JOHNSON CITY ENERGY AUTHORITY DBA BRIGHTRIDGE

AUDITED FINANCIAL STATEMENTS

2019

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE

BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2019

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SECTION I

INTRODUCTORY SECTION

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF OFFICIALS
June 30, 2019

<u>Name and Title of Official</u>

Officers	
Jeff Dykes	Chief Executive Officer
Brian Bolling	CFO and Chief Customer Officer
Connie Crouch	Chief Employee Relations Officer
Mark Eades	Chief Engineering and Technology Officer
Eric Egan	Chief Data Officer
Stacy Evans	Chief Broadband Officer
Rodney Metcalf	Chief Operations Officer
Members of Governing Board	
Dr. B.J. King	Chair
Bob Cantler	Vice-Chair
Dan Brant	
Jenny Brock	
Joe Grandy	
Dr. Hal Knight	
James Smith	
Robert Thomas	
Guy Wilson	

SECTION II

FINANCIAL SECTION

Blackburn, Childers & Steagall, PLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Johnson City Energy Authority dba
BrightRidge

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Johnson City Energy Authority dba BrightRidge (BrightRidge), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise BrightRidge's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BrightRidge'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 BrightRidge'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 opinion.

Johnson City	801B Sunset Drive, Johnson City, TN 37604	423.282.4511
Kingsport	1361 South Wilcox Drive, Kingsport, TN 37660	423.246.1725
Greeneville	550 Tusculum Boulevard, Greeneville, TN 37745	423.638.8516

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Johnson City Energy Authority dba BrightRidge, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 13 and the pension and OPEB information on pages 42 through 44 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 (GASB), 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise BrightRidge's basic financial statements. The introductory section, and the supplementary information and other supplementary information subsections, as detailed within the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information subsection 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. 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. In our opinion, the supplementary information subsection is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of BrightRidge'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 BrightRidge'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 BrightRidge's internal control over financial reporting and compliance.

Blackburn, Childers and Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 9, 2019

Johnson City Energy Authority (JCEA), dba BrightRidge, is an energy authority created under the Municipal Energy Authority Act with the responsibility to provide electricity and related programs, services, and products. As the tenth largest of TVA's 154 local power companies, JCEA supplies electricity to around 79,150 customers over nearly 350 square miles in Northeast Tennessee. The JCEA service area includes the City of Johnson City; the Town of Jonesborough; part of the City of Kingsport; all of Washington County; and parts of Sullivan, Carter, and Greene counties. In September 2018, JCEA launched a broadband business to provide internet, voice, and video services.

The Management's Discussion and Analysis (MD&A) for JCEA is designed to help the reader focus on significant financial activities and identify any meaningful changes in the financial position for the fiscal year ending June 30, 2019. This MD&A is in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.* We encourage readers to consider the information presented here in conjunction with the financial statements and supporting documents taken as a whole.

Overview of the Financial Statements

This discussion and analysis are to introduce the financial statements and provide an analytical overview of JCEA's financial activities for the fiscal year ending June 30, 2019. The financial statements are comprised of the basic financial statements and the notes to the financial statements which provide detailed supporting information.

Basic Financial Statements

The basic financial statements should provide a broad overview of JCEA's finances like those used by a private sector business. The financial statements are prepared using the accrual basis of accounting and offer short and long-term information about financial activities.

The Statement of Net Position presents information on all JCEA's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the remaining difference reported as net position. Net position is an indicator of financial status at a given point in time and can be tracked over time to assess whether the standing is improving or deteriorating. Net position increases when revenues exceed expenses. Improved financial position is shown by an increase to assets without an increase to liabilities, resulting in an increased net position.

The current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. The success of JCEA operations over the past fiscal year can be measured by this statement and it is useful to determine whether costs are successfully recovered through rates and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. This statement provides details as to the sources of cash, the uses of cash, and the change in the cash balance during the reporting period, without consideration of the timing of the event.

Financial Analysis

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position convey information about JCEA's activities highlighting the change in financial condition from one year to the next. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of JCEA is improving or declining. Other considerations for electric distribution entities are the influences of non-financial indicators such as economic conditions, population growth, weather, changes in governmental legislation, and energy efficiency. The financial statements reflect the launch of our broadband business. JCEA began purchasing equipment and building infrastructure to be able to deliver broadband services. The broadband business plan has eight phases of construction which cover fiscal years 2019 through 2026.

Condensed Statement of Net Position is presented below:

SUMMARY OF STATEMENT OF NET POSITION

	FY 2019	FY 2018	Dollar Change	% Change
Assets				
Current and Other Assets	66,321,044	64,934,819	1,386,225	2.1%
Restricted Assets	21,363,819	22,075,254	(711,435)	-3.2%
Capital Assets, Net	202,417,490	194,067,439	8,350,051	4.3%
Total Assets	**$ 290,102,353**	**$ 281,077,512**	**$ 9,024,841**	**3.2%**
Deferred Outflows of Resources	**$ 4,792,126**	**$ 4,861,023**	**$ (68,897)**	**-1.4%**
Liabilities				
Current Liabilities	36,006,443	34,724,532	1,281,911	3.7%
Long-Term Liabilities	42,768,321	46,900,272	(4,131,951)	-8.8%
Total Liabilities	**$ 78,774,764**	**$ 81,624,804**	**$ (2,850,040)**	**-3.5%**
Deferred Inflows of Resources	**$ 1,181,297**	**$ 848,811**	**$ 332,486**	**39.2%**
Net Position				
Net Investment in Capital Assets	169,870,837	158,938,739	10,932,098	6.9%
Unrestricted Net Position	45,067,581	44,526,181	541,400	1.2%
Total Net Position	**$ 214,938,418**	**$ 203,464,920**	**$ 11,473,498**	**5.6%**

Net position increased $11,473,498 to $214,938,418 in fiscal year 2019, up from $203,464,920 in fiscal year 2018 for a 5.6% increase in total net position. The $11,473,498 gain in net position includes $4,056,492 of broadband net capital assets. The primary cost within the broadband assets is the construction of a fiber optic distribution network. JCEA expects broadband net capital assets to exceed $64 million by 2026.

Condensed Statement of Revenues, Expenses and Changes in Net Position is presented below:

SUMMARY OF STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2019	FY 2018	Dollar Change	% Change
Operating Revenues				
Electric Sales Revenue	200,087,186	197,507,363	2,579,823	1.3%
Broadband Sales Revenue	12,480	-	12,480	100.0%
Other Operating Revenues	4,124,982	4,008,314	116,668	2.9%
Total Operating Revenues	**$ 204,224,648**	**$ 201,515,677**	**$ 2,708,971**	**1.3%**
Operating Expenses				
Electric Purchased Power	151,954,739	150,890,594	1,064,145	0.7%
Broadband Wholesale Delivery	242,529	-	242,529	100.0%
Broadband Installation Expenses	349,766	-	349,766	100.0%
Other Operating Expenses	14,798,061	13,841,784	956,277	6.9%
Maintenance Expenses	9,691,588	8,326,145	1,365,443	16.4%
Provision for Depreciation	9,335,450	8,991,094	344,356	3.8%
Tax Equivalents	5,574,301	5,444,336	129,965	2.4%
Total Operating Expenses	**$ 191,946,434**	**$ 187,493,953**	**$ 4,452,481**	**2.4%**
Nonoperating Revenues (Expenses)	(804,716)	(1,064,429)	259,713	-24.4%
Change In Net Position	**$ 11,473,498**	**$ 12,957,295**	**$ (1,483,797)**	**-11.5%**
Beginning Net Position	203,464,920	191,220,151	12,244,769	6.4%
Prior Period (Restatement) Adjustment	-	(712,526)	712,526	-100.0%
Beginning Net Position Restated	203,464,920	190,507,625	12,957,295	6.8%
Ending Net Position	**$ 214,938,418**	**$ 203,464,920**	**$ 11,473,498**	**5.6%**

The change in net position from fiscal year 2018 to fiscal year 2019 is $11,473,498 or 5.6%. The addition of broadband revenues and expenses was one of the most notable changes to our statements as compared to the prior fiscal years. The statements above reflect the broadband and electric divisions as a single fund. BrightRidge must segregate the electric or broadband division for regulatory reporting to the Tennessee Valley Authority. Within our financial statements, any interfund activity including receivables or accounts payables have been eliminated to clearly reflect a single fund.

Operating revenues increased by $2,708,971 or 1.3% during fiscal year 2019. Electric Sales Revenue is based on energy sold to customers, represented in kilowatt hours (kWh). kWh sold was 1,867,676,099 for FY 2019 as compared to 1,898,352,051 kWh in FY 2018. This represents a reduction of 1.6%. Weather serves an important part in determining electric operating revenue for any given year, its influence is reflected in the comparison of degree days from one period to the next. Degree days are a simplified form of historical weather data and are commonly used in monitoring the relationship between energy consumption and outside air temperature. Total degree days for 2019 were 5,260 compared to 5,362 for 2018 which represents a 1.9% decrease in degree days. Electric revenues were higher than FY 2018, even with the decline in kWh. Electric rates increased by approximately 2% in October 2018.

Total operating expenses for fiscal year 2019 are up by $4,452,481 or 2.4% over fiscal year 2018. Operating expenses include Purchased Power, Broadband Wholesale Delivery, Broadband Installation Expense, Other Operating Expense, Maintenance Expense, Depreciation Expense, and Tax Equivalents.

