

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WASHINGTON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT
WASHINGTON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

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

Independent Audit Performed by:

***COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER***

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

***MARK TREECE, CPA, CGFM
Audit Manager***

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

WASHINGTON COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Comprehensive Financial Report
Washington County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Washington County as of and for the year ended June 30, 2023.

Results

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

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

Findings

The following are summaries of the audit findings:

WASHINGTON COUNTY

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The school department failed to request reimbursements for grant expenditures on a timely basis resulting in a deficit in unassigned fund balance at June 30, 2023.
- ◆ Payroll liability accounts were not reconciled accurately and timely.
- ◆ The accounting records for various funds had not been maintained properly.



INTRODUCTORY SECTION



Washington County, Tennessee

PO Box 219
Jonesborough, TN 37659-0219

LETTER OF TRANSMITTAL

November 30, 2023

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

The annual comprehensive financial report of Washington County, Tennessee, for the fiscal year ended June 30, 2023 is hereby submitted. This report consists of management's representation of the finances of Washington County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge the information is correct in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Washington County.

The county is required to undergo an annual audit in conformity with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the auditing requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This report includes the Washington County Board of Education and the Washington County Emergency Communications District, which are discretely-presented component units. Component units are legally separate entities for which the county is financially accountable. The activities of the Washington County Industrial Development Board have been omitted as that entity has not completed its audit.

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

Financial Information

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

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

Independent Audit

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

Budgeting Controls

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

Profile of the Government

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

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

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

Economic Conditions and Outlook

Washington County's retail economy experienced a robust increase since the end of the business shutdowns related to the COVID-19 pandemic. FY2023 sales tax collections were 45% higher than pre-pandemic FY2019. The July 2023 through October 2023 collections are up approximately 4% over the same prior year period. 100% of the county's rural local option sales tax collections were dedicated to education.

Property tax (ad valorem) is the primary revenue source for general county operations and provides a significant source of revenue for the county's two school systems. Therefore, changes in the county-wide assessed values are key metrics for projecting county property tax revenues. Real and personal property assessment values increased 2.6% in calendar year 2022 as compared to 2021. The tax rate for calendar year 2022 remained unchanged from 2021 at \$2.15 per \$100 of assessed value. See Table 5 for a 10-year summary of appraised and assessed property values.

The county's unemployment rate has improved greatly from the Covid-related high of 8.6% in June 2020 to 3.8% in June 2023. The previous high unemployment rate was 9.0% in June 2011. See Table 13 for a schedule of unemployment rates over the past 10 years.

According to data from the Bureau of Economic Analysis, Washington County ranks 11th out of the 95 Tennessee counties in per capita income.

Healthy reserves and conservative management and budgeting have allowed Washington County to maintain its strong financial position in 2023 and to continue the current level of services for the near-term. With the

fiscal 2025 budget process commencing in just a few months, we will continue to monitor local economic activity, the county tax base and federal and state stimulus funds in order to establish conservative revenue estimates and carefully scrutinize new spending requests.

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

Long-term Financial Planning

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

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

Financial Management Policies and Practices

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

Acknowledgements

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

Respectfully submitted,

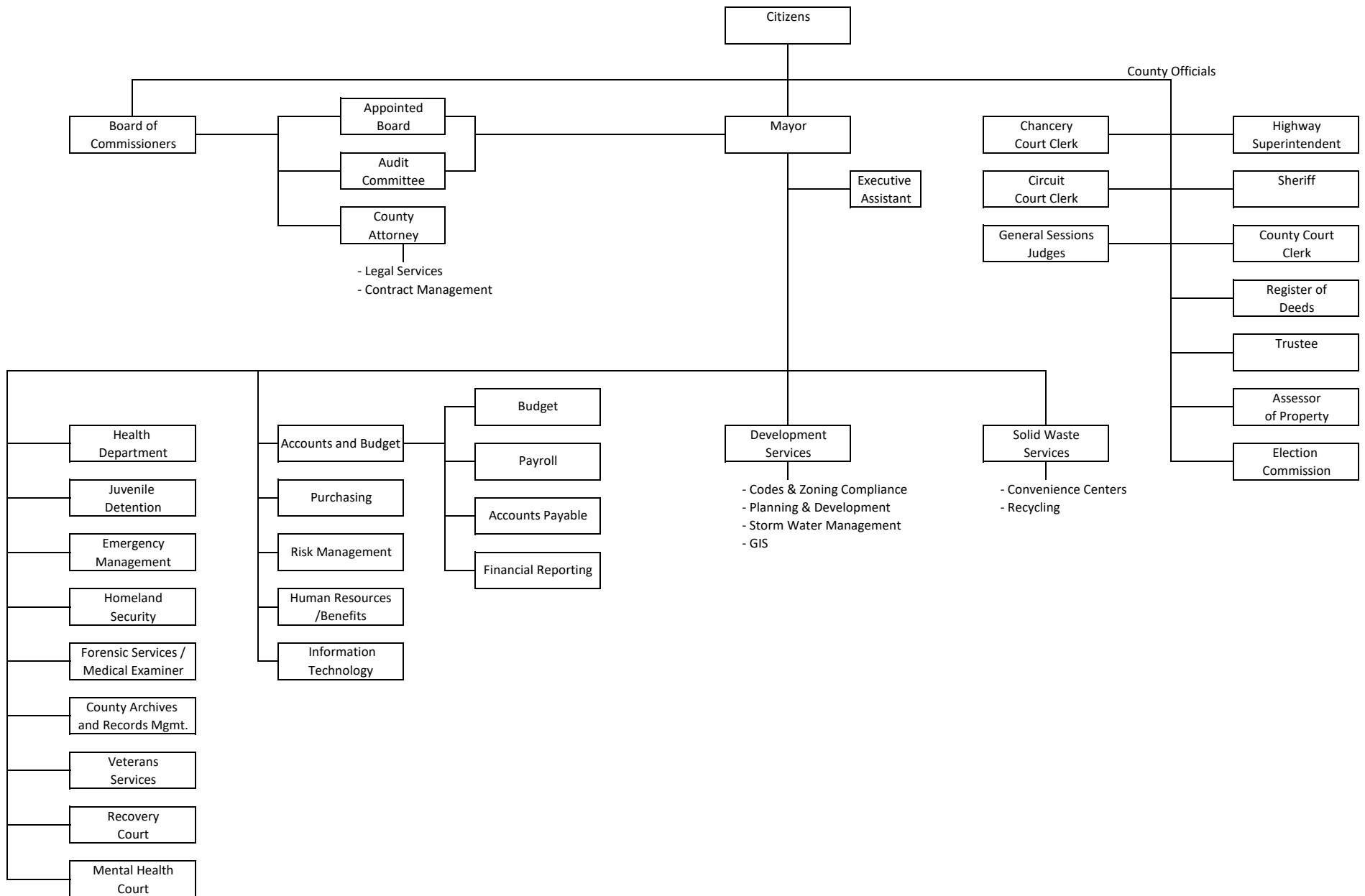


William J. Grandy
Mayor



Mitchell G. Meredith
Director of Finance & Administration

Washington County Government Organization Chart



Washington County Officials

June 30, 2023

Officials

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

Board of County Commissioners

| | |
|-------------------------|----------------|
| Greg Matherly, Chairman | Jodi Jones |
| Ben Carder | Freddie Malone |
| Bryan Davenport | David Tomita |
| Josh Edens | Richard Tucker |
| Larry England | Lewis Wexler |
| Jerome Fitzgerald | Jim Wheeler |
| Kenneth Huffine | Suzy Williams |
| Marty Johnson | |

Board of Education

| | |
|------------------------|------------------|
| Mike Masters, Chairman | David Hammond |
| Annette Buchanan | Greg Huddlestone |
| Mary Beth Dellinger | Whitney Riddle |
| Keith Ervin | Vince Walters |
| Chad Fleenor | |

Audit Committee

| | |
|--------------------------|-----------------|
| Freddie Malone, Chairman | Paige Carter |
| Tom Krieger | Jacqui Steadman |
| Mark Kinser | |

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented Washington County Emergency Communications District. We also did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Washington County School Department, which represent 1.4 percent, 1.57 percent, and 2.65 percent, respectively, of the assets, net position, and revenues of the discretely presented Washington County School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Washington County Emergency Communications District and the Internal School Fund of the Washington County School Department, are based solely on the reports of the other auditors. We were unable to determine Washington County Emergency Communications District's percentages of the assets, net position, and revenues of the aggregate discretely presented component units because the Washington County Industrial Development Board, a component unit requiring discrete presentation, was not included in the county's financial statements.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service, General Capital Projects, and Education Capital Projects funds, combining and individual fund financial statements of the Washington County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service, General Capital Projects, and Education Capital Projects funds, combining and individual fund financial statements of the Washington County School Department (a discretely presented component unit), and

miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of Washington County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washington County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2023

JEM/tg

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

As management of the Washington County, Tennessee Government, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Washington County, Tennessee Government for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in this Annual Comprehensive Financial Report. This discussion and analysis focuses on the primary government and the Washington County Board of Education, a discretely presented component unit. It does not include discussion of the Washington County Emergency Communications District, another discretely presented component unit.

Financial Highlights

Primary Government

- The assets and deferred outflows of the Washington County Primary Government exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$20,981,795 (net position). Washington County has the obligation on 100% of the debt while all the buildings owned by the Board of Education are recorded as assets on their books.
- Washington County Primary Government's total net position increased by \$4,965,240 primarily as the result of increases in capital assets net of depreciation and the retirement of long-term debt.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$64,766,575, a decrease of \$10,217,102 over the prior year combined fund balances. The decrease was due primarily to the expenditure of ARPA and other unrestricted funds received in the prior year and a decrease in the net pension asset. Of the \$64,766,575 of combined governmental ending fund balances, \$12,285,455 (19%) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the general fund unassigned fund balance was \$12,285,455 or 23% of the total general fund expenditures.
- The county legislative body's audit committee is independent of County management and is ultimately responsible for advising management in meeting its internal control and financial responsibilities. The committee consists of one member of the legislative body and four citizens who have significant experience and expertise in financial, accounting, and internal control matters. The committee regularly reviews the County's various audit reports; meets with the County's independent auditors; deliberates financial, accounting, and internal control matters; and makes recommendations to the Washington County legislative body for their consideration and implementation.
- The various budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.

Component Unit-School Board

- The assets and deferred outflows of the Washington County Board of Education, a component unit, exceeded its liabilities and deferred inflows at the close of the fiscal year by \$139,422,576.
- The Washington County Board of Education's net position increased by \$7,119,547 primarily from a transfer of capital assets from the Washington County Primary Government, a decrease in the net pension asset, and increased revenues from sales tax collections.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Washington County's basic financial statements. Washington County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

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

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

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

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

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

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

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

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

Washington County maintains eleven individual governmental funds. Information is presented separately

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

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

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

The basic governmental fund financial statements can be found on Exhibits C-1 through C-6 of this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following Exhibit E-2 of this report.

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

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on Exhibits G-1 through G-7 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washington County, combined with the Board of Education, net position increased by \$12,084,787 to total \$160,404,371 at the close of the current fiscal year.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

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

Washington County's Net Position

| | Primary Government | | Component Unit - Washington County Board of Education | |
|---|----------------------|------------------------|--|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | |
| Current and Other Assets | \$ 125,241,366 | \$ 141,293,066 | \$ 60,094,288 | \$ 81,953,175 |
| Capital Assets | 86,072,848 | 79,285,228 | 96,623,496 | 94,062,077 |
| Total Assets | 211,314,214 | 220,578,294 | 156,717,784 | 176,015,252 |
| Deferred Outflows of Resources | | | | |
| Deferred Charge of Refunding | 5,191,784 | 5,910,548 | - | - |
| Pension Related Deferred Outflows | 7,960,559 | 7,982,467 | 15,014,264 | 15,518,205 |
| OPEB Contributions Deferred Outflows | 358,637 | 433,130 | 3,275,654 | 3,764,396 |
| Total Deferred Outflows of Resources | 13,510,980 | 14,326,145 | 18,289,918 | 19,282,601 |
| Liabilities | | | | |
| Long-Term Liabilities Outstanding | 144,860,878 | 151,664,029 | 12,265,053 | 11,801,281 |
| Other Liabilities | 5,321,620 | 3,121,931 | 5,116,679 | 3,277,642 |
| Total Liabilities | 150,182,498 | 154,785,960 | 17,381,732 | 15,078,923 |
| Deferred Inflows of Resources | | | | |
| Deferred Revenues – Property Taxes & Leases | 50,996,963 | 49,709,151 | 13,565,331 | 13,252,656 |
| Pension Related Deferred Inflows | 472,376 | 12,286,079 | 2,757,870 | 33,888,712 |
| OPEB Contributions Deferred Inflows | 2,191,562 | 2,106,694 | 1,880,193 | 774,533 |
| Total Deferred Inflows of Resources | 53,660,901 | 64,101,924 | 18,203,394 | 47,915,901 |
| Net Position | | | | |
| Net Investment in Capital Assets | 60,874,931 | 55,599,551 | 96,623,496 | 94,062,077 |
| Restricted | 27,987,922 | 27,020,312 | 17,192,621 | 42,128,089 |
| Unrestricted | (67,881,058) | (66,603,308) | 25,606,459 | (3,887,137) |
| Total Net Position | \$ 20,981,795 | \$ (16,016,555) | \$ 139,422,576 | \$ 132,303,029 |

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

The primary government increased its net position by \$4,965,240. The Board of Education's net position increased by \$7,119,547. Key elements of these changes are as follows:

| Washington County's Change in Net Position | | | | |
|---|----------------------|----------------------|--|-----------------------|
| | Primary Government | | Component Unit - Washington County Board of Education | |
| | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | |
| Program Revenues | | | | |
| Charges for Services | \$ 12,150,840 | \$ 12,263,556 | \$ 1,956,434 | \$ 1,164,659 |
| Operating Grants and Contributions | 7,419,688 | 31,563,093 | 15,015,561 | 16,485,266 |
| Capital Grants and Contributions | 2,117,794 | 1,248,412 | 6,722,078 | 8,800,395 |
| General Revenues | | | | |
| Property Taxes | 50,557,832 | 49,255,602 | 13,715,049 | 13,403,275 |
| Other Taxes | 3,209,790 | 2,829,064 | 23,579,472 | 21,771,426 |
| Grants and Contributions not Restricted to Specific Programs | 2,885,582 | 8,812,901 | 41,917,495 | 40,889,024 |
| Other | 2,452,738 | (127,121) | 2,596,639 | 44,635 |
| Total Revenues | <u>80,794,264</u> | <u>105,845,507</u> | <u>105,502,728</u> | <u>102,558,680</u> |
| Expenses | | | | |
| General Government | 13,380,788 | 7,936,986 | - | - |
| Finance | 3,774,012 | 3,327,610 | - | - |
| Administration of Justice | 5,110,879 | 4,426,121 | - | - |
| Public Safety | 28,115,201 | 22,324,656 | - | - |
| Public Health and Welfare | 10,120,685 | 5,837,810 | - | - |
| Social, Cultural and Recreation | 1,220,571 | 2,373,075 | - | - |
| Agriculture and Natural Resources | 734,211 | 670,445 | - | - |
| Highway | 6,240,615 | 8,257,626 | - | - |
| Education | 2,856,714 | 6,491,380 | 98,383,181 | 84,018,358 |
| Interest on Long Term Debt | 4,275,348 | 4,490,025 | - | - |
| Total Expenses | <u>75,829,024</u> | <u>66,135,734</u> | <u>98,383,181</u> | <u>84,018,358</u> |
| Increase (Decrease) in Net Position | 4,965,240 | 39,709,773 | 7,119,547 | 18,540,322 |
| Net Position, Beginning | 16,016,555 | (22,971,373) | 132,303,029 | 113,762,707 |
| Reclassification, Notes I.D.11 FY22 ACFR | - | (721,845) | - | - |
| Net Position, Ending | <u>\$ 20,981,795</u> | <u>\$ 16,016,555</u> | <u>\$ 139,422,576</u> | <u>\$ 132,303,029</u> |

Financial Analysis of the Government's Funds

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

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

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

The categories of fund balance are:

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

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

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

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

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

| Primary Government - Governmental Fund Balances | | | |
|---|---------------|---------------|-----------------|
| | June 30, | | |
| | 2023 | 2022 | Variance |
| Nonspendable | \$ 68,955 | \$ 78,230 | \$ (9,275) |
| Restricted | 29,967,030 | 22,955,368 | 7,011,662 |
| Committed | 20,890,454 | 31,286,929 | (10,396,475) |
| Assigned | 1,554,681 | 7,361,874 | (5,807,193) |
| Unassigned | 12,285,455 | 13,301,276 | (1,015,821) |
| Total Fund Balances | \$ 64,766,575 | \$ 74,983,677 | \$ (10,217,102) |

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

The General Fund is the chief operating fund of Washington County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,285,455 which is a decrease of \$1,015,821, from the prior year. The nonspendable fund balance was \$68,845, restricted fund balance was \$1,883,509, committed fund balance was \$227,981 and assigned fund balance was \$1,554,681. The total fund balance was \$16,020,471. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23% of total General Fund expenditures while total fund balance represents 30% of that same amount. Total FY 2023 General Fund revenues were \$44,559,899 or \$1,256,934 less than FY 2022. The primary difference is due to \$4.1 million of unrestricted opioid settlement funds received in FY 2022 and an increase in personnel costs.

The Highway/Public Works Fund has a total fund balance of \$8,796,830 which is an increase of \$756,852 from the prior year. The fund balance is restricted for the payment of maintenance and capital cost for the County's approximately 973 miles of roads and bridges. The County levies a portion of its property tax specifically for Highway Fund operations and produced total local tax revenue of \$5,209,382 in the current fiscal year. This represents an increase of \$174,609 from the prior year.

The General Debt Service Fund has a total fund balance of \$5,826,663 which is a decrease of \$317,815 from the prior year. While the fund balance is restricted for the payment of debt service, the county commission authorized the transfer of \$2,500,000 to the General Fund. A portion of the County's property tax levy is allocated for debt service and produced total local tax revenue of \$14,454,509 in the current fiscal year. This represents an increase of \$534,975 over the prior year.

