	
Jury and Witness Expense		7,134	
Other Per Diem and Fees		2,205	
Social Security		1,729	
Employee and Dependent Insurance		18,954	
Employer Medicare		404	
Evaluation and Testing		3,209	
Legal Notices, Recording, and Court Costs		81,106	
Food Preparation Supplies		203	
Food Supplies		62	
Other Supplies and Materials		20	
Total Other Administration of Justice			145,024

Courtroom Security

Deputy(ies)	\$	436,787	
Sergeant(s)		61,838	
Social Security		29,491	
Pensions		42,977	
Employee and Dependent Insurance		119,772	
Employer Medicare		6,897	
Transfers to Other Funds		11,399	
Total Courtroom Security			709,161

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs

Contributions	\$ 41,696	
Total Victim Assistance Programs		\$ 41,696

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 135,568
Deputy(ies)	2,814,933
Lieutenant(s)	878,708
Sergeant(s)	417,330
Salary Supplements	72,800
Part-time Personnel	15,655
Other Salaries and Wages	827,112
Social Security	302,094
Pensions	470,498
Employee and Dependent Insurance	1,484,374
Employer Medicare	70,524
Other Fringe Benefits	20,278
Communication	66,855
Contracts with Government Agencies	56,010
Contracts with Private Agencies	16,515
Data Processing Services	174,599
Dues and Memberships	5,142
Evaluation and Testing	4,785
Freight Expenses	1,049
Licenses	1,801
Maintenance Agreements	118,394
Maintenance and Repair Services - Equipment	2,138
Maintenance and Repair Services - Vehicles	5,314
Medical and Dental Services	631
Postal Charges	3,000
Printing, Stationery, and Forms	2,929
Rentals	44,312
Travel	13,489
Tuition	33,688
Veterinary Services	5,786
Animal Food and Supplies	3,638
Data Processing Supplies	11,046
Duplicating Supplies	580
Garage Supplies	11,352
Gasoline	188,250
Law Enforcement Supplies	209,730
Lubricants	5,926
Office Supplies	3,958
Periodicals	2,373
Tires and Tubes	24,697
Uniforms	146,545
Vehicle Parts	48,268

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Software	\$	2,179	
Other Supplies and Materials		12,151	
Building and Contents Insurance		824	
Liability Insurance		93,750	
Premiums on Corporate Surety Bonds		200	
Vehicle and Equipment Insurance		60,029	
Liability Claims		202	
Fines, Assessments, and Penalties		3,839	
Other Charges		4,646	
Data Processing Equipment		13,311	
Law Enforcement Equipment		18,565	
Motor Vehicles		637,323	
Other Equipment		612	
Total Sheriff's Department			\$ 9,570,305

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	5,800	
Total Administration of the Sexual Offender Registry			5,800

Jail

Deputy(ies)	\$	2,474,676	
Lieutenant(s)		423,708	
Sergeant(s)		262,300	
Part-time Personnel		39,154	
Other Salaries and Wages		715,188	
Social Security		231,040	
Pensions		324,533	
Employee and Dependent Insurance		962,271	
Employer Medicare		54,165	
Other Fringe Benefits		1,761	
Accounting Services		9,360	
Communication		3,966	
Contracts with Other Public Agencies		30,000	
Contracts with Private Agencies		1,641,668	
Freight Expenses		75	
Maintenance Agreements		236,348	
Maintenance and Repair Services - Buildings		23,203	
Maintenance and Repair Services - Equipment		21,751	
Medical and Dental Services		9,099	
Pest Control		5,500	
Postal Charges		288	
Printing, Stationery, and Forms		3,775	
Internet Connectivity		4,533	
Rentals		10,620	
Travel		2,657	
Tuition		889	
Disposal Fees		9,058	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	80,117	
Data Processing Supplies		20,696	
Duplicating Supplies		3,081	
Electricity		267,682	
Food Preparation Supplies		11,469	
Food Supplies		668,336	
Law Enforcement Supplies		14,378	
Natural Gas		66,798	
Office Supplies		12,751	
Prisoners Clothing		15,960	
Uniforms		25,689	
Water and Sewer		152,830	
Other Supplies and Materials		69,488	
Building and Contents Insurance		56,648	
Liability Insurance		140	
Liability Claims		500	
Fines, Assessments, and Penalties		71	
Data Processing Equipment		6,783	
Maintenance Equipment		2,759	
Total Jail			\$ 8,977,762

Juvenile Services

Supervisor/Director	\$	54,132	
Youth Service Officer(s)		101,602	
Paraprofessionals		50,472	
Social Security		12,388	
Pensions		19,114	
Employee and Dependent Insurance		33,264	
Employer Medicare		2,897	
Other Fringe Benefits		267	
Communication		2,254	
Contracts with Government Agencies		4,500	
Contracts with Other Public Agencies		186,554	
Contracts with Private Agencies		151	
Data Processing Services		3,750	
Maintenance Agreements		837	
Rentals		624	
Travel		382	
Drugs and Medical Supplies		894	
Duplicating Supplies		203	
Office Supplies		2,143	
Total Juvenile Services			476,428

Work Release Program

Board and Committee Members Fees	\$	9,360	
Social Security		578	
Pensions		254	
Employer Medicare		135	
Total Work Release Program			10,327

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Contributions	\$ 971,000	
Total Fire Prevention and Control		\$ 971,000

Civil Defense

Supervisor/Director	\$ 63,461	
Part-time Personnel	12,621	
Other Salaries and Wages	41,193	
Social Security	7,047	
Pensions	10,057	
Employee and Dependent Insurance	26,082	
Employer Medicare	1,648	
Communication	3,894	
Contracts with Government Agencies	3,000	
Contracts with Private Agencies	3,810	
Dues and Memberships	110	
Maintenance Agreements	9,917	
Printing, Stationery, and Forms	120	
Internet Connectivity	3,088	
Rentals	13,800	
Towing Services	900	
Tuition	200	
Data Processing Supplies	278	
Food Supplies	99	
Gasoline	2,345	
Office Supplies	848	
Small Tools	12,879	
Uniforms	678	
Building and Contents Insurance	125	
Liability Insurance	309	
Vehicle and Equipment Insurance	1,278	
Fines, Assessments, and Penalties	10	
Data Processing Equipment	3,115	
Furniture and Fixtures	239	
Other Equipment	307	
Total Civil Defense		223,458

Rescue Squad

Contributions	\$ 84,300	
Total Rescue Squad		84,300

County Coroner/Medical Examiner

Contracts with Government Agencies	\$ 285,500	
Total County Coroner/Medical Examiner		285,500

Other Public Safety

Supervisor/Director	\$ 6,451	
Social Security	400	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Pensions	\$	620	
Employer Medicare		93	
Contributions		900,000	
Total Other Public Safety			\$ 907,564

Public Health and Welfare

Local Health Center

Medical Personnel	\$	213,181	
Clerical Personnel		370,626	
Custodial Personnel		18,004	
Part-time Personnel		48,449	
Other Salaries and Wages		348,204	
Social Security		58,249	
Pensions		88,989	
Employee and Dependent Insurance		317,124	
Employer Medicare		13,622	
Other Fringe Benefits		252	
Communication		18,915	
Contracts with Private Agencies		3,645	
Dues and Memberships		200	
Janitorial Services		13,299	
Operating Lease Payments		19,141	
Maintenance Agreements		16,977	
Maintenance and Repair Services - Buildings		14,587	
Maintenance and Repair Services - Equipment		14,896	
Pest Control		272	
Postal Charges		3,374	
Printing, Stationery, and Forms		468	
Rentals		15,074	
Travel		1,922	
Tuition		510	
Other Contracted Services		10,928	
Custodial Supplies		7,679	
Drugs and Medical Supplies		25,758	
Duplicating Supplies		1,949	
Electricity		50,302	
Natural Gas		3,033	
Office Supplies		8,724	
Water and Sewer		15,858	
Other Supplies and Materials		963	
Building and Contents Insurance		8,984	
Liability Insurance		6,240	
Workers' Compensation Insurance		3,465	
Liability Claims		127	
Fines, Assessments, and Penalties		116	
Furniture and Fixtures		8,428	
Total Local Health Center			1,752,534

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Contributions	\$ 190,000	
Total Rabies and Animal Control		\$ 190,000

Ambulance/Emergency Medical Services

Contributions	\$ 1,777,400	
Total Ambulance/Emergency Medical Services		1,777,400

Regional Mental Health Center

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

General Welfare Assistance

Pauper Burials	\$ 32,200	
Total General Welfare Assistance		32,200

Sanitation Education/Information

Other Salaries and Wages	\$ 29,680	
Social Security	1,840	
Pensions	2,855	
Employer Medicare	430	
Other Contracted Services	17,988	
Other Supplies and Materials	8,821	
Total Sanitation Education/Information		61,614

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 114,000	
Total Adult Activities		114,000

Libraries

Assistant(s)	\$ 69,078
Supervisor/Director	56,168
Deputy(ies)	146,550
Custodial Personnel	9,628
Part-time Personnel	101,908
Social Security	22,866
Pensions	23,955
Employee and Dependent Insurance	64,692
Employer Medicare	5,347
Communication	742
Contracts with Private Agencies	14,412
Contributions	121,000
Data Processing Services	1,798
Licenses	1,707
Maintenance Agreements	17,199
Maintenance and Repair Services - Buildings	3,302
Pest Control	640

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Postal Charges	\$	535	
Internet Connectivity		3,542	
Rentals		2,484	
Disposal Fees		30	
Custodial Supplies		2,677	
Data Processing Supplies		468	
Electricity		16,557	
Library Books/Media		52,296	
Natural Gas		1,354	
Office Supplies		12,159	
Periodicals		3,583	
Uniforms		550	
Water and Sewer		2,852	
Other Supplies and Materials		406	
Liability Insurance		2,592	
Fines, Assessments, and Penalties		40	
Data Processing Equipment		16,526	
Furniture and Fixtures		4,174	
Total Libraries			\$ 783,817