The primary operating expense is Purchased Power. Purchased Power was $151,954,739 which represents 79.17% of the total operating expenses of $191,946,434. For fiscal year 2019, this was $1,064,145 or .7% more than fiscal year 2018. JCEA must purchase all its power from the Tennessee Valley Authority (TVA) under an all-requirements contract with an initial term of 20 years beginning June 30, 1985. The contract has been extended in 5-year terms beginning October 1, 1997 and requires a 5-year written notice by either party to terminate. TVA bills JCEA for wholesale electricity based on demand and energy. The demand component of the wholesale power bill drives the average cost of purchased power. Demand (kW) is determined by the highest one hour of usage in kW each month. Energy is measured in kilowatt hours (kWh). The cost of purchased power increased slightly from fiscal year 2018 to fiscal year 2019. The wholesale rate increased on October 2018 by approximately 1.88%. Weather patterns during fiscal year 2019 were not as favorable for wholesale power costs. An industry standard calculation referred to as load factor is used to measure the relationship of demand to kWh. A lower load factor may indicate a higher cost of electricity. The less kWh purchased per unit of peak demand, the more the load factor declines, and the ultimate result is that the average cost of power increasing. Increases were offset based an average reduction in the TVA fuel cost adjustment of just over 7%. This is a pass-through from TVA to our customers which represents the variable cost of fuel for generation and off system purchases. The average realized rate for fiscal year 2019 was $.079 per kWh for purchased power while fiscal year 2018 was $.075 per kWh for purchased power. JCEA has limited ability to control peak demands as the weather is the primary driver of consumption.

Broadband Wholesale Delivery and Broadband Installation Expense are new categories included in the statements. Broadband Wholesale Delivery includes the cost of transporting services, cost of wholesale internet, cost of wholesale VoIP, and cost of video programming. Broadband Installation Expense is the cost of going onsite to a customer's premise and connecting the services. Actual fiber infrastructure constructed is not included in this area but is reflected in the capital asset category. The costs in these categories are modest this year due to the initial launch. Future years will reflect more costs as we gain customers.

Other operating expenses were $14,798,061 for fiscal year 2019 as compared to $13,841,784 for fiscal year 2018. This is an increase of $956,277 or 6.9%. Other operating expenses include administrative and general, transmission, distribution, and customer service-related expenses. Broadband expenses included in other operating expense were $1,226,912 while electric accounted for $13,571,149, which was a decrease of 2% from fiscal year 2018.

Maintenance expenses were up $1,365,443 or 16.4%. Broadband accounted for $904,652 of this increase, electric maintenance expense increased $460,791 or 5.5% for fiscal year 2019. Further, depreciation expense is up $344,356 or 3.8% with $49,709 relating to broadband.

In lieu of taxes or tax equivalent payments are computed with authoritative guidance under Tennessee Code Annotated 7-52. Revenues, utility plant, and depreciation are all primary components of the formula. TVA, as our regulatory authority, reviews the JCEA computation of in lieu of taxes annually. Tax equivalents made to local taxing jurisdictions in our service area including the City of Johnson City were up $129,965 or 2.4%. The total in lieu of tax payment to the City was $4,251,553 in 2019 up $102,408 from 2018. JCEA pays the maximum in lieu of tax payment allowed by state law and is the City of Johnson City's largest taxpayer.

Non-Operating Revenues and Expenses for fiscal year 2019 resulted in a net decrease in expense of $259,713 or -24.4%. Interest income and other income was up $186,694 due to higher interest rates. Debt expense was down $73,020, this represents interest paid on long-term debt and the amortization of discounts and premiums. JCEA pays bond principal and interest payments twice each year.

Capital Assets and Debt Administration

Condensed financial information relating to JCEA Capital Assets, before the effect of accumulated depreciation, is presented below:

	FY 2019	FY 2018	Dollar Change	% Change
Electric				
Transmission Plant	51,522,780	48,371,054	3,151,726	7%
Distribution Plant	201,203,716	191,788,346	9,415,370	5%
General Plant	45,403,458	43,620,219	1,783,239	4%
Construction Work in Progress	1,182,791	5,727,041	(4,544,250)	-79.3%
Broadband				
Intangibles	235,121	-	235,121	100%
General Plant	1,367,786	-	1,367,786	100%
Construction Work in Progress	2,528,259	-	2,528,259	100%
Total Capital Assets	**$ 303,443,911**	**$ 289,506,660**	**$ 13,937,251**	**4.8%**

JCEA electric transmission and distribution facilities serve around 350 square miles which includes the City of Johnson City; the Town of Jonesborough; part of the City of Kingsport; all of Washington County; and parts of Sullivan, Carter, and Greene counties. Such facilities require significant annual capital and maintenance expenditures. Broadband assets represent the equipment and fiber built in the City of Johnson City and the Town of Jonesborough. It also includes fixed wireless assets with Washington County. Fiscal Year 2019 was phase one of an eight year plan that will grow to over $64 million in net broadband assets by fiscal year 2026.

The investment in electric plant, at June 30, 2019 was $299,312,745 compared to $289,506,660 at June 30, 2018, this includes net additions of $13,858,434 and plant retirements of $3,901,759. JCEA's electric capital budget for fiscal year 2019 was $12,607,000. Additions during fiscal year 2019 include the refurbishment of substations for $2,415,000 and facility renovations of $1,082,000. For fiscal year 2019 five vehicles were purchased for $648,200 and $407,000 was spent for metering equipment. The investment in broadband plant at June 30, 2019 was $4,131,166. The primary asset is the fiber distribution network. Standard expenditures for the electric system are $6,000,000 to $7,000,000 for renewal and replacement of existing facilities with specific projects making up the remaining portion of the budget. JCEA's fiscal year 2019 capital budget includes a five-year projection for spending.

The outstanding bond principal was $29,890,00 at June 30, 2019, compared to $32,280,000 at June 30, 2018. Bond payments are made twice a year in November and May. The final maturity date is May 1, 2033. The outstanding bond premium was $3,559,365 at June 30, 2019, compared to $3,816,668 at June 30, 2019. Each year $257,303 is amortized. The Bond rating for JCEA is Moody's "Aa2". JCEA's bonds are secured by the revenue of the energy authority. Funding for the broadband division comes from interfund loans from the electric division to the broadband division. TVA, as our regulatory authority, has approved up to $35 million in interfund borrowing. Loans have terms of 15 years and an interest rate of 4%.

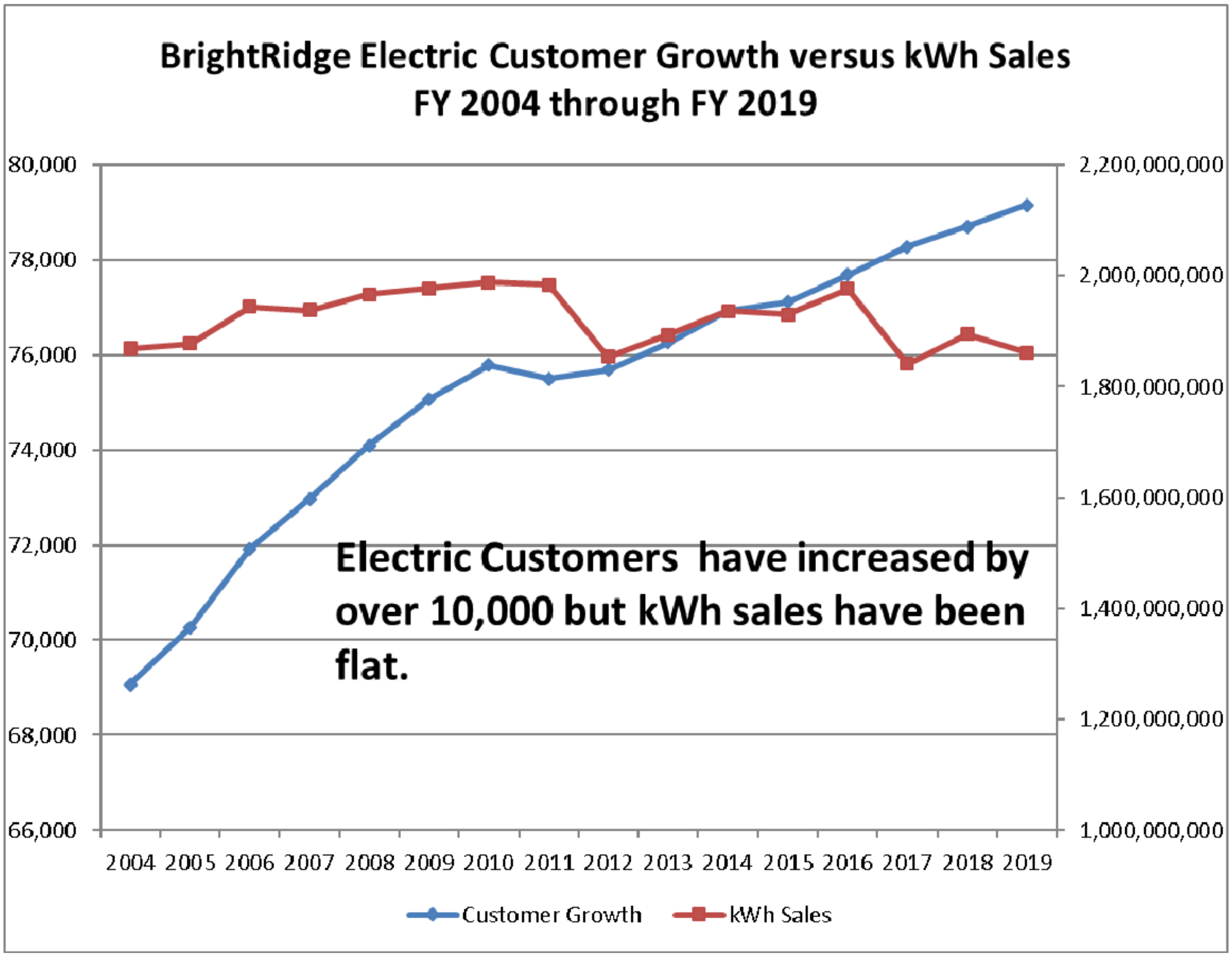
More detailed information about the JCEA's assets and debt can be found in the notes to the financial statements.