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

The General Capital Projects Fund has a total fund balance of \$13,360,542. The fund balance is restricted for the payment of general government capital needs. The primary funding for the General Capital Projects Fund is derived from tax levies and produced total local tax revenue of \$1,151,221 in the current fiscal year. This represents an increase of \$35,174 from the prior year.

The Education Capital Projects Fund has a total fund balance of \$8,460,511. The fund balance is restricted for the payment of capital cost for the Washington County Board of Education. The primary funding for the Education Capital Projects Fund is derived from tax levies and general or rural obligation bonds and/or notes. The County issued \$2,331,726 in the prior fiscal year to fund energy efficiency upgrades in various Washington County Board of Education buildings. The County also levies a portion of its property tax specifically for Education Capital Project purposes and produced total local tax revenue of \$6,502,534 in the current fiscal year. This represents an increase of \$233,390 from the prior year.

General Fund Budgetary Highlights

The County Commission approved and adopted its 2023 annual operating budget in June 2022. The original General Fund operating budget was balanced by a transfer of \$2,500,000 from the Debt Service fund and a \$6,080,962 use of June 30, 2022, fund balance.

During the year, the County Commission approved a total of \$6,653,737 in amendments to the General Fund operating expenditures and a \$1,600,239 increase to the General Fund revenue budget. These amendments were primarily the result of funding provided in FY 2022 for alcohol and drug treatment programs, election commission grants for voting machine replacements, and increases in the county's public safety programs.

Actual revenues and other financing sources were more than budget by \$1,522,321 and actual expenditures were \$3,368,737 less than budget for an overall positive budget variance of \$4,891,058. The favorable variance in expenditures resulted from conservative spending by General Government, Constitutional Offices, Public Safety, and Public Health while the positive revenue variance was the result of various grant funding contracts.

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

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets. Washington County Primary Government's investment in capital assets as of June 30, 2023, amounts to \$86,072,848 (net of accumulated depreciation) and \$96,623,496 for the Board of Education (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, and bridges as shown below.

| Washington County's Capital Asstes | | | | |
|---|----------------------|----------------------|---|----------------------|
| | Primary Government | | Component Unit Washington County Board of Education | |
| | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 10,255,567 | \$ 10,255,567 | \$ 3,731,075 | \$ 3,352,389 |
| Buildings and Improvements | 54,014,011 | 51,644,451 | 156,708,745 | 156,208,462 |
| Infrastructure - Roads and Bridges | 63,267,168 | 59,266,909 | 0 | 0 |
| Other Capital Assets | 34,680,719 | 32,328,604 | 20,894,259 | 18,123,778 |
| Construction in Progress | 5,123,855 | 3,185,151 | 190,302 | 1,664,841 |
| Infrastructure - Right-to-Use-Assets | 647,652 | 647,652 | 0 | 0 |
| Less: Accumulated Depreciation/Amortization | (81,916,124) | (78,043,106) | (84,900,885) | (85,287,393) |
| Totals | <u>\$ 86,072,848</u> | <u>\$ 79,285,228</u> | <u>\$ 96,623,496</u> | <u>\$ 94,062,077</u> |

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

Lease Obligations. At the end of the current fiscal year, Washington County had total lease obligations outstanding of \$500,878.

| Washington County's Lease Obligations | | | | |
|---------------------------------------|------------|------------|-----------|-------------|
| | 2023 | 2022 | Increases | (Decreases) |
| Lease Obligations | \$ 500,878 | \$ 574,575 | \$ 0 | \$ (73,697) |

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

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of \$127,264,758. Of this amount, \$124,970,000 is debt backed by the full faith and credit of the government. The primary government is obligated for the long-term debt related to the assets of Washington County Board of Education. Total education-related debt amounted to \$100,641,008 (79%) of outstanding debt.

| Washington County's Long-Term Debt | | | | |
|------------------------------------|-----------------------|-----------------------|-------------|-----------------------|
| | Primary Government | | | |
| | 2023 | 2022 | Increase | (Decrease) |
| General Obligation Bonds | \$ 124,970,000 | \$ 132,405,000 | \$ 0 | \$ (7,435,000) |
| Other Loans | 2,294,758 | 2,722,515 | 0 | (427,757) |
| Total | <u>\$ 127,264,758</u> | <u>\$ 135,127,515</u> | <u>\$ 0</u> | <u>\$ (7,862,757)</u> |

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

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

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

During fiscal 2023, Washington County made \$7,862,757 of scheduled debt retirements on its general obligation bonds and other loans.

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

Capital Investment Plan

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

Major projects funded through the General Capital Projects fund completed or underway in fiscal 2023 include \$2.4 million for upgrades to heating, ventilation and air conditioning system in the county's detention center, a \$5 million multi-purpose park/athletic facility and \$2.4 million in renovations to the historic Jonesborough courthouse. Total tax and other revenues collected in fiscal year 2023 for the General Capital Projects fund were approximately \$1,811,001.

Major projects funded through the Education Capital Projects fund completed or underway in fiscal 2023 include \$640,000 for school technology equipment, \$946,000 for school bus replacements, \$1,153,000 in school HVAC upgrades, \$590,000 in emergency repairs to football stadium lighting and \$151,000 in cafeteria kitchen equipment. Total tax and other revenues collected in fiscal year 2023 for the Education Capital Projects fund were approximately \$6.6 million.

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

Property Tax

The property tax rate was unchanged in fiscal year 2023 from the previous year. The County Commission adopted a property tax rate for tax year 2022 (fiscal year 2023) of \$2.15 per \$100 of assessed value. A summary of Washington County's property tax rates for the past ten years can be found on Table 6 of the

WASHINGTON COUNTY, TENNESSEE
Management's Discussion and Analysis

statistical schedules of these financial statements.

Economic Factors

- The County's primary source of revenue is an ad valorem tax on the assessed value of real and tangible property located within the geographic boundary of the county. The assessed value of the real and personal property tax base increased 2.6% in fiscal 2023.
- Retail sales for FY 2023 were up approximately 45% over FY 2019 due in large part to the implementation of online sales tax collection by the Tennessee General Assembly in October 2019. During FY 2023, 100% of the sales tax collected by the County was dedicated to education and is split, based on an average daily attendance factor, between the Washington County Board of Education and the Johnson City Board of Education.
- Based on data from the Bureau of Economic Analysis, Washington County ranked 11th in Tennessee in per capita personal income (\$52,089) which was a 9.3% increase from 2022. The American Community Survey estimated the five-year average (2017-21) median household income for Washington County to be \$52,503.
- The unemployment rate was 3.8% in June 2023 as compared to 4.0% in June 2022. Local unemployment at fiscal year-end was slightly higher than the state average of 3.2%. The relative stability of Washington County's employment picture can be attributed to the County's diversified and stable job base.
- The General Fund budget adopted for FY 2024 reflects a budget totaling \$55,023,597. The budget anticipates using \$2 million from fund balance and \$8.5 million in transfers from other funds.
- The property tax rate for next fiscal year (calendar 2023 property taxes) is \$2.15 and is allocated the same amounts as in FY 2022. See Table 6 in the Statistical Section of this report. The county will undergo a county-wide reappraisal in calendar year 2024.

Healthy reserves, conservative management and budgeting, and the diverse and stable tax base of the local economy allowed Washington County to maintain its strong financial position and to continue the current level of services in fiscal 2024.

Requests for Information

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

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

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

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Washington County, Tennessee
Statement of Net Position
June 30, 2023

| | Primary | Component Units | |
|--|----------------|-----------------|--------------|
| | Government | Washington | Emergency |
| | Governmental | County | Communica- |
| | Activities | School | tions |
| | | Department | District |
| <u>ASSETS</u> | | | |
| Cash | \$ 362,794 | \$ 2,186,030 | \$ 3,194,185 |
| Equity in Pooled Cash and Investments | 69,305,536 | 26,002,752 | 0 |
| Inventories | 0 | 64,603 | 0 |
| Accounts Receivable | 451,194 | 7,574 | 0 |
| Due from Other Governments | 3,236,033 | 7,394,223 | 0 |
| Due from Component Units | 16,513 | 0 | 0 |
| Property Taxes Receivable | 51,516,840 | 13,972,705 | 0 |
| Allowance for Uncollectible Property Taxes | (698,597) | (189,477) | 0 |
| Prepaid Items | 68,955 | 0 | 192,401 |
| Leases Receivable | 982,098 | 0 | 0 |
| Restricted Assets: | | | |
| Amounts Accumulated for Pension Benefits | 0 | 701,816 | 0 |
| Net Pension Asset - Teacher Retirement Plan | 0 | 156,120 | 0 |
| Net Pension Asset - Teacher Legacy Pension Plan | 0 | 9,797,942 | 0 |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 10,255,567 | 3,731,075 | 0 |
| Construction in Progress | 5,123,855 | 190,302 | 0 |
| Assets Net of Accumulated Depreciation/Amortization: | | | |
| Buildings and Improvements | 30,361,858 | 83,600,584 | 2,007,521 |
| Infrastructure | 27,614,461 | 0 | 0 |
| Other Capital Assets | 12,227,823 | 9,101,535 | 377,591 |
| Intangible Right-to-Use Assets | 489,284 | 0 | 0 |
| Total Assets | \$ 211,314,214 | \$ 156,717,784 | \$ 5,771,698 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred Charge on Refunding | \$ 5,191,784 | \$ 0 | \$ 0 |
| Pension Changes in Experience | 1,635,688 | 2,504,506 | 900,688 |
| Pension Changes in Assumptions | 3,662,836 | 8,300,935 | 766,559 |
| Pension Changes in Investment Earnings | 138,856 | 291,815 | 29,879 |
| Pension Changes in Proportion | 0 | 104,858 | 0 |
| Pension Contributions After Measurement Date | 2,523,179 | 3,812,150 | 332,648 |
| OPEB Changes in Experience | 0 | 649,217 | 21,761 |
| OPEB Changes in Assumptions | 358,637 | 1,889,206 | 0 |
| OPEB Changes in Proportion | 0 | 330,343 | 0 |
| OPEB Contributions after Measurement Date | 0 | 406,888 | 0 |
| Total Deferred Outflows of Resources | \$ 13,510,980 | \$ 18,289,918 | \$ 2,051,535 |

(Continued)

Exhibit A

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

| | Primary Government Governmental Activities | Component Units | |
|--------------------------------------|---|--|--|
| | | Washington County School Department | Emergency Communica- tions District |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 1,307,650 | \$ 1,376,814 | \$ 845 |
| Accrued Payroll | 1,073,933 | 522,508 | 108,294 |
| Accrued Interest Payable | 376,095 | 0 | 0 |
| Payroll Deductions Payable | 170,172 | 3,146,084 | 0 |
| Contracts Payable | 1,585,945 | 0 | 0 |
| Retainage Payable | 82,944 | 0 | 0 |
| Due to Primary Government | 0 | 16,513 | 0 |
| Due to State of Tennessee | 0 | 5,637 | 0 |
| Due to Other Governments | 50,000 | 0 | 0 |
| Compensated Absences Payable | 0 | 0 | 355,457 |
| Claims and Judgments Payable | 449,828 | 0 | 0 |
| Other Current Liabilities | 224,676 | 49,123 | 0 |
| Unearned Revenue | 377 | 0 | 0 |
| Noncurrent Liabilities: | | | |
| Due Within One Year - Leases | 75,701 | 0 | 0 |
| Due Within One Year - Debt | 7,511,666 | 0 | 0 |
| Due Within One Year - Other | 905,084 | 203,335 | 0 |
| Due in More Than One Year - Leases | 425,177 | 0 | 0 |
| Due in More Than One Year - Debt | 128,513,157 | 0 | 0 |
| Due in More Than One Year - Other | 7,430,093 | 12,061,718 | 2,383,080 |
| Total Liabilities | \$ 150,182,498 | \$ 17,381,732 | \$ 2,847,676 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 50,014,865 | \$ 13,565,331 | \$ 0 |
| Deferred Lease Receivable | 982,098 | 0 | 0 |
| Pension Changes in Experience | 472,376 | 2,005,772 | 238,280 |
| Pension Changes in Proportion | 0 | 752,098 | 0 |
| OPEB Changes in Experience | 1,477,879 | 211,974 | 152,906 |
| OPEB Changes in Assumptions | 713,683 | 1,376,129 | 57,065 |
| OPEB Changes in Proportion | 0 | 292,090 | 0 |
| Total Deferred Inflows of Resources | \$ 53,660,901 | \$ 18,203,394 | \$ 448,251 |
| <u>NET POSITION</u> | | | |
| Net Investment in Capital Assets | \$ 60,874,931 | \$ 96,623,496 | \$ 2,385,112 |
| Restricted for: | | | |
| General Government | 528,644 | 0 | 0 |
| Finance | 208,076 | 0 | 0 |
| Administration of Justice | 276,980 | 0 | 0 |
| Public Safety | 573,543 | 0 | 0 |
| Public Health and Welfare | 559,852 | 0 | 0 |
| Capital Outlay | 636,611 | 0 | 0 |
| Highways/Public Works | 1,972,117 | 0 | 0 |
| Debt Service | 5,679,134 | 0 | 0 |
| Capital Projects | 17,552,965 | 0 | 0 |
| Education | 0 | 6,536,743 | 0 |
| Pensions | 0 | 10,655,878 | 0 |
| Unrestricted | (67,881,058) | 25,606,459 | 2,142,194 |
| Total Net Position | \$ 20,981,795 | \$ 139,422,576 | \$ 4,527,306 |

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

Exhibit B

Washington County, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | | | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------|-------------------------|--|--|-------------------------------------|---|--|--|
| | Expenses | Program Revenues | | Capital Grants and Contributions | Total Governmental Activities | Primary | Component Units | |
| | | Charges for Services | Operating Grants and Contributions | | | Government | Washington County School Department | Emergency Communica- tions District |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 13,380,788 | \$ 2,397,296 | \$ 270,566 | \$ 1,054,707 | \$ (9,658,219) | \$ | 0 | \$ 0 |
| Finance | 3,774,012 | 4,292,360 | 0 | 0 | 518,348 | | 0 | 0 |
| Administration of Justice | 5,110,879 | 2,597,032 | 141,425 | 0 | (2,372,422) | | 0 | 0 |
| Public Safety | 28,115,201 | 2,271,474 | 2,060,288 | 134,443 | (23,648,996) | | 0 | 0 |
| Public Health and Welfare | 10,120,685 | 340,423 | 1,444,689 | 0 | (8,335,573) | | 0 | 0 |
| Social, Cultural, and Recreational Services | 1,220,571 | 9,522 | 14,332 | 0 | (1,196,717) | | 0 | 0 |
| Agriculture and Natural Resources | 734,211 | 0 | 26,250 | 0 | (707,961) | | 0 | 0 |
| Highways | 6,240,615 | 242,733 | 3,423,964 | 852,644 | (1,721,274) | | 0 | 0 |
| Education | 2,856,714 | 0 | 0 | 76,000 | (2,780,714) | | 0 | 0 |
| Debt Service: | | | | | | | | |
| Interest on Long-term Debt | 4,275,348 | 0 | 38,174 | 0 | (4,237,174) | | 0 | 0 |
| Total Primary Government | <u>\$ 75,829,024</u> | <u>\$ 12,150,840</u> | <u>\$ 7,419,688</u> | <u>\$ 2,117,794</u> | <u>\$ (54,140,702)</u> | <u>\$</u> | <u>0</u> | <u>\$ 0</u> |
| Component Units: | | | | | | | | |
| Washington County School Department | \$ 98,383,181 | \$ 1,956,434 | \$ 15,015,561 | \$ 6,722,078 | \$ 0 | \$ (74,689,108) | \$ | 0 |
| Emergency Communications District | 4,915,539 | 5,030,237 | 0 | 0 | 0 | | 0 | 114,698 |
| Total Component Units | <u>\$ 103,298,720</u> | <u>\$ 6,986,671</u> | <u>\$ 15,015,561</u> | <u>\$ 6,722,078</u> | <u>\$ 0</u> | <u>\$ (74,689,108)</u> | <u>\$</u> | <u>114,698</u> |

(Continued)

Exhibit B

Washington County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Net (Expense) Revenue and Changes in Net Position | | | | | |
|--|----------|---|---------------|---------------|-----------------|----------------|--------------|
| | | Program Revenues | | Primary | Component Units | | |
| | | Charges for | Operating | Capital | Government | Washington | Emergency |
| | | Services | Grants and | Grants and | Total | County | Communica- |
| | | | Contributions | Contributions | Governmental | School | tions |
| | | | | | Activities | Department | District |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 37,291,385 | \$ 13,715,049 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | | 13,266,447 | 0 | 0 |
| Local Option Sales Taxes | | | | | 32,236 | 23,032,425 | 0 |
| Litigation Tax- General | | | | | 173,665 | 0 | 0 |
| Litigation Tax- Special Purpose | | | | | 305 | 0 | 0 |
| Litigation Tax- Jail, Workhouse, or Courthouse | | | | | 298,173 | 0 | 0 |
| Litigation Tax- Courtroom Security | | | | | 203,472 | 0 | 0 |
| Mixed Drink Tax | | | | | 0 | 4,482 | 0 |
| Wholesale Beer Tax | | | | | 345,337 | 0 | 0 |
| Business Tax | | | | | 2,011,228 | 542,565 | 0 |
| Mineral and Coal Severance Tax | | | | | 18,981 | 0 | 0 |
| Other Local Taxes | | | | | 126,393 | 0 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 2,885,582 | 41,917,495 | 10,000 |
| Unrestricted Investment Income (Loss) | | | | | 1,424,215 | 514,178 | 23,514 |
| Lease Interest | | | | | 26,939 | 0 | 0 |
| Miscellaneous | | | | | 1,001,584 | 210,711 | 13,800 |
| Gain on Sale of Capital Assets | | | | | 0 | 1,871,750 | 321 |
| Total General Revenues | | | | | \$ 59,105,942 | \$ 81,808,655 | \$ 47,635 |
| Change in Net Position | | | | | | | |
| Net Position, July 1, 2022 | | | | | \$ 4,965,240 | \$ 7,119,547 | \$ 162,333 |
| | | | | | 16,016,555 | 132,303,029 | 4,364,973 |
| Net Position, June 30, 2023 | | | | | | | |
| | | | | | \$ 20,981,795 | \$ 139,422,576 | \$ 4,527,306 |