Other Social, Cultural, and Recreational

Contributions	\$	164,250	
Total Other Social, Cultural, and Recreational			164,250

Agriculture and Natural Resources

Agricultural Extension Service

Clerical Personnel	\$	13,933	
Social Security		732	
Pensions		1,190	
Employee and Dependent Insurance		8,158	
Employer Medicare		171	
Contracts with Government Agencies		333,415	
Contracts with Private Agencies		5,702	
Dues and Memberships		915	
Maintenance Agreements		1,462	
Maintenance and Repair Services - Buildings		1,574	
Pest Control		550	
Internet Connectivity		4,526	
Rentals		4,606	
Travel		5,817	
Tuition		59	
Custodial Supplies		247	
Data Processing Supplies		16	
Electricity		1,754	
Natural Gas		946	
Office Supplies		2,874	
Uniforms		596	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Water and Sewer	\$	631	
Other Supplies and Materials		2,312	
Building and Contents Insurance		503	
Fines, Assessments, and Penalties		40	
Building Improvements		797	
Data Processing Equipment		2,792	
Total Agricultural Extension Service			\$ 396,318

Forest Service

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

Soil Conservation

Other Salaries and Wages	\$	85,134	
Social Security		4,908	
Pensions		6,616	
Employee and Dependent Insurance		34,623	
Employer Medicare		1,148	
Contributions		18,383	
Total Soil Conservation			150,812

Storm Water Management

Engineering Services	\$	22,600	
Licenses		3,460	
Total Storm Water Management			26,060

Other Agriculture and Natural Resources

Other Charges	\$	2,500	
Total Other Agriculture and Natural Resources			2,500

Other Operations

Tourism

Contributions	\$	6,650	
Total Tourism			6,650

Other Economic and Community Development

Contracts with Government Agencies	\$	240,237	
Contracts with Private Agencies		3,555	
Contributions		181,562	
Other Contracted Services		52,868	
Other Charges		4,948	
Total Other Economic and Community Development			483,170

Airport

Contributions	\$	17,830	
Nonexchange Financial Guarantees		559,493	
Total Airport			577,323

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Communication	\$	503	
Contracts with Private Agencies		44	
Dues and Memberships		474	
Postal Charges		84	
Other Contracted Services		49,800	
Office Supplies		469	
Data Processing Equipment		1,351	
Total Veterans' Services			\$ 52,725

Contributions to Other Agencies

Contributions	\$	118,489	
Total Contributions to Other Agencies			118,489

Employee Benefits

Handling Charges and Administrative Costs	\$	10,097	
Life Insurance		14,477	
Unemployment Compensation		17,689	
Total Employee Benefits			42,263

COVID-19 Grant #1

Other Supplies and Materials	\$	36,094	
Total COVID-19 Grant #1			36,094

COVID-19 Grant #3

Data Processing Supplies	\$	438	
Data Processing Equipment		3,328	
Total COVID-19 Grant #3			3,766

COVID-19 Grant #4

Social Security	\$	49	
Employer Medicare		5	
Other Fringe Benefits		400	
Advertising		409	
Communication		654	
Consultants		798	
Contracts with Government Agencies		4,049	
Contracts with Private Agencies		344,687	
Internet Connectivity		414	
Rentals		984	
Tuition		50	
Other Contracted Services		142	
Custodial Supplies		5,208	
Drugs and Medical Supplies		2,709	
Electricity		1,114	
Food Supplies		408	
Law Enforcement Supplies		1,570	
Office Supplies		5,594	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant #4 (Cont.)

Water and Sewer	\$	327	
Other Supplies and Materials		13,529	
Building Improvements		7,750	
Data Processing Equipment		862,173	
Other Capital Outlay		316,360	
Total COVID-19 Grant #4			\$ 1,569,383

Capital Projects - Donated

Capital Projects Donated to Other Entities

Other Capital Outlay	\$	98,953	
Total Capital Projects Donated to Other Entities			98,953

Total General Fund \$ 42,593,089

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$	55,667
Foremen		16,574
Truck Drivers		102,719
Attendants		256,330
Part-time Personnel		54,978
Social Security		28,445
Handling Charges and Administrative Costs		206
Pensions		35,959
Employee and Dependent Insurance		153,837
Life Insurance		3,469
Employer Medicare		6,653
Communication		2,551
Consultants		3,000
Contracts with Private Agencies		331
Dues and Memberships		100
Freight Expenses		572
Licenses		22
Maintenance and Repair Services - Buildings		1,162
Maintenance and Repair Services - Equipment		32,035
Maintenance and Repair Services - Vehicles		40,826
Medical and Dental Services		312
Postal Charges		82
Internet Connectivity		3,399
Rentals		21,906
Towing Services		1,275
Disposal Fees		372,978
Custodial Supplies		499
Diesel Fuel		45,343
Electricity		9,195
Equipment and Machinery Parts		4,822

(Continued)

Exhibit K-7

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.)

Garage Supplies	\$	272	
Gasoline		5,841	
General Construction Materials		784	
Instructional Supplies and Materials		800	
Lubricants		1,698	
Office Supplies		354	
Propane Gas		831	
Small Tools		856	
Tires and Tubes		19,249	
Uniforms		353	
Vehicle Parts		2,058	
Water and Sewer		2,757	
Wire		5,143	
Other Supplies and Materials		2,549	
Building and Contents Insurance		1,161	
Liability Insurance		3,444	
Trustee's Commission		22,803	
Vehicle and Equipment Insurance		7,092	
Workers' Compensation Insurance		22,242	
Solid Waste Equipment		30,219	
Total Convenience Centers			\$ 1,385,753

Other Waste Disposal

Foremen	\$	41,646	
Attendants		19,544	
Part-time Personnel		25,267	
Social Security		5,196	
Pensions		5,125	
Employee and Dependent Insurance		12,474	
Unemployment Compensation		356	
Employer Medicare		1,215	
Communication		1,173	
Contracts with Private Agencies		108,557	
Maintenance and Repair Services - Equipment		350	
Permits		175	
Electricity		1,128	
Office Supplies		30	
Water and Sewer		313	
Total Other Waste Disposal			<u>222,549</u>

Total Solid Waste/Sanitation Fund \$ 1,608,302

Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Government Agencies	\$	6,000
Dues and Memberships		45

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Licenses	\$	120	
Rentals		529	
Travel		12,753	
Tuition		13,500	
Law Enforcement Supplies		15,000	
Trustee's Commission		100	
Total Drug Enforcement			\$ 48,047

Total Drug Control Fund \$ 48,047

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	128	
Total County Clerk's Office			\$ 128

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	1,043	
Total Circuit Court			1,043

General Sessions Court

Constitutional Officers' Operating Expenses	\$	4,866	
Total General Sessions Court			4,866

Total Constitutional Officers - Fees Fund 6,037

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	123,243	
Assistant(s)		81,927	
Computer Programmer(s)		44,167	
Secretary(ies)		96,892	
Other Salaries and Wages		16,791	
Social Security		21,827	
Handling Charges and Administrative Costs		532	
Pensions		34,885	
Employee and Dependent Insurance		68,310	
Life Insurance		8,783	
Unemployment Compensation		7,968	
Employer Medicare		4,989	
Other Fringe Benefits		303	
Advertising		267	
Communication		5,426	
Contracts with Private Agencies		72,794	
Dues and Memberships		4,797	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Evaluation and Testing	\$	5,514	
Freight Expenses		956	
Janitorial Services		4,300	
Legal Notices, Recording, and Court Costs		358	
Licenses		282	
Maintenance Agreements		13,180	
Maintenance and Repair Services - Buildings		30	
Maintenance and Repair Services - Vehicles		579	
Pest Control		720	
Postal Charges		158	
Printing, Stationery, and Forms		248	
Internet Connectivity		2,282	
Rentals		107	
Travel		875	
Tuition		350	
Other Contracted Services		60	
Custodial Supplies		944	
Data Processing Supplies		1,152	
Electricity		3,610	
General Construction Materials		227	
Natural Gas		1,439	
Office Supplies		4,298	
Water and Sewer		751	
Other Supplies and Materials		864	
Building and Contents Insurance		10,098	
Liability Insurance		12,728	
Trustee's Commission		135,865	
Vehicle and Equipment Insurance		38,897	
Workers' Compensation Insurance		111,788	
Fines, Assessments, and Penalties		20	
Building Improvements		9,191	
Data Processing Equipment		1,177	
Total Administration			\$ 956,949

Highway and Bridge Maintenance

Supervisor/Director	\$	72,137
Foremen		214,407
Equipment Operators - Heavy		291,085
Equipment Operators - Light		154,654
Truck Drivers		321,495
Laborers		233,889
Overtime Pay		222
Social Security		75,249
Pensions		117,873
Employee and Dependent Insurance		454,658
Employer Medicare		17,599
Communication		9,090

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Contracts with Private Agencies	\$	63,789	
Engineering Services		2,102	
Freight Expenses		25	
Maintenance and Repair Services - Equipment		221	
Internet Connectivity		201	
Rentals		485	
Disposal Fees		470	
Permits		980	
Concrete		2,897	
Crushed Stone		47,607	
Data Processing Supplies		289	
Diesel Fuel		48,193	
Electricity		7,927	
Equipment Parts - Light		1,028	
Fertilizer, Lime, and Seed		2,070	
Gasoline		54,976	
General Construction Materials		3,419	
Ice		210	
Other Road Materials		32,933	
Pipe - Metal		25,400	
Salt		33,589	
Small Tools		973	
Uniforms		9,993	
Water and Sewer		1,472	
Fencing		41	
Other Supplies and Materials		395	
Total Highway and Bridge Maintenance			\$ 2,304,043

Operation and Maintenance of Equipment

Materials Supervisor	\$	47,121
Foremen		156,906
Mechanic(s)		119,515
Social Security		19,043
Pensions		31,093
Employee and Dependent Insurance		89,154
Employer Medicare		4,454
Communication		2,637
Freight Expenses		4,702
Maintenance Agreements		3,174
Maintenance and Repair Services - Buildings		3,500
Maintenance and Repair Services - Equipment		35,429
Maintenance and Repair Services - Vehicles		11,338
Internet Connectivity		201
Rentals		5,626
Towing Services		1,650
Custodial Supplies		6,758
Electricity		6,178