Johnson City Energy Authority Highlights, Economic Factors, and Future

JCEA experienced growth of 444 electric customers for a .56% overall percentage growth this year. The following chart shows the number of electric customers for each classification for the past two years

	2019	**2018**	**Change**	**% Change**
Residential	67,920	67,562	358	0.53%
Small Commercial	9,261	9,139	122	1.33%
Large Commercial/Industrial	1,016	1,048	-32	-3.05%
Street and Athletic Lighting	142	145	-3	-2.07%
Outdoor Lighting Only	808	809	-1	-0.12%
Total Customers	**79,147**	**78,703**	**444**	**0.56%**

As customer growth has remained steady energy sales have not remained on the same growth pattern. This pattern is mainly correlated to the national and local attention toward energy efficiency and conservation efforts. The chart below visually represents the relationship between kWh (Energy) and Customer Growth.



Since fiscal year July 2009, TVA has increased wholesale rates eight times per the following: 9.00% in October 2009; 3.08% in October 2011; 2.63% in October 2013; 2.61% in October 2014; 2.28% in October 2015; 1.88% in October 2016; 1.88% in October 2017; and 1.88% in October 2018. JCEA implemented rate increases of 1.9% in October 2015, 1.42% in October 2016, 1.42% in October 2017, and .51% in October 2018. These increases were in addition to the TVA increases. Continued volatility on the cost of wholesale power due to demand charges necessitate the increase to stabilize margins. Beginning in October 2016, JCEA implemented a demand cost recovery adjustment referred to as "DCRA". The DCRA is a variable charge or credit applied to residential and small commercial customers. These customer classes do not pay a demand charge. To protect margins for operational and capital spending, this adjustment was created to recover excess demand charges paid to TVA. The adjustment was also set up to pay out a credit to customers when lower demand charges are paid to TVA. JCEA based the adjustment on the recent history of our normal load factor. When the monthly load factor is better than the normal monthly load factor, customers receive a credit adjustment and when the monthly load factor is lower than the normal monthly load factor, customers receive a charge adjustment. During fiscal year 2019, the DCRA recovered $2,451,345 to offset higher demands charges paid to TVA compared to $1,314,949 recovered in 2018. Without the DCRA our revenue and our margin would have been reduced by this amount.

Financial Contact

This discussion and analysis is designed to provide JCEA customers, investors, and other interested parties with a general overview of the financial position and results of operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Johnson City Energy Authority, 2600 Boones Creek Road, Johnson City, Tennessee 37615.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF NET POSITION
June 30, 2019

ASSETS	
CURRENT ASSETS	
Cash on Hand and in Bank	$ 35,827,059
Accounts Receivable - Customer Service, Net of Allowance for Uncollectible Accounts	20,197,439
Accounts Receivable - Rents and Other	977,341
Current Maturities of Notes Receivable	108,070
Inventories	8,401,896
Prepaid Expenses	409,809
Total Current Assets	65,921,614
CAPITAL ASSETS	
Land and Land Rights	5,407,968
Intangibles	235,121
Construction in Progress	3,711,050
Depreciable Capital Assets	294,089,772
Less: Accumulated Depreciation	(101,026,421)
Net Capital Assets	202,417,490
RESTRICTED ASSETS	
Cash and Cash Equivalents	20,363,819
Long-Term Certificate of Deposit	1,000,000
Total Restricted Assets	21,363,819
OTHER ASSETS	
Accounts Receivable - Customers - Heat Pumps	3,763,515
Advance from Tennessee Valley Authority	(3,763,515)
Notes Receivable, Net of Current Maturities	399,430
Total Other Assets	399,430
TOTAL ASSETS	290,102,353
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Bond Refunding	902,712
Deffered Outflows of Resources Related to OPEB	182,675
Deferred Outflows of Resources Related to the Pension	3,706,739
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,792,126

(Continued)

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF NET POSITION
June 30, 2019

LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	25,947,293
Accrued Salaries	217,797
Accrued Interest	223,267
Customer Deposits	5,582,377
Current Portion of Compensated Absences	603,135
Current Maturities of Bonds Payable	2,490,000
Current Maturities of Note Payable	76,000
Other Current and Accrued Liabilities	866,574
Total Current Liabilities	36,006,443
LONG-TERM LIABILITIES	
Bonds Payable, Net of Current Maturities and Unamortized Bond Premium	30,959,365
Note Payable, Net of Current Maturities	316,667
Compensated Absences, Net of Current Portion	2,080,737
Net Pension Liability	3,318,435
Other Post-Employment Benefits Liability	6,093,117
Total Long-Term Liabilities	42,768,321
TOTAL LIABILITIES	78,774,764
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to the Pension	1,057,170
Deferred Inflows of Resources Related to Other Post-Employment Benefits	124,127
TOTAL DEFERRED INFLOWS OF RESOURCES	1,181,297
NET POSITION	
Net Investment in Capital Assets	169,870,837
Unrestricted	45,067,581
TOTAL NET POSITION	$ 214,938,418

The accompanying notes are an integral part of these basic financial statements.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019

OPERATING REVENUES	
Sales of Electric Energy	
Residential	$ 107,197,236
Large Lighting and Power	63,468,677
Small Lighting and Power	18,034,290
Street and Outdoor Lighting	3,511,206
Unbilled Revenue	7,875,777
Sales of Broadband	
Internet Operating Revenue - Residental	10,128
Internet Operating Revenue - Business	2,169
Internet Operating Revenue - Support Services	183
Other Operating Revenues	4,124,982
Total Operating Revenues (Pledged as Security for Revenue Bonds)	204,224,648
OPERATING EXPENSES	
Operations	
Power Purchased from Tennessee Valley Authority	151,954,739
Broadband Wholesale Delivery	242,529
Broadband Installation	349,766
Other Operating Expenses	14,798,061
Maintenance	9,691,588
Provision for Depreciation	9,335,450
Tax Equivalents	5,574,301
Total Operating Expenses	191,946,434
NET OPERATING INCOME	12,278,214
NONOPERATING REVENUES (EXPENSES)	
Interest Income	351,749
Other Income	75,998
Interest Expense	(1,424,509)
Amortization of Bond Premium	257,303
Amortization of Deferred Loss on Bond Refunding	(65,257)
Total Nonoperating Revenues (Expenses)	(804,716)
CHANGE IN NET POSITION	11,473,498
NET POSITION, BEGINNING	203,464,920
NET POSITION, ENDING	$ 214,938,418

The accompanying notes are an integral part of these basic financial statements.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Electric Sales	$ 201,534,318
Cash Received from Broadband Sales	8,758
Cash Received from Rentals and Other Sales	3,834,730
Cash Payments to Suppliers for Goods and Services	(164,502,469)
Cash Payments for Employee Services and Benefits	(13,135,116)
Cash Payments for Tax Equivalents	(5,574,301)
Net Cash Received from Customer Deposits	300,621
Net Cash Provided by Operating Activities	22,466,541
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments Received on Note Receivable Related to USDA Grant Pass-Through	76,000
Principal Paid on USDA Note Payable	(76,000)
Net Cash Provided by Noncapital Financing Activities	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(18,365,818)
Payments Received on Note Receivable from Capital Contract	30,207
Principal Paid on Capital Debt	(2,390,000)
Interest Paid on Capital Debt	(1,440,440)
Net Proceeds from Other Income	75,998
Net Cash Used for Capital and Related Financing Activities	(22,090,053)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	351,749
Net Cash Provided by Investing Activities	351,749
NET INCREASE IN CASH AND CASH EQUIVALENTS	728,237
BEGINNING CASH AND CASH EQUIVALENTS, JULY 1, 2018	55,462,641
ENDING CASH AND CASH EQUIVALENTS, JUNE 30, 2019	$ 56,190,878

(Continued)

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 12,278,214
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation Expense (Including Allocated Portion)	10,015,768
Decrease in Allowance for Uncollectible Accounts	(36,328)
(Increase) Decrease in Assets:	
Accounts Receivable	1,153,160
Inventories	(1,048,216)
Prepaid Expenses	(121,379)
(Increase) Decrease in Deferred Outflows:	
Related to OPEB	(182,675)
Related to Pension	186,315
Increase (Decrease) in Liabilities:	
Accounts Payable	278,828
Accrued Salaries	(44,175)
Customer Deposits	300,621
Compensated Absences	194,108
Other Current and Accrued Liabilities	578,446
Net Pension Liability	(1,758,866)
Other Post-Employment Benefits Liability	340,234
Increase (Decrease) in Deferred Inflows:	
Related to Pension	351,821
Related to OPEB	(19,335)
Net Cash Provided by Operating Activities	$ 22,466,541

RECONCILIATION OF CASH AND CASH EQUIVALENTS FROM STATEMENT OF CASH FLOWS TO STATEMENT OF NET POSITION	
Cash on Hand and in Bank	$ 35,827,059
Restricted Assets - Cash and Cash Equivalents	20,363,819
Cash and Cash Equivalents at End of Fiscal Year	$ 56,190,878

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Amortization of Bond Premium	$ 257,303
Amortization of Deferred Loss on Bond Refunding	(65,257)
Non-Cash Capital and Related Financing Activities	$ 192,046

The accompanying notes are an integral part of these basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson City Energy Authority (JCEA) was formed April 1, 2017, as a political subdivision of the State of Tennessee, and is the new legal entity which replaced the former Johnson City Power Board. The JCEA did file with the State of Tennessee to continue "doing business as" (dba) the Johnson City Power Board or JCPB through October 3, 2017, at which time the JCEA filed a new dba name of BrightRidge. BrightRidge is a local power company of the Tennessee Valley Authority (TVA), furnishing electrical power to Washington County and portions of other Upper East Tennessee counties, as purchased from TVA and providing broadband and related services to service area customers.