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

Exhibit C-1

Washington County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

| | Major Funds | | | | |
|--|---------------|------------------------------|----------------------------|--------------------------------|----------------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Education Capital Projects |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 232 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Equity in Pooled Cash and Investments | 15,376,548 | 8,463,185 | 5,788,029 | 14,922,974 | 8,443,759 |
| Accounts Receivable | 191,823 | 18,134 | 5,726 | 23,634 | 0 |
| Due from Other Governments | 2,143,433 | 595,746 | 7,908 | 365,694 | 5,265 |
| Due from Other Funds | 362,562 | 19,354 | 0 | 0 | 0 |
| Due from Component Units | 0 | 16,513 | 0 | 0 | 0 |
| Property Taxes Receivable | 28,765,934 | 4,932,463 | 9,232,303 | 1,096,103 | 6,211,250 |
| Allowance for Uncollectible Property Taxes | (361,674) | (66,887) | (153,603) | (14,864) | (84,228) |
| Prepaid Items | 68,845 | 79 | 0 | 0 | 0 |
| Leases Receivable - Long-term | 171,656 | 810,442 | 0 | 0 | 0 |
| Total Assets | \$ 46,719,359 | \$ 14,789,029 | \$ 14,880,363 | \$ 16,393,541 | \$ 14,576,046 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 652,357 | \$ 185,628 | \$ 0 | \$ 265,544 | \$ 0 |
| Accrued Payroll | 930,957 | 118,350 | 0 | 0 | 0 |
| Payroll Deductions Payable | 144,492 | 21,325 | 0 | 0 | 0 |
| Contracts Payable | 0 | 0 | 0 | 1,585,945 | 0 |
| Retainage Payable | 0 | 0 | 0 | 82,944 | 0 |
| Due to Other Funds | 4,500 | 0 | 0 | 19,354 | 0 |
| Due to Other Governments | 50,000 | 0 | 0 | 0 | 0 |
| Other Current Liabilities | 224,676 | 0 | 0 | 0 | 0 |
| Total Liabilities | \$ 2,006,982 | \$ 325,303 | \$ 0 | \$ 1,953,787 | \$ 0 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | |
|---|---------------|------------------------------|----------------------------|--------------------------------|----------------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Education Capital Projects |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 28,022,513 | \$ 4,788,657 | \$ 8,867,884 | \$ 1,064,146 | \$ 6,030,161 |
| Deferred Delinquent Property Taxes | 336,477 | 67,797 | 185,816 | 15,066 | 85,374 |
| Deferred Leases Receivable | 171,656 | 810,442 | 0 | 0 | 0 |
| Other Deferred/Unavailable Revenue | 161,260 | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | \$ 28,691,906 | \$ 5,666,896 | \$ 9,053,700 | \$ 1,079,212 | \$ 6,115,535 |
| <u>FUND BALANCES</u> | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | \$ 68,845 | \$ 79 | \$ 0 | \$ 0 | \$ 0 |
| Restricted: | | | | | |
| Restricted for General Government | 528,644 | 0 | 0 | 0 | 0 |
| Restricted for Finance | 208,076 | 0 | 0 | 0 | 0 |
| Restricted for Administration of Justice | 276,980 | 0 | 0 | 0 | 0 |
| Restricted for Public Safety | 233,198 | 0 | 0 | 0 | 0 |
| Restricted for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 |
| Restricted for Highways/Public Works | 0 | 2,092,858 | 0 | 0 | 0 |
| Restricted for Capital Outlay | 636,611 | 0 | 0 | 0 | 0 |
| Restricted for Debt Service | 0 | 0 | 5,826,663 | 0 | 0 |
| Restricted for Capital Projects | 0 | 0 | 0 | 10,760,542 | 8,460,511 |
| Committed: | | | | | |
| Committed for Administration of Justice | 227,981 | 0 | 0 | 0 | 0 |
| Committed for Public Health and Welfare | 0 | 0 | 0 | 0 | 0 |
| Committed for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 0 | 0 |
| Committed for Highways/Public Works | 0 | 6,703,893 | 0 | 0 | 0 |
| Committed for Capital Outlay | 0 | 0 | 0 | 2,600,000 | 0 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | |
|---|----------------------|------------------------------|----------------------------|--------------------------------|----------------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Education Capital Projects |
| <u>FUND BALANCES (Cont.)</u> | | | | | |
| Committed (Cont.): | | | | | |
| Committed for Other Purposes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Assigned: | | | | | |
| Assigned for General Government | 840,893 | 0 | 0 | 0 | 0 |
| Assigned for Finance | 1,765 | 0 | 0 | 0 | 0 |
| Assigned for Administration of Justice | 124,500 | 0 | 0 | 0 | 0 |
| Assigned for Public Safety | 587,348 | 0 | 0 | 0 | 0 |
| Assigned for Agriculture and Natural Resources | 175 | 0 | 0 | 0 | 0 |
| Unassigned | 12,285,455 | 0 | 0 | 0 | 0 |
| Total Fund Balances | <u>\$ 16,020,471</u> | <u>\$ 8,796,830</u> | <u>\$ 5,826,663</u> | <u>\$ 13,360,542</u> | <u>\$ 8,460,511</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 46,719,359</u> | <u>\$ 14,789,029</u> | <u>\$ 14,880,363</u> | <u>\$ 16,393,541</u> | <u>\$ 14,576,046</u> |

(Continued)

Exhibit C-1

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

ASSETS

| | Nonmajor Funds | Other Govern- mental Funds | Total Governmental Funds |
|--|-------------------|-------------------------------------|--------------------------------|
| Cash | \$ 362,562 | \$ | 362,794 |
| Equity in Pooled Cash and Investments | 12,349,275 | | 65,343,770 |
| Accounts Receivable | 39,690 | | 279,007 |
| Due from Other Governments | 117,987 | | 3,236,033 |
| Due from Other Funds | 4,500 | | 386,416 |
| Due from Component Units | 0 | | 16,513 |
| Property Taxes Receivable | 1,278,787 | | 51,516,840 |
| Allowance for Uncollectible Property Taxes | (17,341) | | (698,597) |
| Prepaid Items | 31 | | 68,955 |
| Leases Receivable - Long-term | 0 | | 982,098 |
| Total Assets | \$ 14,135,491 | \$ | 121,493,829 |

LIABILITIES

| | | | |
|----------------------------|------------|----|-----------|
| Accounts Payable | \$ 160,728 | \$ | 1,264,257 |
| Accrued Payroll | 24,626 | | 1,073,933 |
| Payroll Deductions Payable | 4,355 | | 170,172 |
| Contracts Payable | 0 | | 1,585,945 |
| Retainage Payable | 0 | | 82,944 |
| Due to Other Funds | 362,562 | | 386,416 |
| Due to Other Governments | 0 | | 50,000 |
| Other Current Liabilities | 0 | | 224,676 |
| Total Liabilities | \$ 552,271 | \$ | 4,838,343 |

(Continued)

Exhibit C-1

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

| | Nonmajor Funds | | Total Governmental Funds |
|---|----------------------------|----|--------------------------------|
| | Other | | |
| | Govern- mental Funds | | |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 1,241,504 | \$ | 50,014,865 |
| Deferred Delinquent Property Taxes | 17,577 | | 708,107 |
| Deferred Leases Receivable | 0 | | 982,098 |
| Other Deferred/Unavailable Revenue | 22,581 | | 183,841 |
| Total Deferred Inflows of Resources | \$ 1,281,662 | \$ | 51,888,911 |
| <u>FUND BALANCES</u> | | | |
| Nonspendable: | | | |
| Prepaid Items | \$ 31 | \$ | 68,955 |
| Restricted: | | | |
| Restricted for General Government | 0 | | 528,644 |
| Restricted for Finance | 0 | | 208,076 |
| Restricted for Administration of Justice | 0 | | 276,980 |
| Restricted for Public Safety | 340,345 | | 573,543 |
| Restricted for Public Health and Welfare | 559,852 | | 559,852 |
| Restricted for Highways/Public Works | 0 | | 2,092,858 |
| Restricted for Capital Outlay | 0 | | 636,611 |
| Restricted for Debt Service | 42,750 | | 5,869,413 |
| Restricted for Capital Projects | 0 | | 19,221,053 |
| Committed: | | | |
| Committed for Administration of Justice | 0 | | 227,981 |
| Committed for Public Health and Welfare | 720,219 | | 720,219 |
| Committed for Social, Cultural, and Recreational Services | 62,483 | | 62,483 |
| Committed for Highways/Public Works | 0 | | 6,703,893 |
| Committed for Capital Outlay | 414,791 | | 3,014,791 |

(Continued)

Exhibit C-1

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

| | Nonmajor Funds | | Total Governmental Funds |
|---|-------------------------------------|-----------|--------------------------------|
| | Other Govern- mental Funds | | |
| <u>FUND BALANCES (Cont.)</u> | | | |
| Committed (Cont.): | | | |
| Committed for Other Purposes | \$ 10,161,087 | \$ | 10,161,087 |
| Assigned: | | | |
| Assigned for General Government | 0 | | 840,893 |
| Assigned for Finance | 0 | | 1,765 |
| Assigned for Administration of Justice | 0 | | 124,500 |
| Assigned for Public Safety | 0 | | 587,348 |
| Assigned for Agriculture and Natural Resources | 0 | | 175 |
| Unassigned | 0 | | 12,285,455 |
| Total Fund Balances | <u>\$ 12,301,558</u> | <u>\$</u> | <u>64,766,575</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 14,135,491</u> | <u>\$</u> | <u>121,493,829</u> |

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

Exhibit C-2

Washington County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

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

| | | | |
|--|----|--------------------|--------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | \$ | 64,766,575 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 10,255,567 | |
| Add: construction in progress | | 5,123,855 | |
| Add: buildings and improvements net of accumulated depreciation | | 30,361,858 | |
| Add: infrastructure net of accumulated depreciation | | 27,614,461 | |
| Add: other capital assets net of accumulated depreciation | | 12,227,823 | |
| Add: intangible right-to-use assets net of accumulated amortization | | <u>489,284</u> | 86,072,848 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: other loans payable | \$ | (2,294,758) | |
| Less: bonds payable | | (124,970,000) | |
| Less: leases payable | | (500,878) | |
| Add: deferred amount on refunding | | 5,191,784 | |
| Less: unamortized premium on debt | | (8,760,065) | |
| Less: OPEB liability | | (3,114,159) | |
| Less: net pension liability - agent plan | | (2,392,631) | |
| Less: compensated absences payable | | (2,828,387) | |
| Less: accrued interest on bonds and notes | | <u>(376,095)</u> | (140,045,189) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. | | | |
| Add: deferred outflows of resources related to pensions | \$ | 7,960,559 | |
| Less: deferred inflows of resources related to pensions | | (472,376) | |
| Add: deferred outflows of resources related to OPEB | | 358,637 | |
| Less: deferred inflows of resources related to OPEB | | <u>(2,191,562)</u> | 5,655,258 |
| (4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | 891,948 |
| (5) Internal service funds are used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | | | <u>3,640,355</u> |
| Net position of governmental activities (Exhibit A) | | \$ | <u><u>20,981,795</u></u> |

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

Exhibit C-3

Washington County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

| | Major Funds | | | | |
|---|---------------|------------------------------|----------------------------|--------------------------------|----------------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Education Capital Projects |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 26,527,560 | \$ 5,209,382 | \$ 14,454,509 | \$ 1,151,221 | \$ 6,502,534 |
| Licenses and Permits | 955,236 | 922 | 1,651 | 134 | 759 |
| Fines, Forfeitures, and Penalties | 533,431 | 0 | 0 | 0 | 0 |
| Charges for Current Services | 800,000 | 0 | 0 | 0 | 0 |
| Other Local Revenues | 897,791 | 534,021 | 172,907 | 659,646 | 39,065 |
| Fees Received From County Officials | 6,905,722 | 0 | 0 | 0 | 0 |
| State of Tennessee | 5,431,864 | 4,276,608 | 0 | 0 | 0 |
| Federal Government | 1,925,893 | 0 | 0 | 0 | 0 |
| Other Governments and Citizens Groups | 582,402 | 105,226 | 0 | 0 | 76,000 |
| Total Revenues | \$ 44,559,899 | \$ 10,126,159 | \$ 14,629,067 | \$ 1,811,001 | \$ 6,618,358 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 5,939,949 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Finance | 3,619,086 | 0 | 0 | 0 | 0 |
| Administration of Justice | 5,087,672 | 0 | 0 | 0 | 0 |
| Public Safety | 26,472,004 | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 8,067,760 | 0 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 1,134,634 | 0 | 0 | 0 | 0 |
| Agriculture and Natural Resources | 729,688 | 0 | 0 | 0 | 0 |
| Other Operations | 1,406,545 | 0 | 0 | 0 | 0 |
| Highways | 0 | 9,392,335 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Principal on Debt | 73,697 | 0 | 7,435,000 | 127,039 | 0 |
| Interest on Debt | 14,551 | 0 | 4,813,878 | 0 | 0 |
| Other Debt Service | 0 | 0 | 279,004 | 0 | 0 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | |
|--|--------------------|------------------------------|----------------------------|--------------------------------|----------------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Education Capital Projects |
| <u>Expenditures (Cont.)</u> | | | | | |
| Capital Projects | \$ 0 | \$ 0 | \$ 0 | \$ 4,061,408 | \$ 2,074,540 |
| Capital Projects - Donated | 134,443 | 0 | 0 | 0 | 1,585,760 |
| Total Expenditures | \$ 52,680,029 | \$ 9,392,335 | \$ 12,527,882 | \$ 4,188,447 | \$ 3,660,300 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (8,120,130) | \$ 733,824 | \$ 2,101,185 | \$ (2,377,446) | \$ 2,958,058 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Insurance Recovery | \$ 77,730 | \$ 23,028 | \$ 0 | \$ 0 | \$ 0 |
| Transfers In | 2,500,000 | 0 | 81,000 | 8,263,745 | 0 |
| Transfers Out | (211,483) | 0 | (2,500,000) | 0 | (1,000,000) |
| Total Other Financing Sources (Uses) | \$ 2,366,247 | \$ 23,028 | \$ (2,419,000) | \$ 8,263,745 | \$ (1,000,000) |
| Net Change in Fund Balances | \$ (5,753,883) | \$ 756,852 | \$ (317,815) | \$ 5,886,299 | \$ 1,958,058 |
| Fund Balance, July 1, 2022 | 21,774,354 | 8,039,978 | 6,144,478 | 7,474,243 | 6,502,453 |
| Fund Balance, June 30, 2023 | \$ 16,020,471 | \$ 8,796,830 | \$ 5,826,663 | \$ 13,360,542 | \$ 8,460,511 |

(Continued)

Exhibit C-3

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

| | Nonmajor Funds | | Total Governmental Funds |
|---|-------------------------------------|-----------|--------------------------------|
| | Other Govern- mental Funds | | |
| <hr/> | | | |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 1,339,534 | \$ | 55,184,740 |
| Licenses and Permits | 137 | | 958,839 |
| Fines, Forfeitures, and Penalties | 16,067 | | 549,498 |
| Charges for Current Services | 107,657 | | 907,657 |
| Other Local Revenues | 635,773 | | 2,939,203 |
| Fees Received From County Officials | 0 | | 6,905,722 |
| State of Tennessee | 659,022 | | 10,367,494 |
| Federal Government | 0 | | 1,925,893 |
| Other Governments and Citizens Groups | 338,892 | | 1,102,520 |
| Total Revenues | <u>\$ 3,097,082</u> | <u>\$</u> | <u>80,841,566</u> |
| <hr/> | | | |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General Government | \$ 0 | \$ | 5,939,949 |
| Finance | 0 | | 3,619,086 |
| Administration of Justice | 7,640 | | 5,095,312 |
| Public Safety | 40,597 | | 26,512,601 |
| Public Health and Welfare | 1,730,939 | | 9,798,699 |
| Social, Cultural, and Recreational Services | 0 | | 1,134,634 |
| Agriculture and Natural Resources | 0 | | 729,688 |
| Other Operations | 6,629,019 | | 8,035,564 |
| Highways | 0 | | 9,392,335 |
| Debt Service: | | | |
| Principal on Debt | 300,718 | | 7,936,454 |
| Interest on Debt | 9,933 | | 4,838,362 |
| Other Debt Service | 0 | | 279,004 |

(Continued)

Exhibit C-3

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

| | Nonmajor Funds | | Total Governmental Funds |
|--|-------------------------------------|------------------|--------------------------------|
| | Other Govern- mental Funds | | |
| <u>Expenditures (Cont.)</u> | | | |
| Capital Projects | \$ 0 | \$ | 6,135,948 |
| Capital Projects - Donated | 0 | | 1,720,203 |
| Total Expenditures | <u>\$ 8,718,846</u> | <u>\$</u> | <u>91,167,839</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (5,621,764)</u> | <u>\$</u> | <u>(10,326,273)</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 8,413 | \$ | 109,171 |
| Transfers In | 162,483 | | 11,007,228 |
| Transfers Out | <u>(7,295,745)</u> | | <u>(11,007,228)</u> |
| Total Other Financing Sources (Uses) | <u>\$ (7,124,849)</u> | <u>\$</u> | <u>109,171</u> |
| Net Change in Fund Balances | \$ (12,746,613) | \$ | (10,217,102) |
| Fund Balance, July 1, 2022 | <u>25,048,171</u> | | <u>74,983,677</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 12,301,558</u></u> | <u><u>\$</u></u> | <u><u>64,766,575</u></u> |

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

Washington County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (10,217,102)

| | | |
|---|--------------------|---------------------|
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 12,313,755 | |
| Less: current-year depreciation expense | (4,931,182) | |
| Less: current-year amortization | <u>(79,248)</u> | 7,303,325 |
| (2) The effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position. | | |
| Less: capital assets transferred to the Discretely Presented Washington County School Department | \$ (316,527) | |
| Add: Boones Creek Elementary School donation to county | 2,979,164 | |
| Less: book value of other capital assets disposed | <u>(3,178,342)</u> | (515,705) |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2023 | \$ 891,948 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2022 | <u>(1,091,362)</u> | (199,414) |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items. | | |
| Add: principal payments on bonds | \$ 7,435,000 | |
| Add: principal payments on other loans | 427,757 | |
| Add: principal payments on leases | 73,697 | |
| Add: change in unamortized premium on debt issuances | 1,251,933 | |
| Less: change in deferred amount on refunding debt | <u>(718,764)</u> | 8,469,623 |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 29,845 | |
| Change in OPEB liability | 507,999 | |
| Change in net pension asset/liability | (11,384,356) | |
| Change in deferred outflows related to pensions | (21,908) | |
| Change in deferred inflows related to pensions | 11,813,703 | |
| Change in deferred outflows related to OPEB | (74,493) | |
| Change in deferred inflows related to OPEB | (84,868) | |
| Change in compensated absences payable | <u>(500,604)</u> | 285,318 |
| (6) Internal service funds are used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities. | | |
| | | <u>(160,805)</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 4,965,240</u> |