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment Parts - Heavy	\$	83,608	
Equipment Parts - Light		83,251	
Equipment and Machinery Parts		218	
Garage Supplies		15,724	
General Construction Materials		2,935	
Lubricants		14,754	
Office Supplies		349	
Pipe - Metal		1,301	
Propane Gas		10,675	
Small Tools		2,604	
Tires and Tubes		25,814	
Vehicle Parts		177	
Other Supplies and Materials		1,969	
Other Equipment		24,693	
Total Operation and Maintenance of Equipment			\$ 816,551

Asphalt Plant Operations

Foremen	\$	92,037	
Equipment Operators		319,554	
Truck Drivers		482,746	
Laborers		143,261	
Overtime Pay		307	
Social Security		60,192	
Pensions		95,651	
Employee and Dependent Insurance		387,700	
Employer Medicare		14,077	
Communication		2,812	
Contracts with Private Agencies		5,415	
Freight Expenses		20,844	
Licenses		250	
Maintenance and Repair Services - Equipment		16,523	
Internet Connectivity		201	
Asphalt - Hot Mix		836,214	
Asphalt - Liquid		75,753	
Crushed Stone		310,542	
Diesel Fuel		88,615	
Electricity		43,400	
Equipment and Machinery Parts		4,530	
Fuel Oil		45,990	
General Construction Materials		42	
Lubricants		2,246	
Natural Gas		589	
Sand		30,997	
Water and Sewer		1,382	
Other Supplies and Materials		1,790	
Other Charges		475	
Asphalt Plant Equipment		9,990	
Total Asphalt Plant Operations			3,094,125

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Traffic Control

Materials Supervisor	\$	39,346	
Laborers		10,946	
Social Security		2,945	
Pensions		3,781	
Employee and Dependent Insurance		18,954	
Employer Medicare		689	
Freight Expenses		189	
Road Signs		9,423	
Small Tools		1,985	
Chemicals		2,942	
Other Supplies and Materials		212	
Total Traffic Control			\$ 91,412

Capital Outlay

Bridge Construction	\$	1,029,068	
Building Construction		36,317	
Highway Equipment		259,394	
Motor Vehicles		12,637	
Right-of-Way		5,658	
Other Equipment		70,000	
Total Capital Outlay			<u>1,413,074</u>

Total Highway/Public Works Fund \$ 8,676,154

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,265,000	
Principal on Notes		130,000	
Total General Government			\$ 1,395,000

Highways and Streets

Principal on Notes	\$	246,560	
Total Highways and Streets			246,560

Education

Principal on Bonds	\$	5,780,000	
Principal on Notes		83,440	
Total Education			5,863,440

Interest on Debt

General Government

Interest on Bonds	\$	1,103,868	
Interest on Notes		10,675	
Total General Government			1,114,543

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Notes	\$ 30,150	
Total Highways and Streets		\$ 30,150

Education

Interest on Bonds	\$ 4,273,398	
Interest on Notes	11,650	
Total Education		4,285,048

Other Debt Service

General Government

Trustee's Commission	\$ 267,753	
Other Debt Service	6,403	
Total General Government		274,156

Total General Debt Service Fund \$ 13,208,897

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 220,000	
Total Education		\$ 220,000

Interest on Debt

Education

Interest on Bonds	\$ 38,000	
Total Education		38,000

Total Rural Debt Service Fund 258,000

General Capital Projects Fund

Principal on Debt

General Government

Principal on Capital Leases	\$ 127,039	
Total General Government		\$ 127,039

Capital Projects

General Administration Projects

Trustee's Commission	\$ 27,461	
Building Improvements	93,108	
Data Processing Equipment	697,882	
Total General Administration Projects		818,451

Public Safety Projects

Building Improvements	\$ 63,947	
Communication Equipment	1,142,531	
Other Equipment	112,540	
Total Public Safety Projects		1,319,018

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Health and Welfare Projects

Building Improvements	\$ 348,000	
Total Public Health and Welfare Projects		\$ 348,000

Social, Cultural, and Recreation Projects

Site Development	\$ 687,599	
Total Social, Cultural, and Recreation Projects		687,599

Education Capital Projects

Other Contracted Services	\$ 11,374	
Building Improvements	106,639	
Total Education Capital Projects		118,013

Capital Projects - Donated

Capital Projects Donated to Other Entities

Consultants	\$ 406	
Right-of-Way	6,816	
Total Capital Projects Donated to Other Entities		<u>7,222</u>

Total General Capital Projects Fund		\$ 3,425,342
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Trustee's Commission	\$ 116,669	
Building Improvements	723,078	
Transportation Equipment	520,218	
Other Capital Outlay	642,401	
Total Education Capital Projects		\$ 2,002,366

Capital Projects - Donated

Capital Projects Donated to School Department

Data Processing Equipment	\$ 639,827	
Total Capital Projects Donated to School Department		<u>639,827</u>

Total Education Capital Projects Fund		<u>2,642,193</u>
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Total Governmental Funds - Primary Government		<u>\$ 72,466,061</u>
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Exhibit K-8

Washington County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Washington County School Department
For the Year Ended June 30, 2021

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 21,716,660	
Career Ladder Program	63,862	
Homebound Teachers	7,080	
Educational Assistants	1,097,263	
Bonus Payments	295,160	
Other Salaries and Wages	41,000	
Certified Substitute Teachers	269,777	
Non-certified Substitute Teachers	119,893	
Social Security	1,372,224	
Pensions	2,028,700	
Life Insurance	15,000	
Medical Insurance	4,164,666	
Unemployment Compensation	35,655	
Employer Medicare	324,435	
Other Fringe Benefits	31,813	
Other Contracted Services	4,333,736	
Instructional Supplies and Materials	150,655	
Textbooks - Bound	1,123,899	
Other Supplies and Materials	442,838	
Other Charges	1	
Data Processing Equipment	639,827	
Total Regular Instruction Program		\$ 38,274,144

Special Education Program

Teachers	\$ 2,450,151	
Career Ladder Program	6,000	
Homebound Teachers	16,340	
Educational Assistants	232,677	
Speech Pathologist	198,122	
Other Salaries and Wages	105,866	
Certified Substitute Teachers	7,175	
Non-certified Substitute Teachers	12,040	
Social Security	176,182	
Pensions	289,495	
Life Insurance	2,810	
Medical Insurance	527,193	
Employer Medicare	41,204	
Instructional Supplies and Materials	20,346	
Other Charges	602	
Total Special Education Program		4,086,203

Career and Technical Education Program

Teachers	\$ 1,700,412
Career Ladder Program	500
Certified Substitute Teachers	7,245
Non-certified Substitute Teachers	7,735

(Continued)

Exhibit K-8

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.)

Social Security	\$	100,676	
Pensions		168,570	
Life Insurance		1,367	
Medical Insurance		282,054	
Employer Medicare		23,545	
Instructional Supplies and Materials		75,052	
Vocational Instruction Equipment		275,300	
Total Career and Technical Education Program			\$ 2,642,456

COVID-19 Expenditures

Other Supplies and Materials	\$	594,503	
Total COVID-19 Expenditures			594,503

Support Services

Attendance

Supervisor/Director	\$	74,394	
Career Ladder Program		1,000	
Clerical Personnel		24,605	
Social Security		5,861	
Pensions		10,108	
Life Insurance		44	
Medical Insurance		16,334	
Employer Medicare		1,371	
Travel		852	
Other Supplies and Materials		1,499	
Total Attendance			136,068

Health Services

Medical Personnel	\$	258,593	
Other Salaries and Wages		327,550	
Social Security		34,095	
Pensions		49,513	
Life Insurance		443	
Medical Insurance		120,703	
Employer Medicare		8,006	
Travel		13,395	
Other Contracted Services		4,758	
Other Supplies and Materials		28,824	
Other Charges		22,637	
Total Health Services			868,517

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		949,330	
Social Security		55,656	
Pensions		95,610	

(Continued)

Exhibit K-8

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.)

Other Student Support (Cont.)

Life Insurance	\$	778	
Medical Insurance		148,020	
Employer Medicare		13,016	
Contracts with Government Agencies		90,000	
Evaluation and Testing		45,855	
Other Supplies and Materials		6,242	
Total Other Student Support			\$ 1,406,507

Regular Instruction Program

Supervisor/Director	\$	340,666	
Career Ladder Program		3,000	
Librarians		691,326	
Clerical Personnel		126,112	
Social Security		69,024	
Pensions		115,127	
Life Insurance		921	
Medical Insurance		142,793	
Employer Medicare		16,160	
Maintenance and Repair Services - Equipment		20,305	
Travel		6,258	
Library Books/Media		98,608	
Other Supplies and Materials		3,705	
In Service/Staff Development		85,076	
Total Regular Instruction Program			1,719,081

Special Education Program

Supervisor/Director	\$	154,063	
Psychological Personnel		54,597	
Assessment Personnel		152,913	
Clerical Personnel		36,920	
Speech Pathologist		213,436	
Other Salaries and Wages		101,283	
Social Security		43,009	
Pensions		71,613	
Life Insurance		473	
Medical Insurance		57,583	
Employer Medicare		10,058	
Travel		9,308	
Other Contracted Services		56,253	
Other Supplies and Materials		8,337	
In Service/Staff Development		2,735	
Total Special Education Program			972,581

Career and Technical Education Program

Supervisor/Director	\$	28,810	
Career Ladder Program		1,000	

(Continued)

Exhibit K-8

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.)

Career and Technical Education Program (Cont.)