The basic financial statements of BrightRidge 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). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting refers to the timing of recognizing revenues and expenses in the basic financial statements. The accompanying basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred regardless of the timing of related cash flows.

Use of Estimates

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

Deposits and Investments

Cash on the Statement of Net Position includes cash on hand and demand deposits in a local bank. Various restrictions on deposits and investments, including repurchase agreements, are imposed by state statutes. These restrictions are summarized as follows.

DEPOSITS - All deposits with financial institutions must be insured or collateralized in an amount equal to 105% of the market value of uninsured deposits.

INVESTMENTS - BrightRidge is 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. These investments may not have a maturity greater than two years. BrightRidge may make investments with longer maturities if it follows various restrictions established by state law. It 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

For the fiscal year ended June 30, 2019, BrightRidge has invested certain restricted cash and cash equivalents for insurance liabilities in restricted long-term certificates of deposit through Certificate of Deposit Acount Registry Service (CDARS) program totaling the amount of $1,000,000. This investment bears interest of 2.40% over its term of 12 months, with the next maturity in March 2020, and was approved by the Board of Directors.

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 2.00% below the market value of the securities on the day of purchase. No repurchase agreements existed as of June 30, 2019.

The general ledger carrying amount of BrightRidge's deposits with financial institutions and in petty cash was $56,190,878 at June 30, 2019, and the bank balance along with petty cash was $56,208,056.

Covered bank deposits and amounts not on deposit are detailed as follows:

Amount Not on Deposit (Petty Cash)	$ 18,100
Deposits Insured by Federal Deposit Insurance Corporation (FDIC)	314,266
Excess Deposits Insured with State of Tennessee Bank Collateral Pool	55,875,690
	$ 56,208,056

BrightRidge's policy for custodial credit rate risk on deposits is to follow state guidelines.

Restricted Cash and Cash Equivalents

BrightRidge's restricted cash and cash equivalents consist of money market accounts in the amount of $18,654,386, which are restricted for capital improvements, money market accounts in the amount of $662,589, which are restricted for bond principal and interest payments, a money market account in the amount of $1,041,340, which is restricted for insurance liabilities, and a money market account in the amount of $5,504, which is restricted for tax equivalent payments. All of these restrictions were approved by the Board of Directors. The funds in money market accounts are considered cash equivalents for purposes of the Statement of Cash Flows.

Inventories

Materials and supplies inventories are stated at average cost on a per item basis using the first-in, first-out method of costing.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Land and land rights, buildings, machinery and equipment including meters, intangible capital assets, and electrical distribution system are stated at historical cost and are defined as assets with an initial, individual cost of $1,000 or greater. Expenses for maintenance and repairs, which do not improve or extend the life of the asset, are charged to expense as incurred. Interest incurred during the construction of large projects is reflected in the capitalized value of the project. The capital assets, including non-electric divisions, are being depreciated on the straight-line method over the useful lives per guidelines of the TVA. Applicable intangible assets are treated as capital assets under GASB and amortized over the life of the contract, if available, and if no contract life is available, intangible assets are not amortized. Amortization expense is included in depreciation expense, when applicable. For the fiscal year ended June 30, 2019, all intangible capital assets did not have available contract lives. Following Federal Energy Regulation Commission (FERC) guidelines, when property is retired or otherwise disposed of, its average cost, together with its cost of removal less salvage, is charged to accumulated depreciation; no gain or loss is recognized as required by FERC guidelines, which differs from generally accepted accounting principles. Also, a disallowance of plant for rate-making purposes is recorded for the amount of capital contributions received resulting in a reduction in the cost of the related capital asset as required by FERC guidelines and in accordance with guidance of the Financial Accounting Standards Board. The FERC guideline methods are also followed by non-electric divisions of BrightRidge, even though not required, to provide consistency within the entity. The depreciation expense for the fiscal year ended June 30, 2019 was $10,015,768 , $9,335,451 and $680,317 of which was charged to Depreciation Expense and Other Operating Expenses, respectively.

Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	33 - 50 years
Office Equipment	3 - 10 years
Transportation and Equipment	3 - 8 years
Other Machinery and Equipment	8 - 25 years
Transmission and Power Distribution System	25 - 40 years

Payments In Lieu of Taxes

Certain payments in lieu of taxes have been recorded in the financial statements related to the broadband division, including for related voice and video services within the division, as applicable.

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) until then.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

BrightRidge has three items reported as deferred outflows: (1) the Deferred Loss on Bond Refunding is reported as a deferred outflow and is being amortized over the life of the refunding bonds, (2) the Deferred Outflows of Resources Related to Pension is related to differences between expected and actual experience and changes in assumptions, as well as BrightRidge's contributions made to the Tennessee Consolidated Retirement System (TCRS) during fiscal year 2019 for all plans, and (3) the Deferred Outflows of Resources Related to Other Post-Employment Benefits (OPEB) is related to differences between expected and actual experience and changes in assumptions, as well as BrightRidge's contributions made for OPEB during fiscal year 2019. The differences in experience and changes in assumptions are a result of the actuarial study for BrightRidge's pension plans through TCRS and the actuarial study for BrightRidge's OPEB commitment, and are being amortized over the average working lifetime of all participants and over the average service of OPEB participants, respectively. The contributions were made subsequent to the pension's measurement date of June 30, 2018 and OPEB's measurement date of June 30, 2017, and will be recognized as a reduction to the net pension liability or the OPEB liability, respectively, in the following measurement period.

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. BrightRidge has two items reported as deferred inflows: (1) the Deferred Inflows of Resources Related to the Pension is related to differences between expected and actual experience and projected and actual earnings on pension plan investments. These differences are a result of the actuarial study for BrightRidge's pension plans through TCRS. The differences in experience are being amortized over the average working lifetime of all participants, and the net difference in earnings on pension plans investments is being amortized over a five-year period (staggered based on measurement year). (2) the Deferred Inflows of Resources Related to OPEB is related to the changes in assumptions for the other post-employment benefits (OPEB) liability which is a result of the actuarial study for BrightRidge's OPEB commitment. These changes are being amortized over the average service of OPEB participants.

Compensated Absences

Employees earn various vacation days determined on years of service. Vacation days can be accumulated to a maximum of 40 days, which are payable upon separation of employment. Sick leave is granted after 90 days of employment. The employee earns one day for each one full month employed. Sick leave can be accumulated with no limitation as to the number of days. No obligation exists for payment of accumulated sick leave upon termination for reasons other than death or retirement. For full-time employees hired on or before December 31, 2018, BrightRidge is obligated for 75% of accumulated sick leave days, payable upon either date of retirement or death. For such employees, remaining sick leave is applied as service credit to the TCRS Legacy pension benefit. For full-time employees hired after December 31, 2018, BrightRidge is not obligated for a pay out of accumulated sick leave. The full amount of such employees' sick leave at the time of retirement may be applied toward their TCRS Hybrid pension benefit. TCRS' conversion factor is 20 days of accumulated sick leave equals one month of service credit.

A liability for compensated absences and related fringe benefits is reflected on the Statement of Net Position at June 30, 2019, in the amount of $2,683,872. The portion of this liability expected to be paid within one year of $603,135 is classified as a current liability and the remainder as a long-term liability.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is the difference between assets and deferred outflows of resources minus liabilities and deferred inflows of resources. The Net Investment in Capital Assets is calculated as capital assets, net of accumulated depreciation, plus the deferred loss on bond refunding, less any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by external restrictions by other governments, creditors or grantors. No such restrictions existed at June 30, 2019.

Long-Term Obligations

Bonds payable are reported net of the applicable bond premium, which are deferred and amortized over the life of the related bonds and was $257,304 for the fiscal year 2019. In addition, deferred losses on bond refunding are amortized over the life of the related bonds (see Note 8).

Pension

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

Other Post-Employment Benefits

For purposes of measuring the OPEB liability, BrightRidge recognizes benefits (including refunds of employee contributions) when they are due and payable, including related deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, in accordance with the benefit terms and actuarial valuations. BrightRidge does not fund the OPEB liability; expenses are paid as incurred.

Operating Revenues and Expenses, Intrafund Activity, and Divisional Allocations

Operating revenues and expenses generally result from providing services and producing and delivering goods. BrightRidge's principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, amortization and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating.

Revenues and expenses are allocated by BrightRidge to the division incurring the expense or earning the revenue. Intrafund activity, as well as intrafund receivables and payables, have been eliminated to be presented as a single fund entity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Under the by-laws, management must submit an annual budget to the Board of Directors for approval. BrightRidge is not required to demonstrate statutory compliance with budgets. Accordingly, budgetary data is not included in the basic financial statements. All budgets are prepared in accordance with bond covenants. Unexpended appropriations lapse at fiscal year end.

NOTE 2 - NOTES RECEIVABLE

BrightRidge entered into a 10-year agreement with a local university for lighting efficiency in November 2012 for $288,739. The note had a carrying balance at June 30, 2019 of $121,166. The note is receivable at $3,206 per month for 120 months. The note bears interest at a rate of 6.00% per fiscal year.