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

Exhibit C-5

Washington County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 26,527,560 | \$ 0 | \$ 0 | \$ 26,527,560 | \$ 25,461,758 | \$ 25,461,758 | \$ 1,065,802 |
| Licenses and Permits | 955,236 | 0 | 0 | 955,236 | 978,000 | 978,000 | (22,764) |
| Fines, Forfeitures, and Penalties | 533,431 | 0 | 0 | 533,431 | 578,700 | 588,700 | (55,269) |
| Charges for Current Services | 800,000 | 0 | 0 | 800,000 | 614,650 | 691,550 | 108,450 |
| Other Local Revenues | 897,791 | 0 | 0 | 897,791 | 213,300 | 298,800 | 598,991 |
| Fees Received From County Officials | 6,905,722 | 0 | 0 | 6,905,722 | 7,185,000 | 7,185,000 | (279,278) |
| State of Tennessee | 5,431,864 | 0 | 0 | 5,431,864 | 4,805,682 | 5,991,973 | (560,109) |
| Federal Government | 1,925,893 | 0 | 0 | 1,925,893 | 1,450,500 | 1,591,648 | 334,245 |
| Other Governments and Citizens Groups | 582,402 | 0 | 0 | 582,402 | 163,500 | 263,900 | 318,502 |
| Total Revenues | \$ 44,559,899 | \$ 0 | \$ 0 | \$ 44,559,899 | \$ 41,451,090 | \$ 43,051,329 | \$ 1,508,570 |
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 159,002 | \$ (125) | \$ 63,992 | \$ 222,869 | \$ 179,813 | \$ 267,442 | \$ 44,573 |
| Board of Equalization | 1,250 | 0 | 0 | 1,250 | 6,210 | 6,210 | 4,960 |
| County Mayor/Executive | 301,279 | 0 | 0 | 301,279 | 303,004 | 303,384 | 2,105 |
| County Attorney | 309,868 | 0 | 0 | 309,868 | 337,654 | 338,094 | 28,226 |
| Election Commission | 1,538,704 | (7,202) | 3,726 | 1,535,228 | 817,657 | 1,618,367 | 83,139 |
| Register of Deeds | 611,180 | (1,749) | 0 | 609,431 | 630,946 | 672,786 | 63,355 |
| Planning | 242,187 | (654) | 0 | 241,533 | 241,105 | 242,445 | 912 |
| Codes Compliance | 410,779 | (1,016) | 0 | 409,763 | 480,932 | 498,396 | 88,633 |
| County Buildings | 475,461 | (16,206) | 3,347 | 462,602 | 475,700 | 499,700 | 37,098 |
| Other General Administration | 1,667,435 | (1,330) | 0 | 1,666,105 | 2,011,526 | 1,710,467 | 44,362 |
| Preservation of Records | 222,804 | 0 | 0 | 222,804 | 281,108 | 234,018 | 11,214 |
| <u>Finance</u> | | | | | | | |
| Accounting and Budgeting | 617,896 | (21,728) | 0 | 596,168 | 652,920 | 653,490 | 57,322 |
| Purchasing | 205,718 | (500) | 41 | 205,259 | 232,129 | 232,479 | 27,220 |
| Property Assessor's Office | 347,384 | (1,076) | 0 | 346,308 | 367,775 | 380,011 | 33,703 |
| Reappraisal Program | 743,859 | (710) | 1,724 | 744,873 | 852,474 | 849,598 | 104,725 |
| County Trustee's Office | 604,674 | (1,125) | 0 | 603,549 | 640,872 | 649,153 | 45,604 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Finance (Cont.)</u> | | | | | | | |
| County Clerk's Office | \$ 1,099,555 | \$ (20) | \$ 0 | \$ 1,099,535 | \$ 1,179,634 | \$ 1,232,035 | \$ 132,500 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 2,319,740 | (2,280) | 24,022 | 2,341,482 | 2,386,903 | 2,427,673 | 86,191 |
| General Sessions Judge | 736,795 | 0 | 0 | 736,795 | 758,320 | 759,350 | 22,555 |
| Drug Court | 133,200 | 0 | 0 | 133,200 | 88,002 | 177,562 | 44,362 |
| Chancery Court | 848,554 | (1,527) | 150 | 847,177 | 905,540 | 906,490 | 59,313 |
| District Attorney General | 69,882 | 0 | 0 | 69,882 | 70,000 | 76,600 | 6,718 |
| Other Administration of Justice | 158,470 | 0 | 0 | 158,470 | 202,286 | 202,406 | 43,936 |
| Courtroom Security | 768,058 | 0 | 0 | 768,058 | 857,598 | 870,846 | 102,788 |
| Victim Assistance Programs | 52,973 | 0 | 0 | 52,973 | 45,000 | 55,000 | 2,027 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 10,902,915 | (273,583) | 498,031 | 11,127,363 | 11,509,752 | 11,864,739 | 737,376 |
| Administration of the Sexual Offender Registry | 2,500 | 0 | 0 | 2,500 | 0 | 7,200 | 4,700 |
| Jail | 12,330,409 | (173,583) | 89,317 | 12,246,143 | 11,427,405 | 12,540,852 | 294,709 |
| Juvenile Services | 506,422 | (1,264) | 0 | 505,158 | 447,617 | 531,087 | 25,929 |
| Work Release Program | 6,782 | 0 | 0 | 6,782 | 12,050 | 12,050 | 5,268 |
| Fire Prevention and Control | 1,011,000 | 0 | 0 | 1,011,000 | 1,011,000 | 1,011,000 | 0 |
| Civil Defense | 235,173 | 0 | 0 | 235,173 | 283,479 | 271,029 | 35,856 |
| Rescue Squad | 87,700 | 0 | 0 | 87,700 | 87,700 | 87,700 | 0 |
| Other Emergency Management | 0 | 0 | 0 | 0 | 128,000 | 0 | 0 |
| County Coroner/Medical Examiner | 295,838 | 0 | 0 | 295,838 | 300,325 | 300,325 | 4,487 |
| Other Public Safety | 1,093,265 | 0 | 0 | 1,093,265 | 1,083,288 | 1,093,288 | 23 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 1,722,538 | (30,491) | 0 | 1,692,047 | 2,161,356 | 2,274,104 | 582,057 |
| Rabies and Animal Control | 250,000 | 0 | 0 | 250,000 | 250,000 | 250,000 | 0 |
| Ambulance/Emergency Medical Services | 2,021,753 | 0 | 0 | 2,021,753 | 2,021,753 | 2,021,753 | 0 |
| Alcohol and Drug Programs | 3,940,000 | 0 | 0 | 3,940,000 | 0 | 3,940,000 | 0 |
| Regional Mental Health Center | 17,000 | 0 | 0 | 17,000 | 17,000 | 17,000 | 0 |
| General Welfare Assistance | 22,200 | 0 | 0 | 22,200 | 30,000 | 30,000 | 7,800 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-----------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Public Health and Welfare (Cont.)</u> | | | | | | | |
| Sanitation Education/Information | \$ 94,269 | \$ (955) | \$ 0 | \$ 93,314 | \$ 101,610 | \$ 102,170 | \$ 8,856 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Adult Activities | 121,000 | 0 | 0 | 121,000 | 121,000 | 121,000 | 0 |
| Libraries | 898,634 | (3,885) | 0 | 894,749 | 910,434 | 921,026 | 26,277 |
| Other Social, Cultural, and Recreational | 115,000 | 0 | 0 | 115,000 | 115,000 | 115,000 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agricultural Extension Service | 488,800 | (359) | 175 | 488,616 | 491,723 | 493,248 | 4,632 |
| Forest Service | 1,500 | 0 | 0 | 1,500 | 1,500 | 1,500 | 0 |
| Soil Conservation | 181,758 | 0 | 0 | 181,758 | 198,519 | 200,739 | 18,981 |
| Storm Water Management | 52,630 | (31,767) | 0 | 20,863 | 33,500 | 33,500 | 12,637 |
| Other Agriculture and Natural Resources | 5,000 | 0 | 0 | 5,000 | 5,000 | 5,000 | 0 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 10,000 | 0 | 0 | 10,000 | 10,000 | 10,000 | 0 |
| Other Economic and Community Development | 1,172,060 | (15,000) | 636,611 | 1,793,671 | 2,191,156 | 2,205,253 | 411,582 |
| Airport | 44,455 | 0 | 0 | 44,455 | 19,987 | 44,455 | 0 |
| Veterans' Services | 103,223 | (258) | 0 | 102,965 | 112,010 | 112,990 | 10,025 |
| Contributions to Other Agencies | 40,500 | 0 | 0 | 40,500 | 40,500 | 40,500 | 0 |
| COVID-19 Grant #8 | 36,307 | 0 | 0 | 36,307 | 0 | 36,308 | 1 |
| <u>Principal on Debt</u> | | | | | | | |
| General Government | 73,697 | 0 | 0 | 73,697 | 0 | 73,697 | 0 |
| <u>Interest on Debt</u> | | | | | | | |
| General Government | 14,551 | 0 | 0 | 14,551 | 0 | 14,551 | 0 |
| <u>Capital Projects - Donated</u> | | | | | | | |
| Capital Projects Donated to Other Entities | 134,443 | 0 | 0 | 134,443 | 0 | 134,443 | 0 |
| Total Expenditures | \$ 52,680,029 | \$ (588,393) | \$ 1,321,136 | \$ 53,412,772 | \$ 50,127,772 | \$ 56,781,509 | \$ 3,368,737 |
| Excess (Deficiency) of Revenues | | | | | | | |
| Over Expenditures | \$ (8,120,130) | \$ 588,393 | \$ (1,321,136) | \$ (8,852,873) | \$ (8,676,682) | \$ (13,730,180) | \$ 4,877,307 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 77,730 | \$ 0 | \$ 0 | \$ 77,730 | \$ 0 | \$ 63,979 | \$ 13,751 |
| Transfers In | 2,500,000 | 0 | 0 | 2,500,000 | 2,500,000 | 2,500,000 | 0 |
| City General Fund Transfer | 0 | 0 | 0 | 0 | 95,720 | 0 | 0 |
| Transfers Out | (211,483) | 0 | 0 | (211,483) | 0 | (211,483) | 0 |
| Total Other Financing Sources | <u>\$ 2,366,247</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,366,247</u> | <u>\$ 2,595,720</u> | <u>\$ 2,352,496</u> | <u>\$ 13,751</u> |
| Net Change in Fund Balance | \$ (5,753,883) | \$ 588,393 | \$ (1,321,136) | \$ (6,486,626) | \$ (6,080,962) | \$ (11,377,684) | \$ 4,891,058 |
| Fund Balance, July 1, 2022 | <u>21,774,354</u> | <u>(588,393)</u> | <u>0</u> | <u>21,185,961</u> | <u>23,895,469</u> | <u>23,957,856</u> | <u>(2,771,895)</u> |
| Fund Balance, June 30, 2023 | <u>\$ 16,020,471</u> | <u>\$ 0</u> | <u>\$ (1,321,136)</u> | <u>\$ 14,699,335</u> | <u>\$ 17,814,507</u> | <u>\$ 12,580,172</u> | <u>\$ 2,119,163</u> |

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

Exhibit C-6

Washington County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 5,209,382 | \$ 0 | \$ 0 | \$ 5,209,382 | \$ 4,991,739 | \$ 5,112,671 | \$ 96,711 |
| Licenses and Permits | 922 | 0 | 0 | 922 | 900 | 900 | 22 |
| Other Local Revenues | 534,021 | 0 | 0 | 534,021 | 155,000 | 164,000 | 370,021 |
| State of Tennessee | 4,276,608 | 0 | 0 | 4,276,608 | 6,630,100 | 6,630,100 | (2,353,492) |
| Other Governments and Citizens Groups | 105,226 | 0 | 0 | 105,226 | 0 | 0 | 105,226 |
| Total Revenues | \$ 10,126,159 | \$ 0 | \$ 0 | \$ 10,126,159 | \$ 11,777,739 | \$ 11,907,671 | \$ (1,781,512) |
| <u>Expenditures</u> | | | | | | | |
| <u>Highways</u> | | | | | | | |
| Administration | \$ 882,956 | \$ 0 | \$ 2,592 | \$ 885,548 | \$ 1,002,717 | \$ 1,043,033 | \$ 157,485 |
| Highway and Bridge Maintenance | 2,603,862 | (10,448) | 250 | 2,593,664 | 3,277,005 | 3,277,610 | 683,946 |
| Operation and Maintenance of Equipment | 807,222 | (1,188) | 1,936 | 807,970 | 986,299 | 988,219 | 180,249 |
| Asphalt Plant Operations | 3,220,136 | (195) | 17,120 | 3,237,061 | 3,567,764 | 3,928,734 | 691,673 |
| Traffic Control | 98,896 | 0 | 0 | 98,896 | 134,111 | 134,381 | 35,485 |
| Capital Outlay | 1,779,263 | (1,454,717) | 54,070 | 378,616 | 2,590,030 | 2,908,451 | 2,529,835 |
| Total Expenditures | \$ 9,392,335 | \$ (1,466,548) | \$ 75,968 | \$ 8,001,755 | \$ 11,557,926 | \$ 12,280,428 | \$ 4,278,673 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 733,824 | \$ 1,466,548 | \$ (75,968) | \$ 2,124,404 | \$ 219,813 | \$ (372,757) | \$ 2,497,161 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 23,028 | \$ 0 | \$ 0 | \$ 23,028 | \$ 0 | \$ 0 | \$ 23,028 |
| Total Other Financing Sources | \$ 23,028 | \$ 0 | \$ 0 | \$ 23,028 | \$ 0 | \$ 0 | \$ 23,028 |
| Net Change in Fund Balance | \$ 756,852 | \$ 1,466,548 | \$ (75,968) | \$ 2,147,432 | \$ 219,813 | \$ (372,757) | \$ 2,520,189 |
| Fund Balance, July 1, 2022 | 8,039,978 | (1,466,548) | 0 | 6,573,430 | 6,133,472 | 6,133,472 | 439,958 |
| Fund Balance, June 30, 2023 | \$ 8,796,830 | \$ 0 | \$ (75,968) | \$ 8,720,862 | \$ 6,353,285 | \$ 5,760,715 | \$ 2,960,147 |

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

Exhibit D-1

Washington County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2023

| | | |
|---------------------------------------|---------------------|--|
| | | Governmental Activities - Internal Service Fund |
| | | Employee Insurance - Health Fund |
| | | |
| | <u>ASSETS</u> | |
| Current Assets: | | |
| Equity in Pooled Cash and Investments | \$ | 3,961,766 |
| Accounts Receivable | | 172,187 |
| Total Assets | \$ | <u>4,133,953</u> |
| | <u>LIABILITIES</u> | |
| Current Liabilities: | | |
| Accounts Payable | \$ | 43,393 |
| Claims and Judgments Payable | | 449,828 |
| Total Current Liabilities | \$ | <u>493,221</u> |
| Noncurrent Liabilities: | | |
| Unearned/Unavailable Revenue | \$ | 377 |
| Total Noncurrent Liabilities | \$ | <u>377</u> |
| Total Liabilities | \$ | <u>(493,598)</u> |
| | <u>NET POSITION</u> | |
| Unrestricted | \$ | <u>3,640,355</u> |
| Total Net Position | \$ | <u><u>3,640,355</u></u> |

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

Exhibit D-2

Washington County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

| | |
|---|--|
| | Governmental Activities - Internal Service Fund |
| | Employee Insurance - Health Fund |
| <u>Operating Revenues</u> | |
| Self-Insurance Premiums | \$ 6,776,543 |
| Retiree Insurance Payments | 74,095 |
| Total Operating Revenues | <u>\$ 6,850,638</u> |
| <u>Operating Expenses</u> | |
| Pest Control | \$ 330 |
| Internet Connectivity | 1,200 |
| Rentals | 19,452 |
| Janitorial Services | 2,105 |
| Drugs and Medical Supplies | 33,320 |
| Water and Sewer | 632 |
| Electricity | 1,804 |
| Other Charges | 2,182 |
| Medical Claims | 5,841,110 |
| Handling Charges and Administrative Costs | 674,794 |
| Office Supplies | 3,390 |
| Communication | 818 |
| Contracts with Private Agencies | 506,967 |
| Data Processing Equipment | 1,356 |
| Total Operating Expenses | <u>\$ 7,089,460</u> |
| Operating Income (Loss) | <u>\$ (238,822)</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment Income (Loss) | <u>\$ 78,017</u> |
| Total Nonoperating Revenues (Expenses) | <u>\$ 78,017</u> |
| Change in Net Position | \$ (160,805) |
| Net Position, July 1, 2022 | <u>3,801,160</u> |
| Net Position, June, 30, 2023 | <u><u>\$ 3,640,355</u></u> |

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

Exhibit D-3

Washington County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

| | Governmental Activities - Internal Service Fund |
|---|--|
| | Employee Insurance - Health Fund |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts for Self-insurance Premiums | \$ 6,850,273 |
| Excess Risk Insurance Recovery | 562,215 |
| Payments for Administrative Costs | (674,794) |
| Payments for Claims | (6,305,559) |
| Payments for Vendors | (559,233) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (127,098)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Investment Gain in County Cash and Investment Pool | \$ 74,077 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 74,077</u> |
| Increase (Decrease) in Cash | \$ (53,021) |
| Cash, July 1, 2022 | <u>4,014,787</u> |
| Cash, June 30, 2023 | <u><u>\$ 3,961,766</u></u> |
| <u>Reconciliation of Net Operating Income (Loss)</u> | |
| <u>to Net Cash Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ (238,822) |
| Adjustments to Reconcile Net Operating Income (loss) | |
| to Net Cash Provided By (Used In) Operating Activities: | |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Operating Accounts Receivable | (104,449) |
| Increase (Decrease) in Accounts Payable | 14,323 |
| Increase (Decrease) in Claims and Judgements Payable | 201,844 |
| Increase (Decrease) in Unearned Revenue | 6 |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ (127,098)</u></u> |