Secretary(ies)	\$	32,472	
Social Security		2,164	
Pensions		3,784	
Life Insurance		61	
Medical Insurance		7,190	
Employer Medicare		506	
Maintenance and Repair Services - Equipment		1,678	
Travel		6,611	
Other Supplies and Materials		23,629	
Total Career and Technical Education Program	\$		107,905

Technology

Supervisor/Director	\$	243,000	
Data Processing Personnel		142,724	
Instructional Computer Personnel		119,086	
Other Salaries and Wages		289,810	
Social Security		45,931	
Pensions		74,388	
Life Insurance		479	
Medical Insurance		119,016	
Employer Medicare		11,040	
Internet Connectivity		65,824	
Travel		869	
Other Contracted Services		504,103	
Other Supplies and Materials		250,118	
Total Technology			1,866,388

Other Programs

On-behalf Payments to OPEB	\$	154,901	
Total Other Programs			154,901

Board of Education

Board and Committee Members Fees	\$	35,295	
Social Security		1,617	
Pensions		3,024	
Medical Insurance		26,161	
Employer Medicare		434	
Audit Services		60,065	
Dues and Memberships		12,407	
Legal Services		54,000	
Travel		8,092	
Building and Contents Insurance		130,613	
Liability Insurance		46,159	
Trustee's Commission		584,496	
Workers' Compensation Insurance		275,288	
Other Charges		26,365	
Total Board of Education			1,264,016

(Continued)

Exhibit K-8

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

County Official/Administrative Officer	\$	197,029	
Career Ladder Program		2,500	
Secretary(ies)		180,305	
Bonus Payments		2,797	
Other Salaries and Wages		31,370	
Social Security		25,683	
Pensions		42,452	
Life Insurance		174	
Medical Insurance		71,820	
Employer Medicare		6,100	
Communication		49,413	
Postal Charges		13,431	
Travel		6,164	
Other Contracted Services		70,455	
Office Supplies		5,041	
Total Director of Schools			\$ 704,734

Office of the Principal

Principals	\$	977,334	
Career Ladder Program		7,000	
Assistant Principals		1,000,945	
Secretary(ies)		686,732	
Other Salaries and Wages		120,572	
Social Security		164,041	
Pensions		276,780	
Life Insurance		1,795	
Medical Insurance		501,416	
Employer Medicare		38,364	
Communication		20,000	
Travel		3,191	
Other Supplies and Materials		38,117	
Other Charges		65,000	
Total Office of the Principal			3,901,287

Fiscal Services

Supervisor/Director	\$	141,207	
Clerical Personnel		136,359	
Social Security		16,225	
Pensions		26,674	
Life Insurance		60	
Medical Insurance		64,398	
Employer Medicare		3,795	
Travel		575	
Other Contracted Services		6,617	
Other Supplies and Materials		4,152	
Total Fiscal Services			400,062

(Continued)

Exhibit K-8

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

Custodial Personnel	\$	599,691	
Other Salaries and Wages		145,561	
Social Security		42,716	
Pensions		57,135	
Life Insurance		695	
Medical Insurance		176,210	
Employer Medicare		10,131	
Janitorial Services		846,162	
Disposal Fees		132,555	
Other Contracted Services		116,427	
Custodial Supplies		85,182	
Electricity		1,807,917	
Natural Gas		84,207	
Water and Sewer		198,497	
Other Supplies and Materials		69,951	
Boiler Insurance		20,684	
Other Charges		18,783	
Total Operation of Plant			\$ 4,412,504

Maintenance of Plant

Supervisor/Director	\$	225,006	
Maintenance Personnel		627,285	
Social Security		50,033	
Pensions		80,861	
Life Insurance		281	
Medical Insurance		167,509	
Employer Medicare		11,701	
Communication		4,102	
Maintenance and Repair Services - Buildings		233,092	
Maintenance and Repair Services - Equipment		68,842	
Other Supplies and Materials		470,693	
Other Charges		25,874	
Administration Equipment		401,092	
Total Maintenance of Plant			2,366,371

Transportation

Supervisor/Director	\$	114,691	
Mechanic(s)		144,349	
Bus Drivers		1,090,372	
Social Security		78,903	
Pensions		125,400	
Life Insurance		1,517	
Medical Insurance		397,957	
Employer Medicare		18,797	
Communication		698	
Operating Lease Payments		8,187	

(Continued)

Exhibit K-8

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.)

Other Contracted Services	\$	2,168	
Diesel Fuel		75,984	
Garage Supplies		6,952	
Gasoline		105,285	
Tires and Tubes		29,553	
Vehicle Parts		58,631	
Other Supplies and Materials		926	
Vehicle and Equipment Insurance		172,265	
Other Charges		18,182	
Transportation Equipment		503,826	
Total Transportation			\$ 2,954,643

Central and Other

Supervisor/Director	\$	65,622	
Clerical Personnel		23,952	
Social Security		5,345	
Pensions		9,041	
Life Insurance		76	
Medical Insurance		14,381	
Employer Medicare		1,250	
Other Supplies and Materials		1,772	
Other Charges		3,095	
Total Central and Other			124,534

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	76,985	
Social Security		4,681	
Pensions		7,398	
Life Insurance		1,664	
Medical Insurance		487,010	
Employer Medicare		1,095	
Total Food Service			578,833

Community Services

Supervisor/Director	\$	59,354	
Teachers		11,380	
Clerical Personnel		26,541	
Other Salaries and Wages		407,319	
Social Security		30,246	
Pensions		22,434	
Medical Insurance		27,411	
Employer Medicare		7,074	
Travel		341	
Food Supplies		2,647	
Instructional Supplies and Materials		4,719	

(Continued)

Exhibit K-8

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.)

Community Services (Cont.)

Other Supplies and Materials	\$	2,125	
Other Charges		10,285	
Total Community Services			\$ 611,876

Early Childhood Education

Teachers	\$	194,574	
Educational Assistants		43,151	
Social Security		13,806	
Pensions		22,869	
Medical Insurance		39,814	
Employer Medicare		3,229	
Instructional Supplies and Materials		1,426	
Other Supplies and Materials		3,255	
In Service/Staff Development		100	
Other Charges		1,450	
Total Early Childhood Education			323,674

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	260,000	
Total Education			260,000

Total General Purpose School Fund \$ 70,731,788

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	982,930	
Educational Assistants		101,851	
Other Salaries and Wages		110,980	
Social Security		69,668	
Pensions		116,418	
Medical Insurance		175,169	
Employer Medicare		16,553	
Instructional Supplies and Materials		938,828	
Software		281,118	
Other Supplies and Materials		3,149	
Other Charges		10,269	
Regular Instruction Equipment		262,538	
Total Regular Instruction Program			\$ 3,069,471

Alternative Instruction Program

Teachers	\$	37,762	
Social Security		2,042	
Pensions		3,399	
Medical Insurance		10,798	
Employer Medicare		478	
Total Alternative Instruction Program			54,479

(Continued)

Exhibit K-8

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

Teachers	\$	160,806	
Educational Assistants		791,181	
Speech Pathologist		43,660	
Other Salaries and Wages		11,149	
Social Security		58,704	
Pensions		88,959	
Medical Insurance		321,495	
Employer Medicare		13,729	
Instructional Supplies and Materials		50,512	
Special Education Equipment		20,180	
Total Special Education Program			\$ 1,560,375

Career and Technical Education Program

Instructional Supplies and Materials	\$	27,724	
Other Supplies and Materials		10,346	
Vocational Instruction Equipment		126,998	
Total Career and Technical Education Program			165,068

Support Services

Health Services

Medical Personnel	\$	46,657	
Social Security		2,893	
Pensions		3,224	
Employer Medicare		677	
Other Supplies and Materials		2,374	
Total Health Services			55,825

Other Student Support

Guidance Personnel	\$	52,918	
Social Security		3,068	
Pensions		5,435	
Medical Insurance		9,120	
Employer Medicare		718	
Other Supplies and Materials		6,568	
In Service/Staff Development		6,661	
Other Charges		500	
Total Other Student Support			84,988

Regular Instruction Program

Supervisor/Director	\$	86,620	
Instructional Computer Personnel		96,909	
Clerical Personnel		42,099	
Other Salaries and Wages		80,208	
Social Security		18,031	
Pensions		30,380	
Medical Insurance		48,844	

(Continued)

Exhibit K-8

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 (Cont.)

Employer Medicare	\$	4,217	
Travel		1,271	
Instructional Supplies and Materials		21,596	
Other Supplies and Materials		3,820	
In Service/Staff Development		48,192	
Total Regular Instruction Program			\$ 482,187

Special Education Program

In-service Training	\$	3,521	
Social Security		74	
Pensions		117	
Employer Medicare		17	
Other Supplies and Materials		4,765	
In Service/Staff Development		7,900	
Special Education Equipment		15,046	
Total Special Education Program			31,440

Technology

Internet Connectivity	\$	72,918	
Other Supplies and Materials		31,998	
In Service/Staff Development		80	
Total Technology			104,996

Maintenance of Plant

Other Supplies and Materials	\$	123,077	
Total Maintenance of Plant			123,077

Transportation

Bus Drivers	\$	280,977	
Social Security		12,575	
Pensions		22,223	
Medical Insurance		125,068	
Employer Medicare		2,941	
Diesel Fuel		34,476	
Total Transportation			478,260

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	82,145	
Social Security		5,093	
Pensions		7,469	
Employer Medicare		1,191	
Total Food Service			95,898

(Continued)

Exhibit K-8

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	\$ 5,784	
Total Regular Capital Outlay		\$ 5,784

Total School Federal Projects Fund \$ 6,311,848

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 966,315	
Social Security	52,127	
Pensions	90,834	
Unemployment Compensation	1,425	
Employer Medicare	12,191	
Bank Charges	141	
Travel	30	
Other Contracted Services	29,041	
Food Preparation Supplies	121,391	
Food Supplies	1,205,978	
Office Supplies	8,127	
Utilities	4,969	
USDA - Commodities	233,422	
Other Supplies and Materials	27,491	
Refunds	2,463	
Trustee's Commission	33	
In Service/Staff Development	366	
Food Service Equipment	45,062	
Total Food Service		\$ 2,801,406

Total Central Cafeteria Fund 2,801,406

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 1,360,038	
Total Community Services		\$ 1,360,038