BrightRidge entered into a 10-year loan agreement with an international manufacturing company in August 2014 for $760,000, which pertained to an equivalent note payable to the United States Department of Agriculture (USDA), Rural Economic Development from federal grant funds received for pass-through to this international manufacturing company (see Note 8). BrightRidge is obligated to USDA Rural Economic Development, and this international manufacturing company is obligated to BrightRidge. The note is receivable $6,333 per month for 120 months, bearing no interest. Management deems the imputed interest due on the June 30, 2019 remaining balance of $386,334 to be immaterial.

In conjunction with the note receivable from the international manufacturing company above, BrightRidge was named as beneficiary in an irrevocable standby commercial letter of credit in the amount of $760,000 on August 21, 2014 (start of Year 1) with a current expiration date of August 21, 2019 (end of Year 5) from a local financial institution. This letter shall automatically renew for up to six additional consecutive one-year periods, with annual reductions in amount to coincide with the aforementioned matching note payable balance to USDA Rural Economic Development over the ten-year term of that note, with the remainder commitment by contract year as follows at June 30, 2019:

Year 5	$	456,000
Year 6		380,000
Year 7		304,000
Year 8		228,000
Year 9		152,000
Year 10		76,000

NOTE 3 - RISK MANAGEMENT

BrightRidge carries insurance for cyber and privacy, directors and officers, commercial crime, property, automobiles, general liability, worker's compensation, employee group health, and other coverages through external insurance carriers. There was no reduction in coverage from the prior fiscal year, and BrightRidge did not have any settlements in the last three fiscal years which were not covered by insurance.

NOTE 3 - RISK MANAGEMENT (CONTINUED)

Since July 1, 1986, BrightRidge has set aside funds as self-insurance for deductibles and uninsured risks. Funds were originally set aside by the Board of Directors in the amount of $1,000,000 and have accumulated to over $2 million at June 30, 2019, $1,041,340 of which is included in restricted cash and cash equivalents and another $1,000,000 is included in restricted long-term certificates of deposit (Note 1). For the fiscal year ended June 30, 2019, no settlements were paid from these funds.

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land and Land Rights	$ 5,401,940	6,028	-	5,407,968
Broadband IP Addresses	-	235,121	-	235,121
Construction in Progress	5,727,041	20,581,953	(22,597,944)	3,711,050
Total Capital Assets, Not Being Depreciated	11,128,981	20,823,102	(22,597,944)	9,354,139
Capital Assets, Being Depreciated				
Buildings	29,351,133	1,336,673	(7,311)	30,680,495
Office Equipment	3,924,506	240,729	(349,009)	3,816,226
Transportation Equipment	6,928,039	902,279	(183,499)	7,646,819
Other Machinery and Equipment	7,503,417	1,853,642	(116,529)	9,240,530
Transmission and Power Distribution System	230,670,582	15,204,110	(3,307,736)	242,566,956
Fiber	-	138,746	-	138,746
Total Capital Assets, Being Depreciated	278,377,677	19,676,179	(3,964,084)	294,089,772
Accumulated Depreciation				
Buildings	(9,777,594)	(645,140)	7,311	(10,415,423)
Office Equipment	(1,663,942)	(252,579)	348,147	(1,568,374)
Transportation Equipment	(4,313,369)	(680,320)	151,588	(4,842,101)
Other Machinery and Equipment	(3,029,055)	(478,596)	114,096	(3,393,555)
Transmission and Power Distribution System	(76,655,259)	(7,959,094)	3,807,424	(80,806,929)
Fiber	-	(39)	-	(39)
Total Accumulated Depreciation	(95,439,219)	(10,015,768)	4,428,566	(101,026,421)
Net Capital Assets, Being Depreciated	182,938,458	9,660,411	464,482	193,063,351
Net Capital Assets	$ 194,067,439	30,483,513	(22,133,462)	202,417,490

NOTE 5 - PENSION PLAN

General Information about the Legacy Pension Plan

Plan Description

Full-time employees hired prior to January 1, 2019 are enrolled in the TCRS Legacy plan. Employees of BrightRidge are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated (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 publically available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reportingand-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. In addition, per a resolution adopted by the Board of Directors of BrightRidge in March 1998, a member may retire prior to age 55 upon attaining 25 years of creditable service. In this situation, the member's benefit will be the actuarial equivalent of the benefit computation for early service retirement that the member could have received at age 55. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

NOTE 5 - PENSION PLAN (CONTINUED)

General Information about the Legacy Pension Plan (Continued)

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	104
Inactive Employees Entitled to but not yet Receiving Benefits	191
Active Employees	175
Total Employees	470

At the measurement date of June 30, 2018, the plan was open to new entrants. However, during the fiscal year ended June 30, 2019, subsequent to the measurement date, a Hybrid plan through TCRS was established and the Legacy plan closed to new entrants.

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. BrightRidge makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the fiscal year ended June 30, 2019, the employer contributions for BrightRidge's Legacy pension plan were $1,836,466 based on a rate of 13.42 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept BrightRidge's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability – Legacy Plan

BrightRidge's net pension liability was measured as of June 30, 2018, and the total pension liability 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

NOTE 5 - PENSION PLAN (CONTINUED)

Net Pension Liability – Legacy Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on actual experience including an adjustment for some anticipated improvement. The actuarial assumptions used in the June 30, 2018 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 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation of each major asset class are summarized in the following table:

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

NOTE 5 - PENSION PLAN (CONTINUED)

Net Pension Liability – Legacy Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from BrightRidge 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 – Legacy Plan

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position** (b)	**Net Pension Liability** (a) - (b)
Balance at June 30, 2017	$ 55,432,316	50,355,015	5,077,301
Changes for the Fiscal Year:			
Service Cost	1,048,484	-	1,048,484
Interest	4,003,107	-	4,003,107
Differences between Expected and Actual Experience	(371,233)	-	(371,233)
Changes in Assumptions	-	-	-
Contributions - Employer	-	1,666,121	(1,666,121)
Contributions - Employees	-	620,761	(620,761)
Net Investment Income	-	4,168,938	(4,168,938)
Benefit Payments, Including Refunds of Employee Contributions	(2,531,072)	(2,531,072)	-
Administrative Expense	-	(16,596)	16,596
Net Changes	2,149,286	3,908,152	(1,758,866)
Balance at June 30, 2018	$ 57,581,602	54,263,167	3,318,435

NOTE 5 - PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability – Legacy Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of BrightRidge calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	$ 10,973,194	3,318,435	(3,105,982)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension – Legacy Plan

Pension Expense

For the fiscal year ended June 30, 2019, BrightRidge recognized pension expense of $618,149.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2019, BrightRidge reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 755,566	835,373
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	221,797
Changes in Assumptions	1,112,370	-
Contributions Subsequent to the Measurement Date of June 30, 2018	1,836,466	(not applicable)
Total	$ 3,704,402	1,057,170

NOTE 5 - PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension – Legacy Plan (Continued)

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

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," 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 the pension will be recognized in pension expense as follows:

Fiscal Year Ended June 30:		
2019	$	487,685
2020		105,373
2021		(210,953)
2022		40,572
2023		217,242
Thereafter		170,847

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

Payable to the Pension Plan – Legacy Plan

At June 30, 2019, BrightRidge reported a payable of approximately $145,000 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

General Information about the Hybrid Pension Plan

During the fiscal year ended June 30, 2019, subsequent to the June 30, 2018 TCRS pension measurement date, BrightRidge began offering a multiple-employer Hybrid plan through TCRS. Full-time employees hired January 1, 2019 and later are enrolled in the TCRS Hybrid plan. BrightRidge contributes 4.00% of the participant's wages to a hybrid-type of pension plan through TCRS and 5.00% of the participant's wages to a deferred contribution 401(k) plan. The employee defers 5.00% of eligible wages to the defined benefit plan. An established stabilization factor had a balance at June 30, 2019 of $1,803, which management deemed immaterial to the financial statements, thus was not reported as an investment at June 30, 2019. During the fiscal year ended June 30, 2019, employer contributions after the pension measurement date of $2,337 were considered deferred outflows. At June 30, 2019, BrightRidge reported a payable of approximately $2,500 for the outstanding Hybrid and 401(k) plan contributions required at the year ended June 30, 2019. More information on the Hybrid plan will be available as subsequent actuarial reports are completed.

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)

A Brief Description of the Retiree Life and Medical Insurance Plans

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

a. Plan Types:

Employees and pre-65 retirees have a bundled PPO Medical plan and a Health Reimbursement Account (HRA) plan offered through BlueCross BlueShield of Tennessee.

Effective October 25, 2016, upon reaching age 65, each retiree will be enrolled in the Retiree HRA program.

Life insurance is through Companion Life Insurance.

b. Eligibility:

30 years of service, or age 60 with five years of service
Early retirement – 25 years of service prior to age 55
Early retirement – vested service at age 55
Service-related disability for any length of service
Non-service-related disability with five years of service

c. Benefit/Cost Sharing:

BrightRidge pays approximately 75% of the PPO Medical plan premium for the pre-65 retirees. In addition, BrightRidge reimburses the HRA deductible for a maximum annual benefit of $4,000 per participant.

BrightRidge provides an annual HRA reimbursement of $2,231 or $2,434 for the post-65 retirees who were retired prior to October 25, 2016. BrightRidge provides an annual HRA reimbursement of $1,800 for existing employees as of September 1, 2016, upon retirement and reaching age 65. Employees hired after September 1, 2016 are not eligible for the Retiree HRA Program.