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

Exhibit E-1

Washington County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

| | <u>Custodial Funds</u> |
|---|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 8,684,665 |
| Equity in Pooled Cash and Investments | 2,546,489 |
| Accounts Receivable | 177,944 |
| Due from Other Governments | 9,811,199 |
| Taxes Receivable | 13,064,501 |
| Allowance for Uncollectible Taxes | <u>(177,162)</u> |
| Total Assets | <u>\$ 34,107,636</u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | \$ 4,062 |
| Due to Other Taxing Units | <u>12,259,361</u> |
| Total Liabilities | <u>\$ 12,263,423</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Deferred Current Property Taxes | <u>\$ 12,683,605</u> |
| Total Deferred Inflows of Resources | <u>\$ 12,683,605</u> |
| <u>NET POSITION</u> | |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 9,160,608</u> |
| Total Net Position | <u><u>\$ 9,160,608</u></u> |

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

Washington County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

Custodial
Funds

ADDITIONS

| | |
|---|----------------------|
| Sales Tax Collections for Other Governments | \$ 33,329,142 |
| ADA - Educational Funds Collected for Cities | 35,048,769 |
| Fines/Fees and Other Collections | 23,718,132 |
| East Tennessee Railroad Authority Collections | 12,082 |
| Drug Task Force Collections | 90,757 |
| District Attorney General Collections | 32,922 |
| Total Additions | <u>\$ 92,231,804</u> |

DEDUCTIONS

| | |
|---|----------------------------|
| Payment of Sales Tax Collections to Other Governments | \$ 33,329,142 |
| Payments to City School Systems | 35,048,769 |
| Payments to State | 16,855,627 |
| Payments to Individuals and Others | 7,305,122 |
| Payment of East Tennessee Railroad Authority Expenses | 12,082 |
| Payment of Drug Task Force Expenses | 74,546 |
| Payment of District Attorney General Expenses | 26,576 |
| Total Deductions | <u>\$ 92,651,864</u> |
| Net Increase (Decrease) in Fiduciary Net Position | \$ (420,060) |
| Net Position, July 1, 2022 | <u>9,580,668</u> |
| Net Position, June 30, 2023 | <u><u>\$ 9,160,608</u></u> |

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

WASHINGTON COUNTY, TENNESSEE
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WASHINGTON COUNTY, TENNESSEE
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WASHINGTON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Washington County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Washington County (the primary government) and its component units. The financial activity of the Washington County Industrial Development Board, a component unit requiring discrete presentation, is not material to the aggregate discretely presented component units and has been excluded from this report since audited financial statements were not available in time for inclusion. The effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Washington County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Washington County, and the Washington County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval.

The Washington County Industrial Development Board oversees industrial development and related services in the county industrial parks. The Washington County Commission appoints the board members. Financial activity of the board has thus far been limited to the extension of industrial recruitment incentives to businesses on behalf of Washington County.

The Washington County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Washington County Industrial Development Board were not available in time for inclusion as previously mentioned. Complete financial statements of the Washington County Emergency Communications District and the Washington County Industrial Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program

revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Washington County issues all debt for the discretely presented Washington County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023. Other significant transactions between the primary government and the school department during the year include: \$338,892 paid from the General Purpose School Fund to the county's Rural Debt Service Fund; and \$90,000 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Washington County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Washington County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for general capital expenditures of the county.

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

Additionally, Washington County reports the following fund types:

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

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Washington County, Johnson City school system's share of educational revenues, assets held in a custodial capacity for the East Tennessee Railway Authority, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General.

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State

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

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

All other investments are reported at fair value.

2. Receivables and Payables

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

All property tax receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.69 percent of total taxes levied.

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

estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 60 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities of the General Fund consist of funds totaling \$99,816 from asset seizures that have not been awarded to the county, \$121,647 held by the county as neutral third party related to a new housing development project in the county, and the remaining balance for benefit plan payments not drawn as of June 30, 2023. Other current liabilities of the discretely presented school department's General Purpose School Fund consist of balances of insurance premium payments and clearing accounts not drawn as of June 30, 2023. Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held as Equity in Pooled Cash and Investments.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and library books), and intangible right-to-use assets (e.g., lease assets) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and with an initial individual cost of \$10,000 or more for all assets other than infrastructure, which is a cost of \$50,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives. Right-to-use assets are amortized over the shorter of the lease term or useful life.

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

6. Deferred Outflows/Inflows of Resources

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

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

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

7. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Washington County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the Washington County School Department to permit noncertified employees to accumulate a limited amount of earned but unused vacation benefits that lapse at the end of each calendar year. All vacation pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation pay is reported in governmental funds for amounts that have matured at the end of the fiscal year. Also, the general policy of the school department permits all personnel to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service.

8. Long-term Debt, Lease Obligations, and Long-term Obligations

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

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$27,987,922 of restricted net position for the primary government, of which \$1,656,088 is restricted by enabling legislation.

As of June 30, 2023, Washington County had \$102,560,907 in outstanding debt for capital purposes for the discretely presented Washington County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (Johnson City School System) based on an average daily attendance proration. The debt is a liability of Washington County, but the capital assets acquired are reported in the financial statements of the school department and the Johnson City School System. Therefore, Washington County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for Other Purposes in the Other General Government Fund, a nonmajor governmental fund, represents funds received and committed for revenue loss under the American Rescue Plan Act.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the General Fund consists of amounts assigned for encumbrances (\$684,525) and amounts assigned by the county commission for various purposes (\$870,156). Assigned fund balance in the discretely presented school department’s General Purpose School Fund consists of amounts appropriated for use in the 2023-24 year budget (\$8,763,500).

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

10. Minimum Fund Balance Policy

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

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

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

Employee Insurance - Health Fund – Minimum unrestricted net position will be equal to the collective balance of six-month average prior year expenditures for medical and pharmacy claims, medical and

pharmacy claims incurred and not reported, employee health clinic operating costs, plus the equivalent of one large stop loss claim.

E. Pension Plans

Primary Government

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

Discretely Presented Washington County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Washington County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Washington County School Department. For this purpose,

the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Washington County School Department

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

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

Primary Government

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

Discretely Presented Washington County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal

School Fund (special revenue funds), which are not budgeted. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2023, Washington County and the Washington County School Department reported the following encumbrances:

Primary Government:

Major Funds:

| | | |
|-----------------------------|----|-----------|
| General | \$ | 1,321,136 |
| Highway/Public Works | | 75,968 |
| General Capital Projects | | 4,003,923 |
| Education Capital Projects | | 1,633,994 |
| Nonmajor Governmental Funds | | 449,977 |

School Department:

| | | |
|-----------------------------|--|---------|
| Nonmajor Governmental Funds | | 388,358 |
|-----------------------------|--|---------|

B. Fund Deficit

The School Federal Projects Fund (special revenue fund) of the discretely presented Washington County School Department had a deficit unassigned fund balance of \$131,022 at June 30, 2023. This deficit unassigned fund balance resulted from failure to request reimbursements for grant expenditures related to federal programs on a timely basis. The deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2023.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Social, Cultural, and Recreation Projects major appropriation category (the legal level of control) in the General Capital Projects Fund by \$16,400. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Capital Projects Fund.

D. The Unrestricted Fund Balance of the General Fund was Less than Required by County Policy

The unrestricted fund balance of the General Fund amounted to \$14,068,117 at June 30, 2023. This was approximately \$4,273,082 less than the minimum amount required by the county's fund balance policy. This is further discussed in the audit findings and recommendations in the Single Audit section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's

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

Investment Balances. As of June 30, 2023, Washington County had the following investments carried at amortized cost using a Stable Net Asset Value and at fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Washington County and the discretely presented Washington County School Department since both pool their deposits and investments through the county trustee.

| Investment | Weighted Average Maturity | Maturities | Fair Value or Amortized Cost |
|-----------------------------------|---------------------------------|------------|---------------------------------------|
| Investments at Amortized Cost: | | | |
| State Treasurer's Investment Pool | 1 to 46 days | N/A | \$ 15,217,953 |
| U.S. Treasury Bill | N/A | 7-11-23 | 5,035,000 |
| Investments at Fair Value: | | | |
| U.S. Treasury Note | N/A | 7-15-23 | 2,495,850 |
| U.S. Treasury Note | N/A | 10-31-23 | 2,460,750 |
| U.S. Treasury Note | N/A | 11-30-23 | 9,803,100 |
| U.S. Treasury Note | N/A | 1-31-24 | 2,523,126 |
| U.S. Treasury Note | N/A | 9-30-24 | 4,934,400 |
| U.S. Treasury Note | N/A | 10-31-24 | 2,455,006 |
| Total | | | <u>\$ 44,925,185</u> |

| Investment by Fair Value Level | Fair Value 6-30-23 | Fair Value Measurements Using | | |
|--------------------------------|--------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Treasury Notes | \$ 24,672,232 | \$ 24,672,232 | \$ 0 | \$ 0 |
| Total | \$ 24,672,232 | \$ 24,672,232 | \$ 0 | \$ 0 |

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Washington County's investment policy requires that the investment committee seek to minimize risk by pre-qualifying, approving, and conducting business with only financial institutions, brokers, dealers, intermediaries and/or advisers with exceptional reputations. As of June 30, 2023, Washington County's investment in the State Treasurer's Investment Pool was unrated.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Washington County's investment policy requires that the investment committee seek to minimize risk by pre-qualifying, approving, and conducting business with only financial institutions, brokers, dealers, intermediaries and/or advisers with exceptional reputations. Washington County uses Raymond James and Associates, Inc. as its broker for investment purchases. Investments are held in a Raymond James omnibus account at its Fed custodian, BNY Mellon, segregated from firm assets. Raymond James' internal accounting system, SIS, details owners

of the securities held in its omnibus account at the custodian. SIPC coverage is provided up to \$500,000 and excess SIPC coverage is provided by the broker in an aggregate firm limit of \$750 million for all customers, including a sub-limit of \$1.9 million per customer for cash above basic SIPC, for the wrongful abstraction of customer funds.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

TCRS Stabilization Trust

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

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

On June 30, 2023, the Washington County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

| Investment | Weighted Average Maturity (days) | Maturities | Fair Value |
|--|---|------------|--------------------------|
| Investments at Fair Value: | | | |
| U.S. Equity | N/A | N/A | \$ 217,563 |
| Developed Market International Equity | N/A | N/A | 98,254 |
| Emerging Market International Equity | N/A | N/A | 28,073 |
| U.S. Fixed Income | N/A | N/A | 140,363 |
| Real Estate | N/A | N/A | 70,182 |
| Short-term Securities | N/A | N/A | 7,018 |
| NAV - Private Equity and Strategic Lending | N/A | N/A | <u>140,363</u> |
| Total | | | <u><u>\$ 701,816</u></u> |

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

B. Leases Receivable

On January 1, 2004, Washington County entered into a lease agreement for the use of a county owned quarry through December 31, 2043. The county will receive annual payments of \$51,474 under the agreement. Washington County recognized \$29,246 in lease revenue and \$22,228 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 2.6899 percent. As of June 30, 2023, the lease receivable balance was \$810,442.

On June 1, 2018, Washington County entered into a lease agreement for the use of county owned land through June 1, 2043. The county will receive annual payments of \$11,142 under the agreement. Washington County recognized \$6,431 in lease revenue and \$4,711 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 2.6899 percent. As of June 30, 2023, the lease receivable balance was \$171,656.

Washington County reports deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$810,442 for the quarry lease and \$171,656 for the land lease.

The future receipts of the leases receivable include:

| Year Ending June 30 | Principal | Interest | Total |
|------------------------|------------|------------|--------------|
| 2024 | \$ 36,648 | \$ 25,968 | \$ 62,616 |
| 2025 | 37,647 | 24,969 | 62,616 |
| 2026 | 38,671 | 23,945 | 62,616 |
| 2027 | 39,724 | 22,892 | 62,616 |
| 2028 | 40,806 | 21,810 | 62,616 |
| 2029-2033 | 221,319 | 91,760 | 313,079 |
| 2034-2038 | 253,146 | 59,933 | 313,079 |
| 2039-2043 | 288,611 | 23,540 | 312,151 |
| 2044 | 25,526 | 201 | 25,727 |
| Total | \$ 982,098 | \$ 295,018 | \$ 1,277,116 |

C. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government - Governmental Activities:

| | Balance 7-1-22 | Increases | Decreases | Balance 6-30-23 |
|---|-------------------|---------------|----------------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 10,255,567 | \$ 0 | \$ 0 | \$ 10,255,567 |
| Construction in Progress | 3,185,151 | 7,202,940 | (5,264,236) | 5,123,855 |
| Total Capital Assets Not Depreciated | \$ 13,440,718 | \$ 7,202,940 | \$ (5,264,236) | \$ 15,379,422 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 51,644,451 | \$ 5,784,861 | \$ (3,415,301) | \$ 54,014,011 |
| Infrastructure | 59,266,909 | 4,000,259 | 0 | 63,267,168 |
| Other Capital Assets | 32,328,604 | 3,569,095 | (1,216,980) | 34,680,719 |
| Total Capital Assets Depreciated | \$ 143,239,964 | \$ 13,354,215 | \$ (4,632,281) | \$ 151,961,898 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 22,209,859 | \$ 4,428,934 | \$ (2,986,640) | \$ 23,652,153 |
| Infrastructure | 34,167,170 | 1,485,537 | 0 | 35,652,707 |
| Other Capital Assets | 21,586,957 | 1,995,875 | (1,129,936) | 22,452,896 |
| Total Accumulated Depreciation | \$ 77,963,986 | \$ 7,910,346 | \$ (4,116,576) | \$ 81,757,756 |
| Total Capital Assets Depreciated, Net | \$ 65,275,978 | \$ 5,443,869 | \$ (515,705) | \$ 70,204,142 |
| Intangible Right-to-Use Assets: | | | | |
| Leased Buildings | \$ 647,652 | \$ 0 | \$ 0 | \$ 647,652 |
| Less: Accumulated Amortization | 79,120 | 79,248 | 0 | 158,368 |
| Net Intangible Right-to-Use Assets | \$ 568,532 | \$ (79,248) | \$ 0 | \$ 489,284 |
| Governmental Activities Capital Assets, Net | \$ 79,285,228 | \$ 12,567,561 | \$ (5,779,941) | \$ 86,072,848 |

Decreases to Construction in Progress include a refund of \$364,764 from the town of Jonesborough for administration fees paid by Washington County related to the K-8 school facility discussed in Note IV.D.

Decreases to buildings and improvements include \$316,527 for capital assets contributed to the school department upon completion and before being placed in service and depreciated.

Buildings and Improvements and related Accumulated Depreciation include increase and decrease of \$2,979,164 for donation of Old Boones Creek Elementary School from the school department and subsequent transfer of the property to the state of Tennessee.

\$639,760 of data processing equipment was purchased from the Education Capital Projects Fund which did not meet capitalization thresholds and was donated to the school department.

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

Governmental Activities:

| | |
|--|----------------------------|
| General Government | \$ 677,773 |
| Finance | 44,046 |
| Administration of Justice | 11,967 |
| Public Safety | 1,713,533 |
| Public Health and Welfare | 282,105 |
| Social, Cultural, and Recreational Services | 155,425 |
| Agriculture and Natural Resources | 2,995 |
| Highways/Public Works | <u>2,122,586</u> |
| Total Depreciation and Amortization Expense - Governmental Activities | <u><u>\$ 5,010,430</u></u> |

Net Investment in Capital Assets

| | |
|---|-----------------------------|
| Capital Assets (both tangible and intangible) | \$ 86,072,848 |
| Add: | |
| Unspent debt proceeds | 1,768,528 |
| Less: | |
| Outstanding principal of capital debt and other capital borrowings | (25,204,729) |
| Unamortized balance of original issue premiums on outstanding capital-related debt | <u>(1,761,716)</u> |
| Net Investment in Capital Assets | <u><u>\$ 60,874,931</u></u> |

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

| | Balance | | | | Balance | | | |
|---|---------|-------------|-----------|---------------|-----------|-----------------|----|-------------|
| | 7-1-22 | | Increases | | Decreases | 6-30-23 | | |
| <hr/> | | | | | | | | |
| Capital Assets Not Depreciated: | | | | | | | | |
| Land | \$ | 3,352,389 | \$ | 378,686 | \$ | 0 | \$ | 3,731,075 |
| Construction in Progress | | 1,664,841 | | 4,476,799 | | (5,951,338) | | 190,302 |
| <hr/> | | | | | | | | |
| Total Capital Assets Not Depreciated | \$ | 5,017,230 | \$ | 4,855,485 | \$ | (5,951,338) | \$ | 3,921,377 |
| <hr/> | | | | | | | | |
| Capital Assets Depreciated: | | | | | | | | |
| Buildings and Improvements | \$ | 156,208,462 | \$ | 5,882,652 | \$ | (5,382,369) (1) | \$ | 156,708,745 |
| Other Capital Assets | | 18,123,778 | | 3,225,698 (2) | | (455,217) | | 20,894,259 |
| <hr/> | | | | | | | | |
| Total Capital Assets Depreciated | \$ | 174,332,240 | \$ | 9,108,350 | \$ | (5,837,586) | \$ | 177,603,004 |
| <hr/> | | | | | | | | |
| Less Accumulated Depreciated For: | | | | | | | | |
| Buildings and Improvements | \$ | 73,646,696 | \$ | 4,843,834 | \$ | (5,382,369) (1) | \$ | 73,108,161 |
| Other Capital Assets | | 11,640,697 | | 519,309 | | (367,282) | | 11,792,724 |
| <hr/> | | | | | | | | |
| Total Accumulated Depreciation | \$ | 85,287,393 | \$ | 5,363,143 | \$ | (5,749,651) | \$ | 84,900,885 |
| <hr/> | | | | | | | | |
| Total Capital Assets Depreciated, Net | \$ | 89,044,847 | \$ | 3,745,207 | \$ | (87,935) | \$ | 92,702,119 |
| <hr/> | | | | | | | | |
| Governmental Activities Capital Assets, Net | \$ | 94,062,077 | \$ | 8,600,692 | \$ | (6,039,273) | \$ | 96,623,496 |

(1) Buildings and Improvements and related Accumulated Depreciation include decrease of \$2,979,164 for donation of Old Boones Creek Elementary School to Washington County and decrease of \$2,403,205 for the sale and disposal of the old Boones Creek Middle School.