Total Internal School Fund 1,360,038

Total Governmental Funds - Washington County School Department \$ 81,205,080

Exhibit K-9

Washington County, Tennessee
Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund	City School ADA - Johnson City	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 11,725,236	\$ 11,725,236
Trustee's Collections - Prior Years	0	366,404	366,404
Trustee's Collections - Bankruptcy	0	1,424	1,424
Circuit/Clerk and Master Collections - Prior Years	0	88,939	88,939
Interest and Penalty	0	87,004	87,004
Payment in Lieu-of Taxes - Local Utilities	0	198,921	198,921
Payment in Lieu-of Taxes - Other	0	15,604	15,604
Business Tax	0	380,425	380,425
Mixed Drink Tax	0	2,668	2,668
Bank Excise Tax	0	80,039	80,039
Local Option Sales Tax	29,491,917	16,966,253	46,458,170
Marriage Licenses	0	1,603	1,603
Other Local Revenues	0	352	352
Total Additions	<u>\$ 29,491,917</u>	<u>\$ 29,914,872</u>	<u>\$ 59,406,789</u>
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 29,203,075	\$ 29,496,596	\$ 58,699,671
Trustee's Commission	288,842	418,276	707,118
Total Deductions	<u>\$ 29,491,917</u>	<u>\$ 29,914,872</u>	<u>\$ 59,406,789</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2020	0	0	0
Net Position, June 30, 2021	<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)
Financial Trends:		
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	259-264
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	5-8	265-268
Debt Capacity:		
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	269-272
Demographic and Economic Information:		
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	273-274
Operating Information:		
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	275-277

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 50,759,715	\$ 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
Restricted	192,689	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
Unrestricted	<u>(103,208,230)</u>	<u>(112,175,793)</u>	<u>(116,550,871)</u>	<u>(112,761,421)</u>	<u>(106,954,062)</u>	<u>(119,407,127)</u>	<u>(113,892,521)</u>	<u>(110,067,350)</u>	<u>(102,475,753)</u>	<u>(92,300,007)</u>
Total Governmental Activities Net Position	<u>\$ (52,255,826)</u>	<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>

WASHINGTON COUNTY, TENNESSEE
CHANGES IN NET POSITION (UNAUDITED)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental Activities										
General Government	\$ 5,722,284	\$ 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
Finance	2,580,133	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 *
Administration of Justice	3,621,848	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 *
Public Safety	18,033,226	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
Highways	9,473,714	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
Social, Cultural and Recreational	935,650	870,939	893,752	1,354,837	864,139	1,303,591	967,744	1,132,166	1,121,962	1,239,701 *
Public Health and Welfare	5,541,574	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
Agricultural and Natural Resources	403,045	438,009	421,188	372,411	404,461	441,294	489,132	506,131	570,990	585,286 *
Education	66,761	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 *
Interest on Long-Term Debt	6,729,327	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
Total Governmental Activities Expenses	\$ 53,107,562	\$52,145,062	\$ 58,579,845	\$ 55,332,446	\$ 54,722,466	\$71,247,351	\$ 56,801,064	\$ 59,630,971	\$ 85,245,959	\$60,723,026
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 848,133	\$ 700,183	\$ 619,370	\$ 782,033	\$ 859,297	\$ 1,960,650	\$ 2,077,420	\$ 2,042,945	\$ 2,300,165	\$ 2,756,575
Finance	1,861,108	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
Administration of Justice	2,083,877	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 *
Public Safety	3,383,614	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
Highways	731,490	318,552	521,231	190,689	328,971	698,703	357,099	132,239	107,866	41,161
Social, Cultural and Recreational	242,239	256,477	264,290	264,588	271,681	22,249	22,285	20,787	16,353	1,331 *
Public Health and Welfare	426,175	329,242	300,883	298,072	291,802	345,082	293,251	297,976	284,561	369,474
Operating Grants and Contributions										
General Government	256,892	238,790	230,340	148,791	161,250	57,614	69,564	17,204	139,410	2,062,652
Administration of Justice	35,164	30,373	33,659	34,164	27,574	68,840	100,410	66,985	86,660	100,905 *
Public Safety	200,836	269,205	310,950	399,183	131,933	2,040,420	1,479,745	1,582,906	1,500,826	2,380,447
Highways	2,926,714	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
Social, Cultural and Recreational	-	6,976	19,172	1,154	-	1,299	16,331	16,500	15,700	19,158 *
Agriculture and Natural Resources	-	-	-	-	-	-	17,500	17,500	35,000	35,000
Interest on Long-term Debt	-	-	-	-	-	260,000	260,000	260,000	44,525	38,000
Public Health and Welfare	1,165,292	1,044,139	994,092	1,015,523	831,479	887,332	961,809	1,101,428	1,012,782	1,427,142
Capital Grants and Contributions										
General Government	529,243	172,115	210,908	109,847	147,555	186,422	524,428	-	123,706	142,367
Administration of Justice	35,164	30,373	33,659	34,164	27,574	68,840	-	10,089	-	-
Public Safety	14,720	708,641	16,054	784,994	70,139	27,455	194,578	164,059	116,303	455,437
Highways	261,312	-	1,097	284,999	257,680	-	707,106	1,144,750	634,412	1,189,152
Social, Cultural and Recreational	25,345	-	-	-	-	324,782	-	973	1,999	300 *
Public Health and Welfare	3,087	70,000	17,090	-	-	39,970	478,075	-	442,000	348,476
Total Governmental Activities Program Revenues	\$ 15,030,405	\$13,513,776	\$ 14,023,160	\$ 14,679,075	\$ 14,279,063	\$17,795,071	\$ 19,406,565	\$ 18,814,973	\$ 18,320,968	\$22,554,151

* Prior year's information is not readily available.

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CHANGES IN NET POSITION (UNAUDITED)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NET (EXPENSE)/REVENUE										
Total Governmental Activities Net Expense	\$ (38,112,321)	\$ (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)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 36,478,953	\$ 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
Business Taxes	1,100,085	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
Miscellaneous	1,861,929	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
Other Local Governments	1,647,866	1,917,163	1,735,966	1,670,665	1,802,251	-	-	-	-	- ***
State Aid	194,656	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 ***
Gain (Loss) on Sale and Disposal of Assets	(55,616)	44,239	56,294	24,294	138,732	-	-	56,518	815,112	25,127
Unrestricted Investment Earnings	46,654	52,796	55,808	57,605	66,431	80,072	215,344	712,210	714,947	294,096
Miscellaneous	-	-	-	-	-	147,415	86,344	241,826	230,214	277,756 ***
	\$ 41,274,527	\$ 40,921,037	\$ 40,729,148	\$ 42,503,140	\$ 42,417,853	\$ 50,977,226	\$ 52,629,871	\$ 53,776,661	\$ 55,065,852	\$ 54,720,650
CHANGE IN NET POSITION										
Total Governmental Activities	\$ 3,162,206	\$ 2,259,378	\$ (3,861,196)	\$ 1,815,605	\$ 1,946,876	\$ (2,543,894)	\$ 15,235,372	\$ 12,960,663	\$ (11,859,139)	\$ 16,551,775

*** 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,229	\$ 20,997	\$ 104,894
Restricted	192,689	246,894	381,934	336,034	392,312	310,411	410,391	571,924	899,558	770,257
Committed	1,521,594	1,624,729	1,625,590	2,010,134	1,616,241	-	-	-	-	721,845
Assigned	252,626	242,764	284,829	355,039	231,757	2,029,616	1,864,749	2,132,262	2,106,376	3,064,962
Unassigned	15,988,550	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
Total General Fund	\$ 17,955,459	\$ 18,564,533	\$ 19,611,305	\$ 17,551,091	\$ 16,370,566	\$ 16,649,064	\$ 17,837,697	\$ 17,299,403	\$ 17,419,871	\$ 20,408,682
All Other Governmental Funds										
Nonspendable										
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 716,000	\$ -	\$ -	\$ -	\$ -	\$ -
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
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
Public Safety	-	197,246	206,921	228,545	243,194	260,306	319,554	373,719	358,743	334,554
Education	-	-	-	-	-	8,933,057	7,610,697	-	-	-
Capital Projects	-	-	-	-	-	19,326,934	13,905,875	9,245,998	10,713,542	12,177,760
Committed										
Highway Fund	8,111	-	-	-	-	4,256,253	4,627,319	5,137,493	5,582,006	5,982,776
Public Health and Welfare	1,093,416	1,250,141	1,228,278	1,215,443	987,653	743,547	434,092	361,030	245,932	356,677
Capital Projects	-	1,730,406	4,136,977	-	1,544,648	-	-	-	-	-
Other Purposes	-	-	-	-	-	-	-	-	-	190
Assigned										
Highways	4,653,928	-	-	-	-	-	-	-	-	-
Public Safety	254,721	-	-	-	-	-	-	-	-	-
Debt Service	5,077,558	-	-	-	-	-	-	-	-	-
Capital Projects	480,963	255,284	-	2,927,689	1,294,068	-	-	-	-	-
Unassigned										
Capital Projects	-	-	-	-	(740,077)	-	-	-	-	-
Total All Other Governmental Funds	\$ 11,568,697	\$ 14,538,911	\$ 18,368,348	\$ 16,894,189	\$ 14,541,156	\$ 40,992,730	\$ 33,885,035	\$ 23,468,745	\$ 25,497,317	\$ 27,178,937