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

A Brief Description of the Retiree Life and Medical Insurance Plans (Continued)

d. *Spouse Benefit:* BrightRidge reimburses the HRA deductible for the retiree's spouse, for a maximum annual benefit of $4,000 per participant. The spouse pays 100% of the medical premium.

e. *Surviving Spouse Benefit:* Yes, same as spouse benefit above.

f. *Annual Medical Premium:* Effective January 1, 2017 through December 31, 2017

Plan	Premium	Retiree Contribution
Pre-65 Retiree	$ 6,070	$ 1,533
Pre-65 Retiree and Spouse	$ 12,695	$ 9,055

Effective January 1, 2018 through December 31, 2018

Plan	Premium	Retiree Contribution
Pre-65 Retiree	$ 6,383	$ 1,533
Pre-65 Retiree and Spouse	$ 13,351	$ 9,055

g. *Life:* Upon retirement, all retirees receive a $25,000 life insurance policy.

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2017, the following were covered by the benefit terms:

Inactives Receiving Benefits	80
Inactives Not Receiving Benefits	0
Actives	174
Total	254

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Funding Policy

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

OPEB Liability

BrightRidge's OPEB liability was measured based on an actuarial valuation performed as of July 1, 2017, updated on July 24, 2019, with a projection to June 30, 2019, and a measurement date of July 1, 2017.

Actuarial Assumptions

Discount Rate: 3.50 percent as of June 30, 2019, 3.87 percent as of June 30, 2018, and 3.58 percent as of June 30, 2017, based on a Bond Buyer's Bond Index

Mortality: RP-2000 Combined Fully Generational Mortality table with projection scale BB

Termination Rates: It was assumed that employees would terminate employment in accordance with the rates in the following two-year and ultimate table for both males and females:

Age	1st Year Employment	2nd Year Employment	Male Ultimate	Female Ultimate
30	24.30%	20.00%	9.10%	11.10%
40	20.40%	15.10%	2.50%	3.50%
45	18.50%	13.90%	2.20%	3.00%
50	16.50%	12.70%	1.90%	2.40%
55	14.60%	11.50%	1.60%	1.90%

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Retirement Rates

It was assumed that the following percentage of eligible employees would retire each year:

Age	Rate	Age	Rate
50 - 57	1.50%	67	24.40%
58	4.00%	68	22.10%
59	6.50%	69	19.80%
60	9.00%	70	17.50%
61	11.50%	71	15.20%
62	21.50%	72	12.90%
63	14.50%	73	10.60%
64	16.00%	74	8.30%
65	29.00%	75	100.00%
66	26.70%		

Health Care Trend Rates

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

Year	Medical Rates	Medicare Part B Rates
2017	8.00%	5.00%
2018	7.50%	5.00%
2019	7.00%	5.00%
2020	6.50%	5.00%
2021	6.00%	5.00%
2022	5.50%	5.00%
2023+	5.00%	5.00%

Percent Married

It was assumed that 40 percent of the male and 40 percent of the female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Participation Rate	It was assumed that 100 percent of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
Administrative Expenses	Included in premiums used
Participant Salary Increases	3.50 percent annually
Payroll Growth Rate	2.50 percent annually
Rate of Inflation	2.50 percent annually
Per Capita Claims Cost	Conventional insured equivalent premiums were age-graded on the current participants in the medical plan.
Actuarial Method	Entry Age Actuarial Cost Method

Changes in the OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2018	$ 5,752,883
Changes for the Fiscal Year:	
Service Cost	194,525
Interest	224,657
Changes in Assumptions	208,404
Benefit Payments	(287,352)
Net Changes	340,234
Balance at June 30, 2019	$ 6,093,117

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the OPEB Liability (Continued)

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of BrightRidge calculated using the discount rate of 3.50 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
OPEB Liability	$ 6,712,603	6,093,117	5,552,906

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

The following presents the OPEB liability of BrightRidge calculated using the health care trend rate of 7.50 percent decreasing to 5.00 percent, as well as what the OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (6.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.50 percent decreasing to 6.00 percent) than the current rate:

	1% Decrease (6.50% decreasing to 4.00%)	Current Health Care Trend Rate (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
OPEB Liability	$ 5,857,506	6,093,117	6,365,292

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2019, BrightRidge recognized OPEB expense of $394,883.

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2019, BrightRidge reported deferred inflows of resources and deferred outflows of resources related to OPEB resulting from changes in assumptions of $124,127 and $182,675, respectively. The net amount reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:		
2020	$	6,394
2021		6,394
2022		6,394
2023		6,394
2024		6,394
Thereafter		26,578

In the table shown above, negative amounts, as applicable, will decrease OPEB expense.

NOTE 7 - DEFERRED COMPENSATION PLAN

BrightRidge offers its employees participation in an optional deferred compensation plan, the Johnson City Energy Authority 457(b) Plan (the Plan). This Plan is available to all full-time employees. It permits all eligible employees to contribute pre-tax or post-tax dollars into the Plan, via a percentage of eligible compensation, which is defined as W-2 wages plus elective contributions, up to certain limits prescribed by the Internal Revenue Service. Elective contributions are amounts contributed by BrightRidge at the employee's election to a qualified plan. The deferred compensation is not available to employees until termination, retirement, deployment, death, or unforeseeable emergency circumstances. The Plan assets are in custodial accounts with the Trust Company and are not reflected in the assets of BrightRidge.

NOTE 8 - LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds					
Revenue Bonds Payable	$ 32,280,000	-	(2,390,000)	29,890,000	2,490,000
Premium	3,816,668	-	(257,303)	3,559,365	-
Total Revenue Bonds	36,096,668	0	(2,647,303)	33,449,365	2,490,000
Note Payable	468,667	-	(76,000)	392,667	76,000
Compensated Absences	2,489,764	732,721	(538,613)	2,683,872	603,135
Total Long-Term Liabilities	$ 39,055,099	732,721	(3,261,916)	36,525,904	3,169,135

Bonds Payable

On March 31, 2017, BrightRidge refunded and defeased in substance the outstanding Electric System Revenue Bonds, Series 2007A and 2008, as issued in the name of the prior entity, Johnson City Power Board. On that same date, Electric System Revenue Bonds, Series 2017 were issued by the new entity, JCEA. The defeased Series 2007A bonds, with varying outstanding maturity dates at the time of refunding from May 1, 2017 through May 1, 2032, were called and redeemed on May 1, 2017 for the outstanding balance of $18,075,000. The defeased Series 2008 bonds, with varying outstanding maturity dates at the time of refunding from May 1, 2017 through May 1, 2033, were called and redeemed on May 1, 2017 in the amount of $910,000, and the remaining $21,630,000 of defeased bonds were called and redeemed on May 1, 2018.

The advance refunding resulted in an economic loss (difference between the present values of the old and new debt service payments) of $1,049,539, which is being amortized over the life of the bonds, and the unamortized portion at June 30, 2019 was $902,712. During the fiscal year ended June 30, 2019, $65,257 amortization expense was recognized.

On March 31, 2017, BrightRidge issued Electric System Revenue Bonds, Series 2017, totaling $34,480,000 with interest rates from 3.00% - 5.00% and maturity of May 2033. The interest is payable semiannually on May 1 and November 1 of each fiscal year with the principal payments due on May 1. The revenue of the system is pledged as security for the debt.

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

Debt service requirements for the fiscal years subsequent to the fiscal year ended June 30, 2019 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2020	$ 2,490,000	1,339,600	3,829,600
2021	2,585,000	1,240,000	3,825,000
2022	2,685,000	1,136,600	3,821,600
2023	2,830,000	1,002,350	3,832,350
2024	1,635,000	860,850	2,495,850
2025-2029	9,320,000	3,143,050	12,463,050
2030-2033	8,345,000	792,700	9,137,700
	$ 29,890,000	9,515,150	39,405,150

Changes in the Deferred Loss on Bond Refunding for the fiscal year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Loss on Bond Refunding	$ 967,969	-	(65,257)	902,712

Note Payable

In June 2014, BrightRidge entered into a promissory note agreement with USDA Rural Economic Development as a result of federal loan funds received in August 2014 for pass-through to an international manufacturing company for construction of their new facility in rural Piney Flats, Tennessee. This $760,000 note payable has a term of ten years with 0% interest, with imputed interest being deemed immaterial. (See Note 1.) Principal payments of $6,333 are due monthly. The balance at June 30, 2019 is $392,667.

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

Note Payable (Continued)

Debt service requirements for the fiscal years subsequent to the fiscal year ended June 30, 2019 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2020	$ 76,000	-	76,000
2021	76,000	-	76,000
2022	76,000	-	76,000
2023	76,000	-	76,000
2024	76,000	-	76,000
2025	12,667	-	12,667
	$ 392,667	0	392,667

NOTE 9 - HEAT PUMP PROGRAM

TVA's heat pump program offers financing to qualified BrightRidge customers for replacement of certain electric-related items, such as air sealing, attic insulation, doors and windows, electric water heaters, and certain heat pumps. BrightRidge serves as a pass through agent for this program, as reflected in the offsetting asset and contra asset on the Statement of Net Position of $3,763,515 and ($3,763,515), respectively.