(2) Increases totaling \$316,527 are for equipment and other assets contributed from the primary government.

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

Governmental Activities:

| | |
|---|----------------------------|
| Instruction | \$ 4,835,225 |
| Support Services | 364,358 |
| Operation of Non-instructional Services | <u>163,560</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 5,363,143</u></u> |

D. Construction Commitments

At June 30, 2023, the General Fund had uncompleted construction contracts of \$636,006 for site development. The Other General Government Fund had uncompleted construction contracts of approximately \$191,906 for water infrastructure projects. The Highway/Public Works Fund had uncompleted construction contracts of approximately \$54,025 for road and bridge construction. The General Capital Projects Fund had uncompleted construction contracts of approximately \$309,945 for courthouse renovations, \$14,317 for election office redesign and renovations, \$16,368 for waterline development, \$110,090 for detention center renovations, \$515,072 for school construction, and \$2,756,126 for athletic fields. The Education Capital Projects Fund had uncompleted construction contracts of \$1,112,491 for HVAC control upgrades at various schools. Funding for the future expenditures of the Other General Government Fund is being provided from a federal grant and from available fund balance. Funding for the future expenditures of the General, Highway/Public Works, General Capital Projects, and Education Capital Projects funds is being provided by available fund balance and from future local taxes.

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

Washington County Board of Education will be responsible for funding the K-8 facility operating costs and the county will be responsible for funding the athletic and park facility operating costs. The town has also agreed to manage and maintain certain other park and athletic facilities owned by the county. The county's annual payment for the operation and maintenance of all of the county's park and athletic facilities is fixed at \$500,400 per year for a minimum period of 10 years and could extend to 38 years. County lease payments will not begin until the town of Jonesborough is obligated to make principal and interest payments on certain U.S. Department of Agriculture (USDA) bonds issued for the purpose of long-term funding of the K-8. As a part of the \$42,750,000 maximum cost, the county commission authorized appropriations from the General Capital Projects Fund of up to \$1,059,500 towards the facility design costs, including architect, engineering, planning, legal and other professional fees. As of June 30, 2023, the county spent \$544,428 of this appropriation which includes reimbursements to the town totaling \$426,343. Jonesborough is obligated to reimburse the county \$364,764 once the USDA bonds are issued. The county has recorded this amount as a receivable in the General Capital Projects fund.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|---|--------------------------|------------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 362,562 |
| Nonmajor governmental | General | 4,500 |
| Highway/Public Works | General Capital Projects | 19,354 |
| Discretely Presented School Department: | | |
| School Federal Projects | General Purpose School | 25,783 |
| Nonmajor governmental | " | 29,764 |

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

Due to/from Primary Government and Component Unit:

| Receivable Fund | Payable Fund | Amount |
|----------------------|------------------------|-----------|
| Component Unit: | | |
| Primary Government: | School Department: | |
| Highway/Public Works | General Purpose School | \$ 16,513 |

The receivable from the General Purpose School Fund represents amounts due for paving performed by the highway department.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

| Transfers Out | Transfers In | | | |
|---------------------------------|--------------|---------------------------|-------------------------------|-----------------------------|
| | General Fund | General Debt Service Fund | General Capital Projects Fund | Nonmajor Governmental Funds |
| General Fund | \$ 0 | \$ 49,000 | \$ 0 | \$ 162,483 |
| General Debt Service Fund | 2,500,000 | 0 | 0 | 0 |
| Education Capital Projects Fund | 0 | 0 | 1,000,000 | 0 |
| Nonmajor governmental funds | 0 | 32,000 | 7,263,745 | 0 |
| Total | \$ 2,500,000 | \$ 81,000 | \$ 8,263,745 | \$ 162,483 |

Transfers to the General Fund represent budgeted contributions for operations. Transfers to the General Debt Service Fund represent contributions from various funds toward debt service principal and interest requirements. Transfers to the General Capital Projects Fund from the nonmajor governmental funds represent American Rescue Plan Act funds. The transfer to the General Capital Projects Fund from the Education Capital Projects Fund represents amounts provided for athletic fields. Transfers to the Nonmajor Governmental Funds represent past remediation opioid abatement funds.

Discretely Presented Washington County School Department

| | Transfers In | |
|------------------------------|-----------------------------|------------------------------|
| | General Purpose School Fund | School Federal Projects Fund |
| Transfers Out | | |
| General Purpose School Fund | \$ 0 | \$ 500,000 |
| School Federal Projects Fund | 383,650 | 0 |
| Total | <u>\$ 383,650</u> | <u>\$ 500,000</u> |

Transfers to the General Purpose School Fund represent indirect costs. Transfers to the School Federal Projects Fund represent amounts for cash flow purposes.

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

F. Lease Obligations

On May 1, 2017, the county entered into a lease agreement for the use of office space for EMA through June 30, 2037. The county will make annual payments of \$13,800 under the agreement. Washington County recognized \$9,337 in lease principal and \$4,463 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2023, the lease liability balance was \$160,840.

On November 1, 2020, the county entered into a lease agreement for the use of property as a maintenance garage for the sheriff's department through October 31, 2025. The county will make annual payments of \$39,600 under the agreement. Washington County recognized \$36,658 in lease principal and \$2,942 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2023, the lease liability balance was \$89,461.

On June 16, 2021, the county entered into a lease agreement for the use of office spaces for the trustee and county clerk through June 16, 2031. The county will make annual payments of \$34,847 under the agreement. Washington County recognized \$27,702 in lease principal and \$7,145 in lease interest during the current fiscal year related to this lease. As of June 30, 2023, the lease liability balance was \$250,577.

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

The future lease payments on these asset leases include:

| Year Ending June 30 | County Leases | | |
|------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 75,701 | \$ 12,547 | \$ 88,248 |
| 2025 | 77,765 | 10,483 | 88,248 |
| 2026 | 53,276 | 8,572 | 61,848 |
| 2027 | 41,242 | 7,406 | 48,648 |
| 2028 | 42,365 | 6,283 | 48,648 |
| 2029-2033 | 158,248 | 15,296 | 173,544 |
| 2034-2037 | 52,281 | 2,920 | 55,201 |
| Total | <u>\$ 500,878</u> | <u>\$ 63,507</u> | <u>\$ 564,385</u> |

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

| | Leases |
|-----------------------------|-------------------|
| Balance, July 1, 2022 | \$ 574,575 |
| Reductions | <u>(73,697)</u> |
| Balance, June 30, 2023 | <u>\$ 500,878</u> |
| Balance Due Within One Year | <u>\$ 75,701</u> |

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

| | |
|--|-------------------|
| Total Noncurrent Liabilities - Leases, June 30, 2023 | \$ 500,878 |
| Less: Balance Due Within One Year - Leases | <u>(75,701)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A | <u>\$ 425,177</u> |

G. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Washington County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Washington County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Washington County had no outstanding capital outlay notes at June 30, 2023. Other loans outstanding were issued for original terms of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Other loans included in long-term debt as of June 30, 2023, will be retired from the General Capital Projects and Rural Debt Service funds.

General obligation bonds and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-23 |
|--|------------------|-------------------|--------------------------------|--------------------|
| General Obligation Bonds | 2.3 to 5 % | 6-1-37 | \$ 31,950,000 | \$ 25,420,000 |
| General Obligation Bonds - Refunding | 2.88 to 4 | 6-1-37 | 115,970,000 | 99,550,000 |
| Direct Borrowing and Direct Placement: Other Loans | 0 to 0.5 | 7-1-29 | 2,976,592 | 2,294,758 |

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, including interest payments are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|------------------------|----------------|---------------|----------------|
| | Principal | Interest | Total |
| 2024 | \$ 7,055,000 | \$ 4,513,143 | \$ 11,568,143 |
| 2025 | 7,345,000 | 4,221,468 | 11,566,468 |
| 2026 | 7,385,000 | 3,917,488 | 11,302,488 |
| 2027 | 7,690,000 | 3,607,387 | 11,297,387 |
| 2028 | 8,020,000 | 3,284,437 | 11,304,437 |
| 2029-2033 | 45,235,000 | 11,299,106 | 56,534,106 |
| 2034-2037 | 42,240,000 | 3,271,856 | 45,511,856 |
| Total | \$ 124,970,000 | \$ 34,114,885 | \$ 159,084,885 |

| Year Ending June 30 | Other Loans - Direct Placement | | |
|------------------------|--------------------------------|-----------|--------------|
| | Principal | Interest | Total |
| 2024 | \$ 456,666 | \$ 9,264 | \$ 465,930 |
| 2025 | 458,323 | 7,608 | 465,931 |
| 2026 | 342,613 | 5,952 | 348,565 |
| 2027 | 334,608 | 4,284 | 338,892 |
| 2028 | 336,288 | 2,604 | 338,892 |
| 2029-2030 | 366,260 | 895 | 367,155 |
| Total | \$ 2,294,758 | \$ 30,607 | \$ 2,325,365 |

There is \$5,869,413 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$940 based on the 2020 federal census. Total debt and lease obligations per capita, including, bonds, other loans, and unamortized premium on debt, totaled \$1,009, for residents living inside the Johnson City school district and \$1,044 for residents living outside the Johnson City school district based on the 2020 federal census.

During the year, the school department contributed \$338,892 to the county Rural Debt Service Fund to be applied toward the retirement of school related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

| Governmental Activities: | | |
|---------------------------------|-----------------------|---|
| | Bonds | Other Loans - Direct Placement |
| Balance, July 1, 2022 | \$ 132,405,000 | \$ 2,722,515 |
| Reductions | (7,435,000) | (427,757) |
| Balance, June 30, 2023 | <u>\$ 124,970,000</u> | <u>\$ 2,294,758</u> |
| Balance Due Within One Year | <u>\$ 7,055,000</u> | <u>\$ 456,666</u> |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

| | |
|--|-----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2023 | \$ 127,264,758 |
| Less: Balance Due Within One Year - Debt | (7,511,666) |
| Add: Unamortized Premium on Debt | <u>8,760,065</u> |
| Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A | <u>\$ 128,513,157</u> |

Defeasance of Nonexchange Financial Guarantee Obligation

During the prior year, Washington County completed payments necessary to defease its obligation under a nonexchange financial guarantee for 22.5 percent of the outstanding Aerospace Park Bonds, series 2018, issued by the Tri-Cities Airport Authority. The Airport Authority is a joint venture discussed in Note V.E. Washington County used existing county funds to provide resources to purchase U.S. government securities that were placed into an irrevocable trust to provide for all future debt service payments on the outstanding bonds for which Washington County is obligated under the agreement. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled until the remaining outstanding bonds are called and redeemed on May 1, 2026. Accordingly, the trust account and the defeased nonexchange financial guarantee are not included in the county's financial statements. At June 30, 2023, the county's nonexchange financial guarantee for the following outstanding bonds was considered defeased:

| | <u>Amount</u> |
|---|---------------|
| Tri-Cities Airport Authority Aerospace Park Bonds, Series 2018 - Washington County Portion | \$ 1,565,000 |

H. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

| Governmental Activities: | Compensated Absences | Other Postemployment Benefits | Net Pension Liability- Agent Plan* |
|---------------------------------|-------------------------|-------------------------------------|--|
| | <u></u> | <u></u> | <u></u> |
| Balance, July 1, 2022 | \$ 2,327,783 | \$ 3,622,158 | \$ (8,991,725) |
| Additions | 2,105,323 | 309,710 | 12,522,544 |
| Reductions | <u>(1,604,719)</u> | <u>(817,709)</u> | <u>(1,138,188)</u> |
| Balance, June 30, 2023 | <u>\$ 2,828,387</u> | <u>\$ 3,114,159</u> | <u>\$ 2,392,631</u> |
| Balance Due Within One Year | <u>\$ 905,084</u> | <u>\$ 0</u> | <u>\$ 0</u> |

*The agent plan had a net pension asset balance as of July 1, 2022.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Other Noncurrent Liabilities, June 30, 2023 | \$ 8,335,177 |
| Less: Balance Due Within One Year - Other | <u>(905,084)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 7,430,093</u> |

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

Discretely Presented Washington County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Washington County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2022 | \$ 150,685 | \$ 11,620,400 |
| Additions | 321,421 | 965,264 |
| Reductions | (291,081) | (1,817,389) |
| Balance, June 30, 2023 | <u>\$ 181,025</u> | <u>\$ 10,768,275</u> |
| Balance Due Within One Year | <u>\$ 181,025</u> | <u>\$ 0</u> |

| | Retirement Incentive | Net Pension Liability - Agent Plan * |
|-----------------------------|-------------------------|--|
| Balance, July 1, 2022 | \$ 30,196 | \$ (3,827,957) |
| Additions | 11,384 | 6,769,621 |
| Reductions | (19,270) | (1,648,221) |
| Balance, June 30, 2023 | <u>\$ 22,310</u> | <u>\$ 1,293,443</u> |
| Balance Due Within One Year | <u>\$ 22,310</u> | <u>\$ 0</u> |

*The agent plan had a net pension asset balance as of July 1, 2022.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Other Noncurrent Liabilities, June 30, 2023 | \$ 12,265,053 |
| Less: Balance Due Within One Year - Other | <u>(203,335)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 12,061,718</u> |

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

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

The Washington County School Department has pledged to provide funding for the debt service requirements on the Other Loans – Energy Efficient School Initiative debt, with funds received from the energy savings generated by the district-wide energy efficient lighting project. Total principal and interest remaining on the debt is \$2,061,615 with annual requirements ranging from \$338,892 in the next fiscal year to \$28,263 in the final year of FY 2029-30.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Washington County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$182,668. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

reinsures through commercial insurance companies for claims exceeding \$500,000.

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

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

Employee Insurance - Health Fund

| | | Beginning of Fiscal Year Liability | Current-year Claims and Estimates | Payments | Balance at Fiscal Year-end |
|-----------|----|---|---|----------------|----------------------------------|
| 2021-2022 | \$ | 344,538 | \$ 5,358,665 | \$ (5,455,219) | \$ 247,984 |
| 2022-2023 | | 247,984 | 5,841,110 | (5,639,266) | 449,828 |

Current year claims and estimates, along with payments, are presented net of excess risk insurance recovery of \$666,293. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Discretely Presented Washington County School Department

The school department purchases commercial insurance for the risks of losses to which it is exposed for general liability, property, casualty, and workers' compensation. Settled claims did not exceed this commercial coverage during the past three years.

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In

accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

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

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

D. Changes in Administration

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

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

On June 2, 2023, Scott Buckingham left the Office of Assessor of Property, and was succeeded by Robbie McGuire who served as interim until being appointed on June 23, 2023.

E. Joint Ventures

Primary Government

The First Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the First Judicial District; Carter, Unicoi, and Washington counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Washington County did not contribute to the DTF for the year ended June 30, 2023.

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

The Upper East Tennessee Regional Juvenile Detention Center was formed through cooperative agreements between Washington County and the counties of Carter, Greene, Hawkins, Johnson, Sullivan, and Unicoi for the operation of a program to divert youth from commitment to the Department of Correction

facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Washington County's participation cost percentage is 26.1 percent. The counties also pay a daily fee for individuals from their counties using the facility.

Johnson City and Washington County, Tennessee, jointly own an animal shelter operated by the Washington County-Johnson City Animal Control Center. The Animal Control Center is governed by a four-member board comprising two members appointed by Washington County and two members appointed by Johnson City. The county is responsible for funding 50 percent of any deficits from operations. Washington County contributed \$250,000 to the operations during the fiscal year ended June 30, 2023.

The Washington County-Johnson City Emergency Medical Services, Inc. - Ambulance Division receives revenue from Washington County and Johnson City, as well as patient billings. The Board of Directors comprise nine members including: the city manager of Johnson City, the county mayor of Washington County; the mayor of the town of Jonesborough; the Administrator/CEO of Mountain States Health Alliance; one member selected by the Johnson City Commission and ratified by the Washington County Emergency Rescue Services; the chairman of the City County Liaison Committee; the EMS Medical Director; one resident of Johnson City selected by the Johnson City Commission; and one resident of Washington County selected by the county commission. The county contributed \$2,672,422 to the operations during the fiscal year ended June 30, 2023.

The Washington County Economic Development Council receives revenue from Washington County, Johnson City, Jonesborough, as well as investors. The Development Council is governed by a nine-member committee comprised of three members appointed by Washington County and six members appointed by participating entities. Washington County is responsible for at least 30 percent of the operations of the Washington County Economic Development Council. The county contributed \$95,000 to the operations during the fiscal year ended June 30, 2023.

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

Administrative Offices:

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

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

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

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

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

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

Discretely Presented School Department

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Washington County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee. Complete financial statements for NETCO can be obtained from its administrative office at the following address:

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

F. Jointly Governed Organizations

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

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

Washington County is a participant in the joint governance of the Northeast Tennessee/Virginia Home Consortium, which administers funds received under the HOME Investment Partnership Act. An interlocal agreement established the consortium between the cities of Bluff City, Bristol, Johnson City and Kingsport, Tennessee; Bristol, Virginia; as well as the counties of Sullivan and Washington, Tennessee. The mayors all represent their respective district. The Bristol, Tennessee mayor serves as Chair of the Governing Board.