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 39,039,964	\$ 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
Licenses and Permits	495,487	552,117	569,907	579,239	618,064	685,941	709,293	711,579	784,810	941,666
Fines, Forfeitures and Penalties	973,459	1,049,380	942,459	966,951	1,020,892	691,817	649,459	584,227	522,393	411,384
Charges for Current Services	1,549,971	927,575	938,606	847,433	995,603	791,034	769,831	773,561	733,741	707,016
Other Local Revenues	824,914	862,523	851,021	790,851	972,749	793,014	962,304	1,342,919	2,075,418	1,016,065
Fees Received from County Officials	5,238,654	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
Revenue from State of Tennessee	6,709,323	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
Revenue from Federal Government	1,133,676	1,201,492	470,657	341,972	303,869	171,753	2,249,339	1,583,742	1,419,051	3,301,644
Revenue from Other Governments and Citizens Groups	2,530,894	1,446,146	1,948,066	1,745,770	2,513,696	2,500,331	804,423	635,210	791,248	669,981
Total Revenues	\$ 58,496,342	\$ 55,400,396	\$ 55,523,550	\$ 56,836,429	\$ 57,665,795	\$ 68,269,180	\$ 72,432,844	\$ 72,208,387	\$ 73,436,779	\$ 76,470,991
EXPENDITURES										
General Government	\$ 4,928,959	\$ 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
Finance	2,573,410	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
Administration of Justice	3,545,146	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
Public Safety	17,058,392	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
Highways	8,054,024	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
Public Health and Welfare	5,579,371	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
Social, Cultural and Recreational	876,769	869,803	839,846	1,317,274	825,957	946,232	888,678	1,021,334	568,847	1,062,067
Agriculture and Natural Resources	397,948	435,305	417,339	400,909	436,966	432,196	488,555	507,471	1,588,404	577,190
Other Operations	875,695	1,606,024	747,336	1,717,722	2,427,087	871,728	866,134	1,415,171	9,049,447	2,889,863
Debt Service:										
Principal	2,875,000	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
Interest and Fiscal Fees	6,900,560	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
Trustee's Commission	202,253	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
Education	66,761	161,881	4,030,270	2,370,917	2,430,400	1,259,751	1,229,368	727,588	813,696	746,002
Capital Outlay	-	-	-	-	-	17,711,225	16,704,128	18,798,977	5,832,479	5,293,447 *
Total Expenditures	\$ 53,934,288	\$ 53,662,582	\$ 68,498,689	\$ 60,370,802	\$ 61,199,353	\$ 76,702,145	\$ 78,411,640	\$ 83,184,472	\$ 71,302,549	\$ 72,466,061

WASHINGTON COUNTY, TENNESSEE
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Table 4									
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (Deficiency) of Revenues										
Over Expenditures	\$ 4,562,054	\$ 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
OTHER FINANCING SOURCES (USES)										
Bond Proceeds	\$ -	\$ 1,760,000	\$ 4,015,000	\$ -	\$ -	\$ 31,950,000	\$ -	\$ -	\$ -	\$ -
Note Proceeds	-	-	5,520,000	-	-	-	-	-	-	-
Capital Leases Issued	-	-	673,166	-	-	-	-	-	-	644,866
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
Transfers to Other Funds	(5,302,920)	(5,362,576)	(7,804,005)	(6,789,278)	(8,304,848)	(958,798)	(311,981)	(188,347)	(81,000)	(2,248,400)
Transfers from Other Funds	5,302,920	5,362,576	7,804,005	6,789,278	8,304,848	316,153	311,981	188,347	81,000	2,248,400
Total Other Financing Sources (Uses)	\$ -	\$ 1,841,474	\$ 17,962,009	\$ -	\$ -	\$ 35,163,037	\$ 59,734	\$ 21,501	\$ 14,810	\$ 665,501
Net Change in Fund Balances	\$ 4,562,054	\$ 3,579,288	\$ 4,986,870	\$ (3,534,373)	\$ (3,533,558)	\$ 26,730,072	\$ (5,919,062)	\$ (10,954,584)	\$ 2,149,040	\$ 4,670,431
Debt Service as a Percentage of Noncapital Expenditures	18.44%	17.86%	15.43%	20.03%	20.85%	14.89%	20.91%	20.33%	21.61%	21.08%
Capital Expenditures	\$ 919,542	\$ 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

* 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			Personal Property		Public Utility Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated		Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
			Residential & Farm Property	Industrial & Commercial Property								
2012	2011	\$1.91	\$ 7,540,552,600	\$ 2,123,261,300	\$ 2,726,143,300	\$ 440,761,160	\$ 132,228,348	\$ 182,833,517	\$ 79,806,830	\$ 10,287,408,577	\$ 2,938,178,478	28.56%
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%

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rates										
General	\$0.71	\$0.65	\$0.65	\$0.68	\$0.68	\$0.73	\$0.74	\$0.74	\$0.67	\$0.67
Upkeep (Highway)	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.14	0.14
General Purpose School	0.69	0.74	0.77	0.80	0.80	0.83	0.83	0.83	0.74	0.74
Debt Service	0.32	0.33	0.31	0.32	0.32	0.32	0.32	0.41	0.37	0.37
Solid Waste/Sanitation	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Capital Projects	-	-	-	-	-	0.32	0.31	0.21	0.20	0.03
Education Capital Projects	-	-	-	-	-	-	-	-	-	0.17
Total Direct Rate	<u>\$1.91</u>	<u>\$1.91</u>	<u>\$1.91</u>	<u>\$1.98</u>	<u>\$1.98</u>	<u>\$2.38</u>	<u>\$2.38</u>	<u>\$2.38</u>	<u>\$2.15</u>	<u>\$2.15</u>
City Rates										
City of Johnson City	\$1.57	\$1.57	\$1.58	\$1.62	\$1.87	\$1.89	\$1.89	\$1.89	\$1.71	\$1.71
Town Rates										
Town of Jonesborough	\$1.28	\$1.28	\$1.28	\$1.31	\$1.31	\$1.31	\$1.31	\$1.31	\$1.20	\$1.20

WASHINGTON COUNTY, TENNESSEE
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
 CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
	Glimcher, MJC, LLC	\$ 21,297,600	1	0.62%	\$ 24,621,584	2
Wal-Mart / Sam's Club	18,811,020	2	0.55%	20,789,881	3	0.71%
Atmos Energy Corporation	15,414,905	3	0.45%	11,171,600	6	0.38%
Wolfe Rentals GP / Wolfe Development	12,960,300	4	0.38%	-	-	-
Knob Creek Apts LLC	11,301,440	5	0.33%	10,749,697	7	0.37%
Appalachian Power Company	10,563,261	6	0.31%	-	-	-
Reserve Johnson City LLC	10,334,920	7	0.30%	-	-	-
RAF Johnson City LLC C/O Chase Properties	9,812,520	8	0.28%	18,962,101	4	0.65%
United Telephone Southeast, LLC	8,756,481	9	0.25%	28,113,389	1	0.96%
AT & T Mobility, LLC	8,313,429	10	0.24%	-	-	-
American Water Heater	-	-	-	12,152,168	5	0.41%
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>\$ 127,565,876</u>		<u>3.70%</u>	<u>\$ 151,953,869</u>		<u>5.17%</u>

Table 7

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
2012	\$ 56,392,758	\$ 34,667	\$ 56,427,425	\$ 53,167,530	94.3%	\$ 2,277,564	\$ 55,445,094	98.3%
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%	2,282,722	71,880,582	98.8%
2020	72,921,419	(61,146)	72,860,273	69,875,815	95.8%	2,338,257	72,214,072	99.1%
2021	73,995,012	(42,054)	73,952,958	72,086,740	97.4%	-	72,086,740	97.5%

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	Capital Leases	Total	Percentage of Personal Income ¹	Per Capita ¹
2012	\$ 153,690,545	\$ 180,000	\$ -	\$ -	\$ 153,870,545	3.30%	\$1,233.18
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

¹ 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 ¹	Total	Percentage of Personal Income ²	Percentage of Assessed Value ³ of Taxable Property	Per Capita ²
2012	\$153,690,545	\$ 5,077,558	\$ 148,612,987	3.18%	5.06%	\$ 1,191
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	6,836,321	145,757,865	2.46%	4.23%	1,096

¹ 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.

² Population and personal income data can be found in Table 13.

³ 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, 2021

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)	\$ 108,609,050	98.00%	\$ 106,436,869
Town of Jonesborough	7,951,310	100.00%	7,951,310
City of Watauga	-	0.01%	-
<i>Subtotal, Overlapping Debt</i>	<u>\$ 116,560,360</u>		<u>\$ 114,388,179</u>
Net Direct Debt:			
Washington County	<u>\$ 155,129,593</u>	100.00%	<u>\$ 155,129,593</u>
Total Direct and Overlapping Debt	<u><u>\$ 271,689,953</u></u>		<u><u>\$ 269,517,772</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 2021. Amounts are as of June 30, 2020.

WASHINGTON COUNTY, TENNESSEE
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
June 30, 2021

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
2012	124,775	\$ 4,668,979,000	\$ 37,419	7.5%
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%

Source: 2020 Decennial Census, United States Census Bureau, United States Bureau of Economic Analysis, and the Tennessee Department of Labor & Workforce Development.

WASHINGTON COUNTY, TENNESSEE
PRINCIPAL EMPLOYERS (UNAUDITED)
For the Fiscal Years Noted

Table 14

<u>EMPLOYER</u>	<u>2021 (see note)</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Ballad Health Corporation, formerly Mountain States Health Alliance (JC) and Wellmont (Kingsport)	8,610	1	9.66%	3,541	1	5.89%
James H. Quillen VA Medical Center	2,500	2	2.81%	1,592	4	2.65%
East Tennessee State University	2,469	3	2.77%	2,330	2	3.87%
CITI Commerce Solution	1,896	4	2.13%	1,950	3	3.24%
Advanced Call Center Technologies	1,650	5	1.85%	1,200	6	2.00%
Washington County School System	1,262	6	1.42%	1,200	7	2.00%
Frontier Health	1,100	7	1.23%	-	-	-
A. O. Smith (American Water Heater)	1,024	8	1.15%	1,300	5	2.16%
City of Johnson City	965	9	1.08%	860	9	1.43%
Johnson City School System	878	10	0.99%	900	8	1.50%
AT & T Mobility	-	-	-	650	10	1.08%
	22,354		25.09%	15,523		25.82%

Source: Business Journal Book of Lists | October 2019, Washington County Board of Education and City Government.