SECTION III

SUPPLEMENTARY INFORMATION

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	$ 863,049	886,120	908,535	928,967	1,048,484
Interest	3,394,641	3,483,216	3,677,919	3,803,875	4,003,107
Differences between Expected and Actual Experience	(790,970)	667,467	(497,971)	626,009	(371,233)
Changes in Assumptions	-	-	-	1,483,160	-
Benefit Payments, including Refunds of Employee Contributions	(2,152,107)	(2,465,462)	(2,460,906)	(2,398,110)	(2,531,072)
Net Change in Total Pension Liability	1,314,613	2,571,341	1,627,577	4,443,901	2,149,286
Total Pension Liability - Beginning	45,474,884	46,789,497	49,360,838	50,988,415	55,432,316
Total Pension Liability - Ending (a)	$ 46,789,497	$ 49,360,838	50,988,415	55,432,316	57,581,602
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,574,379	1,577,102	1,594,572	1,694,199	1,666,121
Contributions - Employees	567,549	587,572	593,982	631,222	620,761
Net Investment Income	6,171,384	1,331,964	1,174,476	5,129,570	4,168,938
Benefit Payments, including Refunds of Employee Contributions	(2,152,107)	(2,465,462)	(2,460,906)	(2,398,110)	(2,531,072)
Administrative Expense	(8,578)	(9,074)	(13,285)	(14,692)	(16,596)
Net Change in Plan Fiduciary Net Position	6,152,627	1,022,102	888,839	5,042,189	3,908,152
Plan Fiduciary Net Position - Beginning	37,249,258	43,401,885	44,423,987	45,312,826	50,355,015
Plan Fiduciary Net Position - Ending (b)	$ 43,401,885	$ 44,423,987	45,312,826	50,355,015	54,263,167
Net Pension Liability - Ending (a) - (b)	$ 3,387,612	4,936,851	5,675,589	5,077,301	3,318,435
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.76%	90.00%	88.87%	90.84%	94.24%
Covered Payroll	$ 11,350,967	$ 11,751,752	$ 11,881,393	$ 12,624,437	$ 12,415,203
Net Pension Liability as a Percentage of Covered Payroll	29.84%	42.01%	47.77%	40.22%	26.73%

Notes to Schedule:

Changes in Assumptions

In fiscal year 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	$ 1,574,379	1,577,102	1,594,572	1,694,199	1,666,121	1,836,466
Contributions in relation to the Actuarially Determined Contribution	1,574,379	1,577,102	1,594,572	1,694,199	1,666,121	1,836,466
Contribution Deficiency (Excess)	$ 0	0	0	0	0	0
Covered Payroll	$ 11,350,967	11,751,752	11,881,393	12,624,437	12,415,203	13,682,546
Contributions as a Percentage of Covered Payroll	13.87%	13.42%	13.42%	13.42%	13.42%	13.42%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule:

Valuation Date
Actuarially-determined contribution rates for fiscal year 2018 were calculated based on the June 30, 2017 actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost-of-Living Adjustments	2.25 percent

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
Last Fiscal Year Ending June 30

	2018	2019
Total OPEB Liability		
Service Cost	$ 199,823	194,525
Interest	210,132	224,657
Changes in Assumptions	(162,797)	208,404
Benefit Payments	(325,251)	(287,352)
Net Change in Total OPEB Liability	(78,093)	340,234
Total OPEB Liability - Beginning	5,830,976	5,752,883
Total OPEB Liability - Ending	$ 5,752,883	6,093,117
Covered Payroll	$ 11,608,049	$ 11,898,250
Net OPEB Liability as a Percentage of Covered Payroll	49.56%	51.21%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Changes in Assumptions
In fiscal year 2018, discount rates changes from 3.58 percent at June 30, 2017 to 3.87 percent at June 30, 2018. In fiscal year 2019, discount rates changes from 3.87 percent at June 30, 2018 to 3.50 percent at June 30, 2019.

GASB 75 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date. Fiscal years will be added to this schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF NET POSITION BY DIVISION
June 30, 2019

	Business-Type Fund			
	Electric Division	Broadband Division	Intrafund Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash on Hand and in Bank	$ 34,666,862	1,160,197	-	35,827,059
Accounts Receivable - Customer Service, Net of Allowance for Uncollectible Accounts	20,197,657	(218)	-	20,197,439
Accounts Receivable - Rents and Other	963,974	13,367	-	977,341
Current Inter-Division Receivables	179,085	3,786	(182,871)	-
Current Maturities of Notes Receivable	108,070	-	-	108,070
Inventories	7,561,021	840,875	-	8,401,896
Prepaid Expenses	362,570	47,239	-	409,809
Total Current Assets	64,039,239	2,065,246	(182,871)	65,921,614
CAPITAL ASSETS				
Land and Land Rights	5,407,968	-	-	5,407,968
Intangibles	-	235,121	-	235,121
Construction in Progress	1,182,791	2,528,259	-	3,711,050
Depreciable Capital Assets	292,721,986	1,367,786	-	294,089,772
Less: Accumulated Depreciation	(100,951,747)	(74,674)	-	(101,026,421)
Net Capital Assets	198,360,998	4,056,492	0	202,417,490
RESTRICTED ASSETS				
Cash and Cash Equivalents	20,363,819	-	-	20,363,819
Long-Term Certificate of Deposit	1,000,000	-	-	1,000,000
Total Restricted Assets	21,363,819	0	0	21,363,819
OTHER ASSETS				
Inter-Division Receivables	8,000,000	600,000	(8,600,000)	-
Accounts Receivable - Customers - Heat Pumps	3,763,515	-	-	3,763,515
Advance from Tennessee Valley Authority	(3,763,515)	-	-	(3,763,515)
Notes Receivable, Net of Current Maturities	399,430	-	-	399,430
Total Other Assets	8,399,430	600,000	(8,600,000)	399,430
TOTAL ASSETS	292,163,486	6,721,738	(8,782,871)	290,102,353
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	902,712	-	-	902,712
Deferred Outflows of Resources Related to the OPEB	182,675	-	-	182,675
Deferred Outflows of Resources Related to the Pension	3,706,739	-	-	3,706,739
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,792,126	0	0	4,792,126

(Continued)

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF NET POSITION BY DIVISION
June 30, 2019

	Business-Type Fund			
	Electric Division	Broadband Division	Intrafund Eliminations	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	25,600,839	346,454	-	25,947,293
Customer Deposits	5,582,377	-	-	5,582,377
Accrued Interest	223,267	-	-	223,267
Accrued Salaries	217,797	-	-	217,797
Current Portion of Compensated Absences	603,135	-	-	603,135
Current Maturities of Bonds Payable	2,490,000	-	-	2,490,000
Current Maturities of Note Payable	76,000	-	-	76,000
Current Inter-Division Payables	2,413	180,458	(182,871)	-
Other Current and Accrued Liabilities	517,510	349,064	-	866,574
Total Current Liabilities	35,313,338	875,976	(182,871)	36,006,443
LONG-TERM LIABILITIES				
Inter-Division Payables	-	8,600,000	(8,600,000)	-
Bonds Payable, Net of Current Maturities and Unamortized Bond Premium	30,959,365	-	-	30,959,365
Note Payable, Net of Current Maturities	316,667	-	-	316,667
Compensated Absences, Net of Current Portion	2,080,737	-	-	2,080,737
Net Pension Liability	3,318,435	-	-	3,318,435
Other Post-Employment Benefits Liability	6,093,117	-	-	6,093,117
Total Long-Term Liabilities	42,768,321	8,600,000	(8,600,000)	42,768,321
TOTAL LIABILITIES	78,081,659	9,475,976	(8,782,871)	78,774,764
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to the Pension	1,057,170	-	-	1,057,170
Deferred Inflows of Resources Related to Other Post-Employment Benefits	124,127	-	-	124,127
TOTAL DEFERRED INFLOWS OF RESOURCES	1,181,297	0	0	1,181,297
NET POSITION				
Net Investment in Capital Assets	165,814,345	4,056,492	-	169,870,837
Unrestricted	51,878,311	(6,810,730)	-	45,067,581
TOTAL NET POSITION	$ 217,692,656	(2,754,238)	0	214,938,418

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DIVISION
For the Fiscal Year Ended June 30, 2019

	Business-Type Fund			
	Electric Division	Broadband Division	Intrafund Eliminations	Total
OPERATING REVENUES				
Sales of Electric Energy				
Residential	$ 107,197,236	-	-	107,197,236
Large Lighting and Power	63,468,677	-	-	63,468,677
Small Lighting and Power	18,034,290	-	-	18,034,290
Street and Outdoor Lighting	3,511,206	-	-	3,511,206
Unbilled Revenue	7,875,777	-	-	7,875,777
Sales of Broadband				
Internet Operating Revenue - Residental	-	10,128	-	10,128
Internet Operating Revenue - Business	-	2,169	-	2,169
Internet Operating Revenue - Support Services	-	183	-	183
Other Operating Revenues	4,124,922	60	-	4,124,982
Total Operating Revenues (Pledged as Security for Revenue Bonds)	204,212,108	12,540	0	204,224,648
OPERATING EXPENSES				
Operations				
Power Purchased from Tennessee Valley Authority	151,954,739	-	-	151,954,739
Broadband Wholesale Delivery	-	242,529	-	242,529
Broadband Installation	-	349,766	-	349,766
Other Operating Expenses	13,571,149	1,226,912	-	14,798,061
Maintenance	8,786,936	904,652	-	9,691,588
Provision for Depreciation	9,285,741	49,709	-	9,335,450
Tax Equivalents	5,574,301	-	-	5,574,301
Total Operating Expenses	189,172,866	2,773,568	0	191,946,434
NET OPERATING INCOME	15,039,242	(2,761,028)	0	12,278,214
NONOPERATING REVENUES (EXPENSES)				
Interest Income	351,749	-	-	351,749
Other Income	69,208	6,790	-	75,998
Interest Expense	(1,424,509)	-	-	(1,424,509)
Amortization of Bond Premium	257,303	-	-	257,303
Amortization of Deferred Loss on Bond Refunding	(65,257)	-	-	(65,257)
Total Nonoperating Revenues (Expenses)	(811,506)	6,790	0	(804,716)
CHANGE IN NET POSITION	14,227,736	(2,754,238)	-	11,473,498
NET POSITION, BEGINNING	203,464,920	-	-	203,464,920
NET POSITION,ENDING	$ 217,692,656	(2,754,238)	0	214,938,418