In prior years, Washington County participated in the joint governance of the Alliance for Business and Training (AB&T) which administered funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. AB&T's contracts with the Tennessee Department of Labor for the administration of the funds terminated at June 30, 2022, and AB&T was dissolved in January 2023.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Washington County and non-certified employees of the discretely presented Washington County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.91 percent, the non-certified employees of the discretely presented school department comprise 35.09 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

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

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

| | |
|---|---------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 784 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 960 |
| Active Employees | 856 |
| Total | <u><u>2,600</u></u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Washington County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contribution for Washington County was \$3,661,112 based on a rate of 12.03 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Washington County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Washington County's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a)-(b) |
| Balance, July 1, 2021 | \$ 133,682,446 | \$ 146,502,128 | \$ (12,819,682) |
| Changes for the Year: | | | |
| Service Cost | \$ 2,561,250 | \$ 0 | \$ 2,561,250 |
| Interest | 9,012,902 | 0 | 9,012,902 |
| Differences Between Expected and Actual Experience | 2,081,460 | 0 | 2,081,460 |
| Contributions-Employer | 0 | 2,786,388 | (2,786,388) |
| Contributions-Employee | 0 | 21 | (21) |
| Net Investment Income | 0 | (5,552,273) | 5,552,273 |
| Benefit Payments, Including Refunds of Employee Contributions | (5,438,452) | (5,438,452) | 0 |
| Administrative Expense | 0 | (84,280) | 84,280 |
| Net Changes | \$ 8,217,160 | \$ (8,288,596) | \$ 16,505,756 |
| Balance, June 30, 2022 | \$ 141,899,606 | \$ 138,213,532 | \$ 3,686,074 |

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

Primary Government:

| | Increase (Decrease) | | |
|---|---------------------|-----------------|----------------|
| | Total | Plan | Net Pension |
| | Pension | Fiduciary | Liability |
| | Liability | Net Position | (Asset) |
| | (a) | (b) | (a)-(b) |
| Balance, July 1, 2021 | \$ 93,764,868 | \$ 102,756,593 | \$ (8,991,725) |
| Changes for the Year: | | | |
| Service Cost | \$ 1,662,507 | \$ 0 | \$ 1,662,507 |
| Interest | 5,850,275 | 0 | 5,850,275 |
| Differences Between Expected and Actual Experience | 1,351,076 | 0 | 1,351,076 |
| Contributions-Employer | 0 | 1,808,644 | (1,808,644) |
| Contributions-Employee | 0 | 14 | (14) |
| Net Investment Income | 0 | (3,603,980) | 3,603,980 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,530,099) | (3,530,099) | 0 |
| Administrative Expense | 0 | (54,706) | 54,706 |
| Other Changes | (6,991,593) | (7,662,063) | 670,470 |
| Net Changes | \$ (1,657,834) | \$ (13,042,190) | \$ 11,384,356 |
| Balance, June 30, 2022 | \$ 92,107,034 | \$ 89,714,403 | \$ 2,392,631 |

School Department:

| | Increase (Decrease) | | |
|---|---------------------|---------------|----------------|
| | Total | Plan | Net Pension |
| | Pension | Fiduciary | Liability |
| | Liability | Net Position | (Asset) |
| | (a) | (b) | (a)-(b) |
| Balance, July 1, 2021 | \$ 39,917,578 | \$ 43,745,535 | \$ (3,827,957) |
| Changes for the Year: | | | |
| Service Cost | \$ 898,743 | \$ 0 | \$ 898,743 |
| Interest | 3,162,627 | 0 | 3,162,627 |
| Differences Between Expected and Actual Experience | 730,384 | 0 | 730,384 |
| Contributions-Employer | 0 | 977,744 | (977,744) |
| Contributions Employee | 0 | 7 | (7) |
| Net Investment Income | 0 | (1,948,293) | 1,948,293 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,908,353) | (1,908,353) | 0 |
| Administrative Expense | 0 | (29,574) | 29,574 |
| Other Changes | 6,991,593 | 7,662,063 | (670,470) |
| Net Changes | \$ 9,874,994 | \$ 4,753,594 | \$ 5,121,400 |
| Balance, June 30, 2022 | \$ 49,792,572 | \$ 48,499,129 | \$ 1,293,443 |

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

| | 1% | Current | 1% |
|--|---------------|--------------|-----------------|
| | Decrease | Discount | Increase |
| | 5.75% | Rate | 7.75% |
| | | 6.75% | |
| Washington County | | | |
| Primary Government | \$ 14,789,337 | \$ 2,392,631 | \$ (7,856,690) |
| School Department | 7,995,037 | 1,293,443 | (4,247,284) |
| Total Net Pension Liability (Asset) | \$ 22,784,374 | \$ 3,686,074 | \$ (12,103,974) |

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Washington County recognized pension expense (negative pension expense) of \$2,923,601.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, Washington County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:

| | Primary Government | School Department | Total |
|--|-----------------------|----------------------|----------------------|
| Difference Between Expected and Actual Experience | \$ 1,635,688 | \$ 884,244 | \$ 2,519,932 |
| Changes in Assumptions | 3,662,836 | 1,980,109 | 5,642,945 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 138,856 | 75,065 | 213,921 |
| Contributions Subsequent to the Measurement Date of June 30, 2022 | 2,523,179 | 1,137,933 | 3,661,112 |
| Total | <u>\$ 7,960,559</u> | <u>\$ 4,077,351</u> | <u>\$ 12,037,910</u> |

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the following subsequent fiscal period.

Deferred Inflows of Resources:

| | Primary Government | School Department | Total |
|---|-----------------------|----------------------|-------------------|
| Difference Between Expected and Actual Experience | \$ 472,376 | \$ 255,364 | \$ 727,740 |
| Total | <u>\$ 472,376</u> | <u>\$ 255,364</u> | <u>\$ 727,740</u> |

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

| Year Ending June 30 | Primary Government | School Department | Total |
|------------------------|-----------------------|----------------------|--------------|
| 2024 | \$ 1,003,382 | \$ 542,423 | \$ 1,545,805 |
| 2025 | 901,018 | 487,085 | 1,388,103 |
| 2026 | 797,804 | 431,289 | 1,229,093 |
| 2027 | 2,262,798 | 1,223,257 | 3,486,055 |
| 2028 | 0 | 0 | 0 |
| Thereafter | 0 | 0 | 0 |

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

Payable to the Pension Plan

At June 30, 2023, Washington County reported a payable of \$238,453 for the outstanding amount of contributions due to the pension plan at the year ended June 30, 2023.

Discretely Presented Washington County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Washington County and non-certified employees of the discretely presented Washington County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 64.91 percent and the non-certified employees of the discretely presented school department comprise 35.09 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Washington County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as

the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS,

the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$309,225, which is 2.87 percent of covered payroll. In addition, employer contributions of \$118,463 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$156,120) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .515374 percent. The proportion as of June 30, 2021, was .461372 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$216,664.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 8,537 | \$ 94,853 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 49,210 | 0 |
| Changes in Assumptions | 182,887 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 8,090 | 53,668 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022 | <u>309,225</u> | <u>N/A</u> |
| Total | <u>\$ 557,949</u> | <u>\$ 148,521</u> |

The school department's employer contributions of \$309,225 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|----------|
| 2024 | \$ (390) |
| 2025 | 111 |
| 2026 | (7,975) |
| 2027 | 77,736 |
| 2028 | 5,068 |
| Thereafter | 25,652 |

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

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---|-------------------------|--------------------------------------|-------------------------|
|---|-------------------------|--------------------------------------|-------------------------|

Net Pension Liability (Asset) \$ 819,539 \$ (156,120) \$ (868,651)

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

Payable to the Pension Plan

At June 30, 2023, the Washington County School Department reported a payable of \$73,958 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2023.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members

are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Washington County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$2,364,992, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$9,797,942) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2022, the school department's proportion was .798916 percent. The proportion measured at June 30, 2021, was .743541 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of (\$106,557).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 1,611,725 | \$ 1,655,555 |
| Changes in Assumptions | 6,137,939 | 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 167,540 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 96,768 | 698,430 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022 | <u>2,364,992</u> | <u>N/A</u> |
| Total | <u>\$ 10,378,964</u> | <u>\$ 2,353,985</u> |

The school department's employer contributions of \$2,364,992 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|-------------|
| 2024 | \$ 794,995 |
| 2025 | 1,633,899 |
| 2026 | (1,940,253) |
| 2027 | 5,171,346 |
| 2028 | 0 |
| Thereafter | 0 |

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

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

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

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

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

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

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

| | | | |
|------------------------|----------|----------|----------|
| School Department's | | Current | |
| Proportionate Share of | 1% | Discount | 1% |
| the Net Pension | Decrease | Rate | Increase |
| Liability (Asset) | 5.75% | 6.75% | 7.75% |

Net Pension Liability (Asset) \$ 19,406,347 \$ (9,797,942) \$ (34,123,176)

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

Payable to the Pension Plan

At June 30, 2023, the Washington County School Department reported a payable of \$533,711 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2023.

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the discretely presented Washington County School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$460,894 and teachers contributed \$359,253 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Primary Government

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

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive Employees or Beneficiaries Currently | |
| Receiving Benefits | 13 |
| Inactive Employees Entitled to But Not Yet Receiving | |
| Benefits | 0 |
| Active Employees Eligible for Benefits | 455 |
| Total | <u>468</u> |

Total OPEB Liability

The county's total OPEB liability of \$3,114,159 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022, and updated to the measurement date.

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

| | |
|--|---|
| Payroll Growth Rate | 2.5% |
| Salary Increases | 4% |
| Discount Rate | 3.65% |
| Healthcare Cost Trend Rates | 6.5% initially with an ultimate rate of 5% in 2026 |
| Retirees share of Benefit-related Cost | 50% of medical premium and 50% of dental and vision premium |

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

The mortality rates are from the RHP-2014 total dataset headcount-weighted fully generational mortality table with projection scale MP-2021.

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

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| Balance July 1, 2022 | \$ 3,622,158 |
| Changes for the Year: | |
| Service Cost | \$ 199,239 |
| Interest | 110,471 |
| Differences between Expected and Actual Experience | (249,131) |
| Changes in Assumption and Other Inputs | (402,716) |
| Benefit Payments | (165,862) |
| Net Changes | <u>\$ (507,999)</u> |
| Balance June 30, 2023 | <u>\$ 3,114,159</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54 percent to 3.65 percent in 2023, and a change in the healthcare cost trend rate from 7 percent to 6.5 percent in 2023.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized OPEB expense (negative OPEB expense) of (\$182,776). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 0 | \$ 1,477,879 |
| Changes of Assumptions/Inputs | 358,637 | 713,683 |
| Total | <u>\$ 358,637</u> | <u>\$ 2,191,562</u> |

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

| Year Ending June 30 | Amount |
|------------------------|--------------|
| 2024 | \$ (492,486) |
| 2025 | (488,502) |
| 2026 | (426,781) |
| 2027 | (227,548) |
| 2028 | (39,245) |
| Thereafter | (158,363) |

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

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

| <u>Discount Rate</u> | 1% Decrease 2.65% | Current Discount Rate 3.65% | 1% Increase 4.65% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | \$ 3,435,232 | \$ 3,114,159 | \$ 2,831,548 |

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

| <u>Healthcare Cost Trend Rate</u> | Current | | |
|-----------------------------------|------------|------------|------------|
| | 1% | Trend | 1% |
| | Decrease | Rate | Increase |
| | (5.5% | (6.5% | (7.5% |
| | decreasing | decreasing | decreasing |
| | to 4%) | to 5%) | to 6%) |

Total OPEB Liability \$ 2,800,797 \$ 3,114,159 \$ 3,488,705

Discretely Presented Washington County School Department

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

The Washington County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Washington County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.25% |
| Salary Increases | Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation |
| Discount Rate | 3.54% |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5% |
| Retirees Share of Benefit Related Cost | Discussed under Benefits Provided |

The discount rate was 3.54 percent, based on the daily rate of Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

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

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

Benefits provided. The Washington County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Washington County School Department provides a direct subsidy ranging from \$161 to \$252 per month for certified retirees depending on coverage selected. The school department does not provide a direct subsidy for noncertified retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

| | <u>School Department</u> |
|---|------------------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 41 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Members Eligible for Future Benefits | 625 |
| Total | <u><u>666</u></u> |

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$406,888 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

| | <u>Share of Collective Liability</u> | | |
|--|---|-----------------------------------|---------------------------------|
| | <u>Washington County School Department 69.88%</u> | <u>State of TN 30.12%</u> | <u>Total OPEB Liability</u> |
| Balance July 1, 2021 | \$ 11,620,400 | \$ 4,753,507 | \$ 16,373,907 |
| Changes for the Year: | | | |
| Service Cost | \$ 706,782 | \$ 304,641 | \$ 1,011,423 |
| Interest | 258,482 | 111,412 | 369,894 |
| Difference between Expected and Actuarial Experience | (242,173) | (104,382) | (346,555) |
| Changes in Proportion | (178,435) | 178,435 | 0 |
| Changes in Assumption and Other Inputs | (1,030,597) | (444,212) | (1,474,809) |
| Benefit Payments | (366,184) | (157,835) | (524,019) |
| Net Changes | <u>\$ (852,125)</u> | <u>\$ (111,941)</u> | <u>\$ (964,066)</u> |
| Balance June 30, 2022 | <u>\$ 10,768,275</u> | <u>\$ 4,641,566</u> | <u>\$ 15,409,841</u> |

The Washington County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Washington County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$472,259 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Washington County School Department's proportionate share of the collective OPEB Liability was 69.8792 percent and the State of Tennessee's share was 30.1208 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$1,621,425, including the state's share of the expense. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 649,217 | \$ 211,974 |
| Changes of Assumptions/Inputs | 1,889,206 | 1,376,129 |
| Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due | 330,343 | 292,090 |
| Benefits Paid After the Measurement Date of June 30, 2022 | 406,888 | 0 |
| Total | <u>\$ 3,275,654</u> | <u>\$ 1,880,193</u> |

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

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

| <u>Year Ending June 30</u> | <u>School Department</u> |
|--------------------------------|------------------------------|
| 2024 | \$ 183,912 |
| 2025 | 183,912 |
| 2026 | 183,912 |
| 2027 | 183,914 |
| 2028 | 217,877 |
| Thereafter | 35,046 |

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

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

| <u>Discount Rate</u> | Current Discount Rate |
|----------------------|-----------------------------|
| 1% Decrease 2.54% | 1% Increase 3.54% |

| | | | |
|--|---------------|---------------|---------------|
| Proportionate Share of the Collective Total OPEB Liability | \$ 11,562,136 | \$ 10,768,275 | \$ 10,012,116 |
|--|---------------|---------------|---------------|

Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

| <u>Healthcare Cost Trend Rate</u> | Curent Rate |
|-----------------------------------|-----------------------------|
| 1% Decrease 7.37 to 3.5% | 1% Increase 8.37 to 4.5% |

| | | | |
|--|--------------|---------------|---------------|
| Proportionate Share of the Collective Total OPEB Liability | \$ 9,623,116 | \$ 10,768,275 | \$ 12,104,720 |
|--|--------------|---------------|---------------|

I. Termination Benefits

The discretely presented Washington County School Department offers a retirement incentive payment. To be eligible, certified employees must retire with 25 years of experience and at least ten years of experience with the Washington County School Department. Under the terms of the plan, employees will receive a one-time payment of \$7,000 for an employee that retires with 25 years of experience. The amount decreases in decrements to \$1,000 for any employee who retires with 33 years or more of experience. As of June 30, 2023, four employees had given notice of their intent to retire during the 2023-24 year. The estimated cost of the payments due to those individuals reported in the government-wide Statement of Net Position is \$22,310. The entire amount is expected to be paid within one year. The governmental funds' financial statements reflect retirement incentive expenditures of \$19,270 in the General Purpose School Fund.

J. Office of Central Accounting, Budgeting, and Purchasing

Washington County operates under the provisions of Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and superintendent of highways. These funds are maintained in the Office of the Director of Accounts and Budgets.

K. Purchasing Laws

Offices of County Mayor and Superintendent of Highways

Purchasing procedures for the Offices of County Mayor and Superintendent of Highways are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Superintendent of Highways are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$50,000.

Office of Director of Schools

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

L. Subsequent Events

At the September 25, 2023, meeting the county commission approved the amended Building Lease Agreement and Facilities Lease Agreement related to the Jonesborough projects as described in Note IV.D.

On October 25, 2023, the town of Jonesborough closed on five of seven USDA bonds authorized for the construction of the Jonesborough K-8 school. The combined principal on the five bonds totaled \$33,750,000 and obligates Jonesborough to monthly payments of principal and interest totaling \$135,075 beginning November 25, 2023. The county is obligated to begin making monthly payments to the town of Jonesborough of \$135,075 beginning November 25, 2023, for a period of up to 28 years. In addition, the county is obligated to pay the city of Johnson City \$500,000 per year for a period of up to 25 years. Such payments are to be used for capital needs of the Johnson City Board of Education.

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

A. General Information and Significant Accounting Policies

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

The financial statements of the district have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are reported using the economic resources measurement focus on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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

1. Basis of Accounting

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

2. Cash and Deposits

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

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

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

3. Compensated Absences

Regular full-time employees accrue 40 hours of vacation time after one year of continuous employment, 80 hours after two years of continuous employment, 88 hours after five years of continuous employment, 96 hours after six years of continuous employment, 104 hours after seven years of continuous employment, 112 hours after eight years of continuous employment, 120 hours after nine years of continuous employment, and 120 hours thereafter of continuous employment. Regular full-time employees who have completed 15 years of continuous employment will receive 128 hours of vacation time, 136 hours after 16 years of continuous employment, 144 hours after 17 years of continuous employment, 152 hours after 18 years of continuous employment, 160 hours after 19 years of continuous service, and 184 hours after 25 years of continuous service. In the current year, there was a newly implemented policy where new hires receive 40 hours of personal time as a sign-on benefit. This personal time is not available to be paid out if employment is terminated.

Sick leave accrues at a rate of eight hours per month. Sick leave days may accumulate with no maximum number of hours. An employee who

has completed 15 years of service and is eligible to retire would be eligible for one or both of the following options: (1) upon retirement, an employee may elect to receive compensation equivalent to two days of sick leave at the employee's regular rate for every completed year of service, up to a maximum of 30 years, or option (2), the employee may receive service credits based upon a board approved formula. Compensatory time may be earned at 1-1/2 times the regular rate of pay for time worked over 40 hours of work. Employees are paid this rate on their next paycheck. Changes in long-term liabilities for the year ended June 30, 2023, are as follows:

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year | Due Within One Year |
|----------------------|---------------------------------|------------|------------|---------------------------|---------------------------|
| Compensated Absences | \$ 519,685 | \$ 645,117 | \$ 544,813 | \$ 619,989 | \$ 355,457 |

4. Pensions

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

5. Estimates

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

B. Budget

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

C. Deposits and Investments

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

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

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

The district may make investments with longer maturities if various restrictions set out in the State law are followed. The district is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2 percent below the market value of the securities on the day of purchase.