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

WASHINGTON COUNTY, TENNESSEE
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED)
 Last Ten Fiscal Years

Table 15

FUNCTION	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	155	146	146	140	140	142	146	141	164	154
Public Safety	211	215	220	217	224	225	225	209	210	211
Highways	83	83	83	82	83	82	80	83	82	81
Library	9	13	9	8	9	12	9	9	12	15
Sanitation	14	13	13	14	14	14	17	17	19	21
Total	<u>472</u>	<u>470</u>	<u>471</u>	<u>461</u>	<u>470</u>	<u>475</u>	<u>477</u>	<u>459</u>	<u>487</u>	<u>482</u>

Source: Washington County Payroll Records

WASHINGTON COUNTY, TENNESSEE
OPERATING INDICATORS BY FUNCTION (UNAUDITED)
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Jail Bookings	7,642	7,095	7,146	6,939	7,181	7,350	8,077	8,064	6,305	5,146
Average Daily Population	616	589	581	554	594	590	653	691	614	493
Physical Arrests	3,958	3,845	3,553	3,587	3,725	3,926	4,545	4,509	3,675	3,317
Warrants Processed	16,477	15,825	15,886	15,768	15,501	15,825	16,811	16,896	14,744	12,806
Warrants Served	12,118	13,138	11,757	11,341	11,546	11,586	12,104	12,224	9,734	11,988
<u>Highway</u>										
Streets Maintained (miles)	760.71	788.96	788.96	789.96	789.96	971.41	972.39	973.22	787.93	788.93
Streets Resurfaced (miles)	21.94	31.34	36.89	31.44	36.00	32.84	25.27	30.70	18.86	35.50
<u>Library</u>										
Volumes in Circulation	146,255	153,895	167,468	139,918	135,558	145,546	127,546	114,147	90,691	69,742
Electronic Volumes in Circulation	*	*	17,589	18,701	20,198	27,798	36,386	41,269	48,354	50,229
<u>Sanitation</u>										
Refuse Collected (tons/day)	51.21	54.89	35.60	37.82	45.47	44.64	44.64	42.36	44.19	43.05
Recyclables Collected (tons/day)	11.23	13.47	12.92	11.78	8.55	8.79	8.79	8.6	10.18	13.8

* 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Correction Facility Capacity	578	578	578	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	36	39	39	39	39	39	40
Substations	3	3	3	3	1	1	1	1	1	1
<u>Highway</u>										
Bridges under 20 feet	372	372	372	372	372	372	372	372	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	116	116
<u>Library</u>										
Volumes in Collection	88,474	91,753	90,617	81,529	76,730	91,292	73,421	60,186	58,070	69,571
<u>Sanitation</u>										
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, 2021, 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 November 19, 2021. 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.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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: 2021-001, 2021-002, 2021-003, 2021-004, and 2021-005.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Washington County's Responses to the Findings

Washington County's responses to the findings identified in our audit 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

November 19, 2021

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

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, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2021, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated November 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 19, 2021

JEM/tg

Washington County, Tennessee, and the Washington County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 14,163
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	735,225 (7)
COVID 19 - School Breakfast Program	10.553	N/A	50,870 (7)
National School Lunch Program	10.555	N/A	1,700,414 (7)
COVID 19 - National School Lunch Program	10.555	N/A	81,475 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	233,422 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-67107-00	158,891 (6)
Total U.S. Department of Agriculture			<u>\$ 2,974,460</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 34,486
Total U.S. Department of Interior			<u>\$ 34,486</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	(8)	\$ 3,105
Direct Program:			
Equitable Sharing Program	16.922	N/A	12,446
Total U.S. Department of Justice Assistance			<u>\$ 15,551</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 31,228
Total U.S. Department of Labor			<u>\$ 31,228</u>
U.S. Department of Treasury:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 1,929,105 (7)
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	362,537 (7)
Total U.S. Department of Treasury			<u>\$ 2,291,642</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)	\$ 300 (7)
COVID 19 - Grants to States	45.310	(4)	3,687 (7)
Total U.S. Institute of Museum and Library Services			<u>\$ 3,987</u>
U.S. Environmental Protection Agency:			
Passed-through East Tennessee Clean Fuels Coalition:			
State Clean Diesel Grant Program	66.040	2021-RDE4HT-172	\$ 54,000
Total U.S. Environmental Protection Agency			<u>\$ 54,000</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 211,930
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,690,551
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,838,256
Special Education - Preschool Grants	84.173	N/A	36,563
Career and Technical Education - Basic Grants to States	84.048	N/A	174,251
Improving Teacher Quality State Grants	84.367	N/A	298,341
Student Support and Academic Enrichment Program	84.424	N/A	126,416
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER 1.0)	84.425D	N/A	751,309 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER 2.0)	84.425D	N/A	1,146,771 (7)
Passed-through Greeneville City School Department:			
English Language Acquisition Grants	84.365	(4)	3,500
Total U.S. Department of Education			<u>\$ 6,277,888</u>

(Continued)

Washington County, Tennessee, and the Washington School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of National Archives and Records Administration:			
Passed-through State Historical Records Advisory Board:			
National Historical Publications and Records Grants	89.003	RC-102714-19	\$ 640
Total U.S. Department of National Archives and Records Administration			<u>\$ 640</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(4)	\$ 59,390
Total U.S. Election Assistance Commission			<u>\$ 59,390</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-21-67107-00	\$ 8,673 (6)
Family Planning Services	93.217	GG-21-67107-00	23,217 (6)
Improving the Health of Americans Through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	GG-20-62452-00	22,329
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-21-67107-00	61,460 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-21-67107-00	23,558 (6)
Passed-through State Department of Education:			
TANF Cluster: (5)			
Temporary Assistance for Needy Families	93.558	(4)	234,939
Total U.S. Department of Health and Human Services			<u>\$ 374,176</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(4)	\$ 3,366
Total Executive Office of the President			<u>\$ 3,366</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(4)	\$ 62,500
Homeland Security Grant Program	97.067	34101-10418	45,336
Total U.S. Department of Homeland Security			<u>\$ 107,836</u>
Total Expenditures of Federal Grants			<u>\$ 12,228,650</u>
<u>State Grants</u>			
		Contract Number	
Juvenile Justice - State Commission on Children and Youth	N/A	(11)	\$ 10,800
Early Childhood Education Project - State Department of Education	N/A	(4)	163,988
Coordinated School Health - State Department of Education	N/A	(4)	100,000
Family Resource Center - State Department of Education	N/A	(4)	31,112
Safe Schools Act - State Department of Education	N/A	(4)	107,587
Drivers Education - State Department of Education	N/A	(4)	30,453
Archives Grant - State Department of Library and Archives	N/A	(4)	1,332
Litter Program - State Department of Transportation	N/A	Z-20-LIT-090	83,234
Site Development Grant - State Department of Environment and Conservation	N/A	13568	28,562
Bridge Program - State Department of Transportation	N/A	(4)	126,076
Health Access Grant - State Department of Health	N/A	(4)	20,000
CTE Major Clarity Grant - State Department of Education	N/A	(4)	18,000
TVA STEM Grant - State Department of Education	N/A	(4)	9,500
Governor's Civics Grant - State Department of Education	N/A	(4)	3,607
Lottery for Education After School Program - State Department of Education	N/A	(4)	29,524
Rural Local Health Services - State Department of Health	N/A	GG-21-67107-00	505,639 (6)
Summer Learning Camps - State Department of Education	N/A	(4)	548,192
Special Needs Grant - State Department of Health	N/A	GG-19-61759-00	278,000
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,877,659
Total State Grants			<u>\$ 3,973,265</u>

(Continued)

Washington County, Tennessee, and the Washington School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9) (10) (Cont.)

FAL = Federal Assistance Listings
 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 \$14,163; Child Nutrition Cluster total \$2,801,406;
 Special Education Cluster total \$1,874,819; Medicaid Cluster total \$61,460; TANF Cluster total \$234,939.
- (6) Programs with pass-through entity identifying no. GG-21-67107-00 are part of a multi-service contract.
- (7) Total for FAL No. 10.553, \$786,095; FAL No. 10.555, \$2,015,311; FAL No. 21.019, \$2,291,642;
 FAL No. 45.310, \$3,987; FAL No. 84.425D, \$1,898,080.
- (8) 31601-1832 \$3,015; 31601-2030 \$90.

(9) CONSOLIDATED ADMINISTRATION	Federal	Amount
The following amounts were consolidated for administration purposes:	Assistance	Provided to
<u>Program Title</u>	<u>Listings</u>	<u>Consolidated</u>
	<u>Number</u>	<u>Administration</u>
Title I Grants to Local Educational Agencies	84.010	\$ 217,381
Improving Teacher Quality State Grants	84.367	44,064
Student Support and Academic Enrichment Program	84.424	100
Total amounts consolidated for administration purposes		<u>\$ 261,545</u>

- (10) For the year ended June 30, 2021, Washington County received donated PPE valued at \$630,597 (\$472,947 federal and \$157,650 state) from the Tennessee Department of Military. These donations were unaudited.

Additional Note for State Grants

- (11) 35910-03602 \$4,500; 35910-20407 \$6,300.