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS -
2017 REFUNDING ISSUE
June 30, 2019

Fiscal Year Ending	Interest Rate	Principal	Interest	Total Requirements
6-30-2020	4.00%	$ 2,490,000	1,339,600	3,829,600
6-30-2021	4.00%	2,585,000	1,240,000	3,825,000
6-30-2022	5.00%	2,685,000	1,136,600	3,821,600
6-30-2023	5.00%	2,830,000	1,002,350	3,832,350
6-30-2024	5.00%	1,635,000	860,850	2,495,850
6-30-2025	3.00%	1,710,000	779,100	2,489,100
6-30-2026	5.00%	1,765,000	727,800	2,492,800
6-30-2027	5.00%	1,850,000	639,550	2,489,550
6-30-2028	5.00%	1,950,000	547,050	2,497,050
6-30-2029	5.00%	2,045,000	449,550	2,494,550
6-30-2030	5.00%	2,150,000	347,300	2,497,300
6-30-2031	4.00%	2,255,000	239,800	2,494,800
6-30-2032	4.00%	2,340,000	149,600	2,489,600
6-30-2033	3.50%	1,600,000	56,000	1,656,000
		$ 29,890,000	9,515,150	39,405,150

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2018	Issued During Period	Paid and/or Matured During Period	Outstanding June 30, 2019
Bonds Payable, Net of Premium								
Payable Through Electric Fund								
Electric System Revenue Bonds, Series 2017	$ 46,000,000	3% to 5%	3/31/2017	5/1/2033	$ 36,096,668	-	(2,647,303)	33,449,365
Total Bonds Payable, Net of Premium, Through Electric Fund					36,096,668	0	(2,647,303)	33,449,365
Notes Payable								
USDA Rural Development Obligations								
Payable Through Electric Fund								
Rural Economics Development Loan	$ 760,000	0%	8/21/2014	8/21/2024	468,667	-	(76,000)	392,667
Total Notes Payable Through Electric Fund					$ 468,667	0	(76,000)	392,667

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
CHANGES IN STATEMENT OF NET POSITION ACCOUNTS (UNAUDITED)
June 30, 2019

A comparison of the Statements of Net Position at June 30, 2019 and 2018 is shown below.

	2019	2018	Increase (Decrease)
Capital Assets	$ 303,443,911	289,506,658	13,937,253
Less: Accumulated Depreciation	(101,026,421)	(95,439,219)	(5,587,202)
Net Capital Assets	202,417,490	194,067,439	8,350,051
Plus: Other Assets	21,763,249	22,582,754	(819,505)
Plus: Deferred Outflows of Resources	4,792,126	4,861,023	(68,897)
Current Assets	65,921,614	64,427,319	1,494,295
Less: Current Liabilities	(36,006,413)	(34,724,532)	(1,281,881)
Working Capital	29,915,201	29,702,787	212,414
Less: Long-Term Liabilities	(42,768,351)	(46,900,272)	4,131,921
Less: Deferred Inflows of Resources	(1,181,297)	(848,811)	(332,486)
Net Position	$ 214,938,418	203,464,920	11,473,498

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMPARATIVE RESULTS OF OPERATIONS (UNAUDITED)
June 30, 2019

The operating results for the fiscal years ended June 30, 2019 and 2018 are summarized below.

Percent of Operating Revenues 2019	Percent of Operating Revenues 2018		Amount 2019	Amount 2018	Increase (Decrease)
		Operating Revenues			
97.97 %	98.01	Sales of Electric Energy	$ 200,089,298	197,507,363	2,581,935
0.01	-	Sales of Broadband	12,540	-	12,540
2.02	1.99	Other Operating Revenues	4,122,808	4,008,314	114,494
100.00	100.00	Total Operating Revenues	204,224,646	201,515,677	2,708,969
		Operating Expenses			
74.41	74.88	Power Purchased	151,954,739	150,890,594	1,064,145
0.29	-	Wholesale Broadband Delivery and Installation	592,295	-	592,295
11.99	11.00	Other Operation and Maintenance Expense	24,489,649	22,167,929	2,321,720
4.57	4.46	Provision for Depreciation	9,335,450	8,991,094	344,356
2.73	2.70	Tax Equivalent	5,574,301	5,444,336	129,965
93.99	93.04	Total Operating Expenses	191,946,434	187,493,953	4,452,481
6.01	6.96	Net Operating Income	12,278,212	14,021,724	(1,743,512)
(0.39)	(0.53)	Nonoperating Revenue (Expense)(Net)	(804,714)	(1,064,429)	259,715
5.62 %	6.43	Change in Net Position	$ 11,473,498	12,957,295	(1,483,797)

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SELECTED DATA AND COMPARISONS (UNAUDITED)
June 30, 2019

Presented below is a summary of certain changes in financial position together with selected data and comparisons.

	2019	2018	Increase (Decrease)	Percent Increase (Decrease)
Operating Revenues	$ 204,224,646	201,515,677	2,708,969	1%
Change in Net Position	11,473,498	12,957,295	(1,483,797)	-11%
Gross Plant Additions				
Less or Plus Net Salvage	14,234,488	14,034,550	199,938	1%
Funds for Capital Asset Addition				
Provided Through Depreciation				
and Amortization	9,940,932	9,676,936	263,996	3%
Excess of Capital Asset Expenditures				
Over Amounts Provided by				
Depreciation	4,293,556	4,357,614	(64,058)	-1%
State Sales Tax Collections - TVA	3,330,129	3,337,154	(7,025)	0%
Average Number of Customers				
Electric Division	78,925	78,489	436	1%
Broadband Division	131	-	131	100%
Average Use (kwH) Per Residential				
Electric Customer	14,513	14,796	(283)	-2%

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMPARATIVE STATISTICAL DATA - BRIGHTRIDGE AND OTHER GROUP A MUNICIPALITIES IN THE TVA AREA (UNAUDITED)
June 30, 2019

Certain revenue statistics and operating costs of BrightRidge (Electric Division) for the fiscal years ended June 30, 2019 and 2018 are compared with the composite of Group A Municipalities in the TVA area for the fiscal year ended June 30, 2018.

	BrightRidge		2018 Composite of Group A Municipalities on TVA Area (Note 1)
	2019	2018	
Average Number of Customers - Electric	78,925	78,489	15,315
Electric Sales - Cents per Kilowatt Hour Sold	$ 10.81	$ 10.42	$ 9.60
Percent of Revenue by Classes to Total Electric Sales			
Residential	55.56 %	56.25 %	44.25 %
Large Lighting and Power	32.60	33.48	43.01
Small Lighting and Power	9.36	9.34	10.77
Street and Outdoor	1.77	1.79	1.91
Unbilled Revenue - All Classes	0.71	(0.86)	0.06
	100.00 %	100.00 %	100.00 %
Purchased Power - Cents Per Kilowatt Hour Purchased	$ 7.85	$ 7.48	$ 7.34
Percent of Unaccounted for Kilowatt Hours (Distribution Losses)	3.55 %	5.88 %	4.08 %
Certain Expenses Expressed in Dollar per Customer			
Transmission and Distribution	$ 146.84	$ 140.89	$ 164.64
Customer Accounting and Collecting	50.72	48.35	49.65
Sales Promotion	5.15	7.01	6.35
Administrative and General	82.12	89.70	116.46
	$ 284.83	$ 285.96	$ 337.10
Percent of Certain Operating Expenses to Revenue from Electric Sales			
Purchased Power	75.29 %	76.40 %	79.68 %
Other Operating Expenses (Depreciation and Taxes)	7.36	7.31	7.62
	82.65 %	83.71 %	87.30 %

Note 1 - Data compiled from information within "The 2018 Financial and Statistical Report for Municipal and Cooperative Distributors of TVA Power" published by the Tennessee Valley Authority. For comparative purposes, large distributors (Memphis, Chattanooga, Knoxville, Huntsville and Nashville) have been excluded from the Composite. The 2019 report was not available as of the date of this audit report.

See Independent Auditors' Report.

SECTION IV

INTERNAL CONTROL AND COMPLIANCE SECTION

Blackburn,
Childers &
Steagall, PLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Johnson City Energy Authority
dba BrightRidge

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 business-type activities of the Johnson City Energy Authority dba BrightRidge (BrightRidge), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise BrightRidge's basic financial statements, and have issued our report thereon dated December 9, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered BrightRidge'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BrightRidge's internal control. Accordingly, we do not express an opinion on the effectiveness of BrightRidge'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of BrightRidge'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BrightRidge'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 determination of financial statement amounts. 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.

Johnson City	801B Sunset Drive, Johnson City, TN 37604	423.282.4511
Kingsport	1361 South Wilcox Drive, Kingsport, TN 37660	423.246.1725
Greeneville	550 Tusculum Boulevard, Greeneville, TN 37745	423.638.8516

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The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 BrightRidge's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BrightRidge's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blackburn, Childers and Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 9, 2019

Current Fiscal Year Findings

No findings reported.

Prior Fiscal Year Findings Not Implemented

No findings reported.

Prior Fiscal Year Findings Implemented

No findings reported.