Washington County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

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, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

2020	272	2020-001	The estimated beginning fund balance in the General Capital Projects Fund and the estimated beginning fund balance submitted to the state differed by a significant amount.	N/A	Corrected
2020	273	2020-002	The county did not maintain adequate controls over its capital asset records.	N/A	Corrected

OFFICE OF HIGHWAY SUPERINTENDENT, DIRECTOR OF ACCOUNTS AND BUDGETS, AND PURCHASING AGENT

2020	273	2020-003	Competitive bids were not properly solicited in compliance with state statutes.	N/A	Corrected
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OFFICE OF DIRECTOR OF SCHOOLS

2020	274	2020-004	The accounting records for various funds had not been maintained properly.	N/A	Part B Not Corrected - See Explanation on Corrective Action Plan
2020	275	2020-005	Unclaimed funds were not reported and paid to the state.	N/A	Corrected
2020	276	2020-006	The school department did not maintain adequate control over its capital asset records.	N/A	Corrected

OFFICE OF SHERIFF

2020	276	2020-007	The office had accounting deficiencies.	N/A	Corrected
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Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

WASHINGTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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 Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund
Program - Elementary and Secondary School
Emergency Relief Fund (ESSER 1.0 & 2.0)
8. Dollar threshold used to distinguish between type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2021-001

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 eight of 12 months, with the highest debt balance totaling \$553,538 for the month ending September 30, 2020. Bank clearing account reconciliations with the general ledger, subsidiary records, monthly billings, receipts, and payments were not performed to identify the balance in this payroll liability account. Accounting department staff expensed \$161,956 in June 2021 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 expensed \$166,809 in June 2021 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 – CHIEF FINANCIAL OFFICER

Management concurs with this finding. To date the reason for the variance in the liability accounts on a monthly basis hasn't been identified; however additional time and resources are being devoted to identifying root cause of this. Management and staff are currently working to identify the issue relating to this finding. However, as noted, adjustments have been entered to ensure the accuracy of the final annual financial statements.

FINDING 2021-002

PAYROLL TAXES WERE REPORTED AND WITHDRAWN TWICE BY THE INTERNAL REVENUE SERVICE (Internal Control – Significant Deficiency Under *Government Auditing Standard*)

During our audit of the Washington County Trustee's office, we noted an item on the bank reconciliation for an overpayment of payroll taxes to the Internal Revenue Service (IRS). It was determined that school department personnel had inadvertently reported the amount of the June 2021 payroll tax due to the IRS twice. This action resulted in the IRS deducting an extra \$603,239 from the trustee's bank account. The school department was allowed to deduct the overpayment from the payroll tax amount due in September 2021. This overpayment is reflected as a prepaid asset in the General Purpose School Fund and School Federal Projects Fund as of June 30, 2021. The deficiency resulted from a lack management oversight.

RECOMMENDATION

Internal controls should be developed to ensure that amounts are accurately reported to the IRS as required.

MANAGEMENT'S RESPONSE – CHIEF FINANCIAL OFFICER

Management concurs with this finding. This has been addressed with the IRS and additional controls have been put in place with the workflow that should prevent an accidental over payment in the future. The IRS applied the overpayment to the future quarter, so all funds were balanced on a future payroll. The Washington County Department of Education (WCDE) was informed by the IRS that no penalties will be incurred. The communication with the IRS, along with additional reporting guidelines and controls put in place in the central accounting office has already addressed this issue.

FINDING 2021-003

THE SCHOOL FEDERAL PROJECTS FUND HAD A FUND DEFICIT AT JUNE 30, 2021

(Internal Control – Significant Deficiency Under *Government Auditing Standard*)

The School Federal Projects Fund had a fund deficit of \$68,594 at June 30, 2021. This deficit occurred because school department personnel did not request reimbursement of expenditures from the Literacy Training Teacher Stipend Grant until August 2021 and from the recognition of prepaid assets for the overpayment of payroll taxes noted in the previous finding. Sound business practices dictate that expenditures should be held within available funds and requests for grant reimbursements should be made on a current basis. As of October 18, 2021, the associated grant reimbursement had not been approved or paid by the state.

RECOMMENDATION

Requests for reimbursements from grant funds should be made on a timely basis. Officials should ensure that adequate funding is provided to prevent the recurrence of a fund deficit.

MANAGEMENT'S RESPONSE – CHIEF FINANCIAL OFFICER

This is referring to an individual grant in the Federal Projects Funds and not the entire Federal Project Fund as a whole. The Grant referred to is the FY21 Literacy Training Teacher Stipend Grant. This grant reimbursement was originally requested in a timely manner on 08/02/2021 via submission of the Year Ending Final Expenditures Report (FER). On 08/20/2021 this grant was returned not approved by the State Department of Education (TDOE.) Some confusion existed with the state relating to a 2nd round of stipend payments. The WCDE didn't have an assigned TDOE Consultant at this time due to a vacancy. Communication did take place via a temporary assigned TDOE consultant in mid-to-late September and a resubmission of this grant occurred on September 29, 2021. We are still waiting on the State to send reimbursement, but there is nothing else we can do at this time. The reference to payroll taxes were part of the same finding already addressed relating to payroll taxes.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2021-004

THE OFFICE DID NOT REVIEW A LIST OF VOIDED TRANSACTIONS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated a report that displayed transactions that were voided by users. To ensure that these transactions were necessary, this report should be reviewed for inappropriate activity. During the prior audit period, management was made aware of the importance of this process; however, a review was not performed. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Management should review the report of voided transactions on a routine basis. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

We agree with this finding.

OFFICE OF COUNTY CLERK

FINDING 2021-005

THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated logs that displayed changes and deletions made by users. Because these logs provided the only audit trail of these changes and deletions, they should be routinely reviewed for inappropriate activity. Management was aware of their importance and chose to discontinue the routine review of these audit logs.

RECOMMENDATION

Management should implement a regular, documented review of the software audit logs as a means of strengthening internal controls. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – COUNTY CLERK

We concur with this finding and a corrective action plan has been implemented.

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, 2021.

Washington County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS - SCHOOL'S CHIEF FINANCIAL OFFICER

2021-001	Payroll liability accounts were not reconciled accurately and timely.	295
2021-002	Payroll taxes were reported and withdrawn twice by the Internal Revenue Service.	296
2021-003	The School Federal Projects Fund had a fund deficit at June 30, 2021.	297

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2021-004	The office did not review a list of voided transactions.	298
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OFFICE OF COUNTY CLERK

2021-005	The office did not review software audit logs.	299
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Jerry S. Boyd
Superintendent

405 W. College St.
Jonesborough, TN 37659
Phone (423) 753-1100

Corrective Action Plan

**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:

FY22

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

To date the reason for the variance in the liability accounts on a monthly basis hasn't been identified, however additional time and resources are being devoted to identifying root cause of this.

Planned Corrective Action:

Management and staff are currently working to identify the issue relating to this finding. However, as noted adjustments have been entered to ensure the accuracy of the final annual financial statements.

Board of Directors

Annette Buchanan
Jason Day
Mary Beth Dellinger

Keith Ervin
Chad Fleenor
David Hammond

Mike Masters
Mitch Meredith
Whitney Riddle



Jerry S. Boyd
Superintendent

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FINDING: PAYROLL TAXES WERE REPORTED AND WITHDRAWN TWICE BY THE
INTERNAL REVENUE SERVICE

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:

Already completed

Repeat Finding:

No

Planned Corrective Action:

This has been addressed with the IRS and additional controls have been put in place with the workflow that should prevent an accidental over payment in the future. The IRS applied the overpayment to the future quarter so all funds were balanced on a future payroll. The WCDE was informed by the IRS that no penalties will be incurred. The communication with the IRS, along with additional reporting guidelines and controls put in place in the Central Accounting Office have already addressed this issue.

Board of Directors

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FINDING: THE SCHOOLS FEDERAL PROJECTS FUND HAD A FUND DEFICIT AT
JUNE 30, 2021

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:

Already completed

Repeat Finding:

No

Planned Corrective Action:

This is referring to an individual grant in the Federal Projects Funds and not the entire Federal Project Fund as a whole. The Grant referred to is the FY21 Literacy Training Teacher Stipend Grant. This grant reimbursement was originally requested in a timely manner on 08/02/2021 via submission of the Year Ending Final Expenditures Report (FER). On 08/20/2021 this grant was returned not approved by the State. Some confusion existed with the state relating to a 2nd round of stipend payments. The WCDE didn't have an assigned TDOE Consultant at this time due to a vacancy. Communication did take place via a temporary assigned TDOE consultant in mid-to-late September and a resubmission of this grant occurred on September 29, 2021. We are still waiting on the State to send reimbursement, but nothing else we can do at this time.

The reference to payroll taxes were part of the same finding already addressed relating to Payroll Taxes.

Signature:

Board of Directors

Annette Buchanan
Jason Day
Mary Beth Dellinger

Keith Ervin
Chad Fleenor
David Hammond

Mike Masters
Mitch Meredith
Whitney Riddle



Washington County Circuit Court
Brenda Downes, Clerk
108 West Jackson Blvd Suite 1210
Jonesborough, TN 37659

Corrective Action Plan

FINDING: THE OFFICE DID NOT REVIEW A LIST OF VOIDED TRANSACTIONS

Response and Corrective Action Plan Prepared by:
Brenda Downes, Circuit Court Clerk

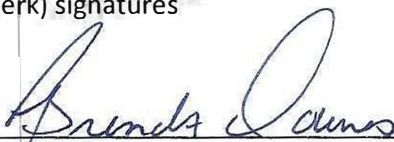
Person Responsible for Implementing the Corrective Action:
Brenda Downes, Clerk
Vickie Miller, Bookkeeper

Anticipated Completion Date of Corrective Action:
August 23, 2021

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
Not applicable

Planned Corrective Action:
List of voided transactions are printed out and placed in a book with the bookkeeper and management (Clerk) signatures


Brenda Downes, Circuit Court Clerk


Vickie Miller, Bookkeeper

**Kathy Storey
Washington County Clerk
100 E Main St
PO Box 218
Jonesborough, TN 37659**

Phone (423) 753-1621

Fax (423) 753-4716

Corrective Action Plan

FINDING: THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS

Response and Corrective Action Plan Prepared by:

Kathy Storey, County Clerk

Person responsible for Implementing the Corrective Action:

Kathy Storey, County Clerk

Anticipated Completion Date of Corrective Action:

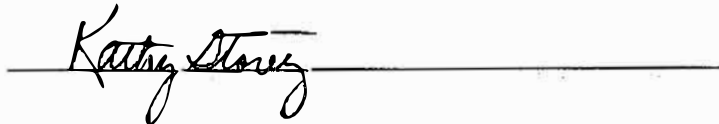
August 19, 2021

Repeat Finding:

No

Planned Corrective Action:

Review of software audit logs were implemented August 19, 2021 and going forward will be reviewed /printed on a monthly basis.



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.