As of June 30, 2023, the district held no investments.

D. Capital Assets

Capital assets are stated at cost. Depreciation is computed using the straight-line method and a life of 10-40 years for building renovations, 1-10 years for the furniture, 3-7 years for the equipment, and 5 years for the vehicles. The dollar threshold for capitalization is \$2,500. Capital asset activity for the fiscal year was as follows:

| | Balance 7-1-22 | Additions | Decreases | Balance 6-30-23 |
|---------------------------------------|-------------------|--------------|------------|--------------------|
| Capital Assets Depreciated: | | | | |
| Building Improvements | \$ 2,412,178 | \$ 33,498 | \$ 0 | \$ 2,445,676 |
| Vehicle | 85,037 | 0 | 0 | 85,037 |
| Communication and Office Equipment | 1,066,186 | 91,186 | (7,426) | 1,149,946 |
| Furniture and Fixtures | 259,262 | 4,576 | 0 | 263,838 |
| | \$ 3,822,663 | \$ 129,260 | \$ (7,426) | \$ 3,944,497 |
| Accumulated Depreciation | (1,319,502) | (247,309) | 7,426 | (1,559,385) |
| Capital Assets Depreciated, Net | \$ 2,503,161 | \$ (118,049) | \$ 0 | \$ 2,385,112 |

E. Pension Plan

General Information about the Pension Plan:

Plan Description

Employees of the district are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under TCA Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

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

Employees Covered by Benefit Terms

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

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 14 |
| Inactive employees entitled to but not yet receiving benefits | 41 |
| Active employees | 42 |
| | <u>97</u> |

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The district has adopted a noncontributory plan and makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, employer contributions for the district were \$332,648 based on a rate of 13.37 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the district's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset):

The district's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a)-(b) |
| Balance, July 1, 2021 | \$ 8,321,920 | \$ 8,764,661 | \$ (442,741) |
| Changes for the year: | | | |
| Service Cost | \$ 144,026 | \$ 0 | \$ 144,026 |
| Interest | 564,373 | 0 | 564,373 |
| Differences Between Expected and Actual Experience | 869,382 | 0 | 869,382 |
| Contributions-Employer | 0 | 285,468 | (285,468) |
| Net Investment Income | 0 | (336,677) | 336,677 |
| Benefit Payments, Including Refunds of Employee Contributions | (209,733) | (209,733) | 0 |
| Administrative Expense | 0 | (3,905) | 3,905 |
| Net Changes | \$ 1,368,048 | \$ (264,847) | \$ 1,632,895 |
| Balance, June 30, 2022 | \$ 9,689,968 | \$ 8,499,814 | \$ 1,190,154 |

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

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

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|--|-------------------------|--------------------------------------|-------------------------|
| Washington County Emergency Communications District's Net Pension Liability (Asset) | \$ 2,758,401 | \$ 1,190,154 | \$ (88,484) |

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

Pension Expense

For the year ended June 30, 2023, the district recognized pension expense (negative pension expense) of \$315,427.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 900,688 | \$ 238,280 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 29,879 | 0 |
| Changes in Assumptions | 766,559 | 0 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022 | <u>332,648</u> | <u>0</u> |
| Total | <u>\$ 2,029,774</u> | <u>\$ 238,280</u> |

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

| Year Ending June 30 | Amount |
|------------------------|------------|
| 2024 | \$ 234,859 |
| 2025 | 242,066 |
| 2026 | 183,093 |
| 2027 | 440,727 |
| 2028 | 233,891 |
| Thereafter | 124,210 |

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

F. Other Postemployment Benefits

Plan Description

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

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

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

Employees Covered by Benefit Terms. As of the June 30, 2023, measurement date, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The district's total OPEB liability of \$928,394 was measured based on an actuarial valuation performed as of July 1, 2022, and a measurement date of June 30, 2023.

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

Discount Assumption. A discount rate of 3.65 percent was used. This rate was based on the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

| <u>Years</u> <u>Beginning</u> | <u>Healthcare</u> <u>Trend Rate</u> | |
|----------------------------------|--|---|
| 2023-2024 | 6.25 | % |
| 2024-2026 | 5.75 | |
| 2026-2028 | 5.25 | |
| 2029+ | 5.00 | |

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

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

Per Capita Benefit Costs. Health benefit costs were based on group medical premiums for the period July 1, 2022, through June 30, 2023. The premiums were converted to age-specific charges using the actuary's rating model factors.

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

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

Changes in the Total OPEB Liability

Changes in the Total OPEB Liability were as follows:

| | Total OPEB Liability |
|-------------------------------|----------------------------|
| Balance at July 1, 2022 | \$ 879,074 |
| Changes for the year: | |
| Service Cost | 42,567 |
| Interest | 30,816 |
| Benefits Payments (Estimated) | (17,125) |
| Changes in Assumptions | (6,938) |
| Net Changes | 49,320 |
| Balance at June 30, 2023 | \$ 928,394 |

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

| <u>Discount Rate</u> | 1% Decrease 2.65% | Current Discount Rate 3.65% | 1% Increase 4.65% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | \$ 992,784 | \$ 928,394 | \$ 867,107 |

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

| <u>Healthcare Cost Trend Rate</u> | 1% Decrease | Current Trend | 1% Increase |
|-----------------------------------|----------------|------------------|----------------|
| Total OPEB Liability | \$ 829,005 | \$ 928,394 | \$ 1,044,374 |

For the year ended June 30, 2023, the district recognized OPEB expense of \$55,897. At June 30, 2023, the district reported the following deferred outflows of resources or deferred inflows or resources related to OPEB.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 21,761 | \$ 152,906 |
| Changes in Assumptions | 0 | 57,065 |
| Total | <u>\$ 21,761</u> | <u>\$ 209,971</u> |

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

| Year Ending June 30 | Amount |
|------------------------|-------------|
| 2024 | \$ (17,486) |
| 2025 | (17,486) |
| 2026 | (17,486) |
| 2027 | (17,486) |
| 2028 | (17,486) |
| Thereafter | (100,780) |

G. Lease

In March 2017, the district and Washington County Emergency Management Agency (EMA) entered into a lease agreement for space in the new building. EMA began leasing space from the district for an initial term of ten years with the option to renew the lease for two five-year terms. Total annual payments are \$1.00 per year plus EMA will pay the district 26 percent of the total utilities per month. For the fiscal year ended June 30, 2023, total rent income received was \$13,800, which represents EMA's portion of utilities.

H. Risk Management Activities

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

I. Concentration

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|----------------|---------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ 1,959,654 | \$ 2,006,787 | \$ 1,999,322 | \$ 2,038,780 | \$ 2,246,506 | \$ 2,222,818 | \$ 2,289,957 | \$ 2,309,400 | \$ 2,561,250 |
| Interest | 5,997,939 | 6,309,733 | 6,702,327 | 7,019,820 | 7,475,372 | 7,773,754 | 8,236,046 | 8,502,664 | 9,012,902 |
| Differences Between Actual and Expected Experience | (980,642) | 124,006 | (1,057,233) | 1,667,765 | (1,352,707) | 1,000,578 | (1,819,353) | 1,091,082 | 2,081,460 |
| Changes in Assumptions | 0 | 0 | 0 | 2,363,660 | 0 | 0 | 0 | 9,404,909 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (2,656,978) | (3,076,662) | (3,320,294) | (3,580,969) | (3,992,582) | (4,467,162) | (4,908,541) | (5,188,660) | (5,438,452) |
| Net Change in Total Pension Liability | \$ 4,319,973 | \$ 5,363,864 | \$ 4,324,122 | \$ 9,509,056 | \$ 4,376,589 | \$ 6,529,988 | \$ 3,798,109 | \$ 16,119,395 | \$ 8,217,160 |
| Total Pension Liability, Beginning | 79,341,350 | 83,661,323 | 89,025,187 | 93,349,309 | 102,858,365 | 107,234,954 | 113,764,942 | 117,563,051 | 133,682,446 |
| Total Pension Liability, Ending (a) | \$ 83,661,323 | \$ 89,025,187 | \$ 93,349,309 | \$ 102,858,365 | \$ 107,234,954 | \$ 113,764,942 | \$ 117,563,051 | \$ 133,682,446 | \$ 141,899,606 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 3,503,113 | \$ 3,289,974 | \$ 3,329,914 | \$ 2,399,314 | \$ 2,267,322 | \$ 2,676,427 | \$ 2,652,100 | \$ 2,809,853 | \$ 2,786,388 |
| Contributions - Employee | 145 | 16,673 | 752 | 0 | 0 | 240 | 0 | 0 | 21 |
| Net Investment Income | 12,460,698 | 2,712,482 | 2,409,669 | 10,500,433 | 8,435,284 | 8,057,771 | 5,662,967 | 30,294,935 | (5,552,273) |
| Benefit Payments, Including Refunds of Employee Contributions | (2,656,978) | (3,076,662) | (3,320,294) | (3,580,969) | (3,992,582) | (4,467,162) | (4,908,541) | (5,188,660) | (5,438,452) |
| Administrative Expense | (37,958) | (47,685) | (71,170) | (81,735) | (86,480) | (80,614) | (79,862) | (79,463) | (84,280) |
| Other | 0 | 0 | 0 | 209 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | \$ 13,269,020 | \$ 2,894,782 | \$ 2,348,871 | \$ 9,237,252 | \$ 6,623,544 | \$ 6,186,662 | \$ 3,326,664 | \$ 27,836,665 | \$ (8,288,596) |
| Plan Fiduciary Net Position, Beginning | 74,778,668 | 88,047,688 | 90,942,470 | 93,291,341 | 102,528,593 | 109,152,137 | 115,338,799 | 118,665,463 | 146,502,128 |
| Plan Fiduciary Net Position, Ending (b) | \$ 88,047,688 | \$ 90,942,470 | \$ 93,291,341 | \$ 102,528,593 | \$ 109,152,137 | \$ 115,338,799 | \$ 118,665,463 | \$ 146,502,128 | \$ 138,213,532 |
| Net Pension Liability (Asset), Ending (a - b) | \$ (4,386,365) | \$ (1,917,283) | \$ 57,968 | \$ 329,772 | \$ (1,917,183) | \$ (1,573,857) | \$ (1,102,412) | \$ (12,819,682) | \$ 3,686,074 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 105.24% | 102.15% | 99.94% | 99.68% | 101.79% | 101.38% | 100.94% | 109.59% | 97.40% |
| Covered Payroll | \$ 24,479,597 | \$ 25,133,489 | \$ 25,454,977 | \$ 27,415,356 | \$ 26,457,412 | \$ 27,422,396 | \$ 27,494,994 | \$ 28,506,769 | \$ 28,982,699 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | (17.92%) | (7.63%) | 0.23% | 1.20% | (7.25%) | (5.74%) | (4.01%) | (44.97%) | 12.72% |

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

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

Exhibit F-2

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 3,503,113 | \$ 3,289,974 | \$ 3,329,914 | \$ 2,399,314 | \$ 2,267,322 | \$ 2,676,427 | \$ 2,652,100 | \$ 2,809,853 | \$ 2,786,388 | \$ 3,661,112 |
| Less: Contributions in Relation to the Actuarially Determined Contribution | (3,503,113) | (3,289,974) | (3,329,914) | (2,399,314) | (2,267,322) | (2,676,427) | (2,652,100) | (2,809,853) | (2,786,388) | (3,661,112) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 24,479,597 | \$ 25,133,489 | \$ 25,454,977 | \$ 27,415,356 | \$ 26,457,412 | \$ 27,422,396 | \$ 27,494,994 | \$ 28,506,769 | \$ 28,982,699 | \$ 30,439,647 |
| Contributions as a Percentage of Covered Payroll | 14.31% | 13.1% | 13.1% | 8.75% | 8.57% | 9.76% | 9.65% | 9.86% | 9.61% | 12.03% |

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

Exhibit F-3

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Contractually Required Contribution | \$ 44,103 | \$ 78,777 | \$ 117,903 | \$ 141,649 | \$ 87,581 | \$ 114,334 | \$ 134,504 | \$ 176,901 | \$ 309,225 |
| Less: Contributions in Relation to the Contractually Required Contribution | (44,103) | (78,777) | (117,903) | (141,649) | (87,581) | (114,334) | (134,504) | (176,901) | (309,225) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 1,102,569 | \$ 1,969,416 | \$ 2,947,592 | \$ 3,541,246 | \$ 4,514,489 | \$ 5,632,206 | \$ 6,729,801 | \$ 8,801,038 | \$ 10,774,275 |
| Contributions as a Percentage of Covered Payroll | 4.00% | 4.00% | 4.00% | 4.00% | 1.94% | 2.03% | 2.00% | 2.01% | 2.87% |

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%
2023: Pension - 2.87%, SRT - 1.13%

Exhibit F-4

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 2,648,436 | \$ 2,590,548 | \$ 2,534,123 | \$ 2,535,337 | \$ 2,498,309 | \$ 2,765,056 | \$ 2,717,809 | \$ 2,506,320 | \$ 2,708,057 | \$ 2,364,992 |
| Less: Contributions in Relation to the Contractually Required Contribution | (2,648,436) | (2,590,548) | (2,534,123) | (2,535,337) | (2,498,309) | (2,765,056) | (2,717,809) | (2,506,320) | (2,708,057) | (2,364,992) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 29,824,732 | \$ 28,656,529 | \$ 28,032,471 | \$ 28,045,726 | \$ 27,514,425 | \$ 26,434,559 | \$ 25,671,328 | \$ 25,124,142 | \$ 26,291,811 | \$ 27,211,646 |
| Contributions as a Percentage of Covered Payroll | 8.88% | 9.04% | 9.04% | 9.04% | 9.08% | 10.46% | 10.59% | 9.98% | 10.30% | 8.69% |

Exhibit F-5

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School Department's Proportion of the Net Pension Liability (Asset) | 0.530664% | 0.447589% | 0.449095% | 0.405231% | 0.426618% | 0.446321% | 0.461372% | 0.515374% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (21,348) | \$ (46,595) | \$ (118,487) | \$ (183,784) | \$ (240,820) | \$ (253,797) | \$ (499,764) | \$ (156,120) |
| Covered Payroll | \$ 1,102,569 | \$ 1,969,416 | \$ 2,947,592 | \$ 3,541,246 | \$ 4,514,489 | \$ 5,632,206 | \$ 6,729,801 | \$ 8,801,038 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94%) | (2.73%) | (4.02%) | (5.19%) | (5.33%) | (4.51%) | (7.43%) | (1.77%) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) | 127.46% | 121.88% | 126.81% | 126.97% | 123.07% | 116.52% | 121.53% | 104.55% |

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

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|-----------------|----------------|
| School Department's Proportion of the Net Pension Liability (Asset) | 0.759867% | 0.765500% | 0.776562% | 0.793385% | 0.785750% | 0.788352% | 0.768190% | 0.743541% | 0.798916% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (123,475) | \$ 313,575 | \$ 4,853,084 | \$ (259,584) | \$ (2,764,989) | \$ (8,105,677) | \$ (5,858,014) | \$ (32,070,702) | \$ (9,797,942) |
| Covered Payroll | \$ 29,824,732 | \$ 28,656,529 | \$ 28,032,471 | \$ 28,045,726 | \$ 27,514,425 | \$ 26,434,559 | \$ 25,671,328 | \$ 25,124,142 | \$ 26,291,811 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (0.41%) | 1.09% | 17.31% | (0.93%) | (10.05%) | (30.66%) | (22.82%) | (127.65%) | (37.27%) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) | 100.08% | 99.81% | 97.14% | 100.14% | 101.49% | 104.28% | 103.09% | 116.13% | 104.42% |

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

Exhibit F-7

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

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|----------------|---------------|---------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 346,572 | \$ 279,885 | \$ 305,588 | \$ 306,810 | \$ 317,260 | \$ 199,239 |
| Interest | 187,569 | 145,520 | 149,039 | 83,529 | 88,437 | 110,471 |
| Changes in Benefit Terms | 0 | (87,688) | 0 | 76,610 | 0 | 0 |
| Differences Between Actual and Expected Experience | 0 | (1,228,511) | 0 | (1,457,613) | 0 | (249,131) |
| Changes in Assumptions or Other Inputs | (123,152) | 103,406 | 549,101 | 13,150 | (500,417) | (402,716) |
| Benefit Payments | (95,756) | (70,692) | (105,095) | (89,295) | (119,695) | (165,862) |
| Net Change in Total OPEB Liability | \$ 315,233 | \$ (858,080) | \$ 898,633 | \$ (1,066,809) | \$ (214,415) | \$ (507,999) |
| Total OPEB Liability, Beginning | 4,547,596 | 4,862,829 | 4,004,749 | 4,903,382 | 3,836,573 | 3,622,158 |
| Total OPEB Liability, Ending | \$ 4,862,829 | \$ 4,004,749 | \$ 4,903,382 | \$ 3,836,573 | \$ 3,622,158 | \$ 3,114,159 |
| Covered Employee Payroll | \$ 17,488,653 | \$ 16,536,947 | \$ 16,950,370 | \$ 20,323,570 | \$ 20,831,659 | \$ 22,242,500 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 27.81% | 24.22% | 28.93% | 18.88% | 17.39% | 14.00% |

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

Note 2: Changes in assumptions.

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

| | |
|------|-------|
| 2017 | 3.58% |
| 2018 | 3.87% |
| 2019 | 3.50% |
| 2020 | 2.21% |
| 2021 | 2.16% |
| 2022 | 3.54% |
| 2023 | 3.65% |

(b) In 2023, the mortality improvement scale was updated from Scale MP-2020 to Scale MP-2021.

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

- For the 2019 plan - from 9.0% to 8.0%
- For the 2020 plan - from 8.0% to 7.5%
- For the 2021 plan - from 7.5% to 7%
- For the 2022 plan - from 7% to 6.5%
- For the 2023 plan - from 6.5% to 7%

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

Exhibit F-8

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 663,050 | \$ 616,408 | \$ 631,738 | \$ 603,246 | \$ 769,226 | \$ 1,011,423 |
| Interest | 317,882 | 383,579 | 397,600 | 409,821 | 308,014 | 369,894 |
| Changes in Benefit Terms | 0 | (874,552) | 248,951 | 0 | 0 | 0 |
| Differences Between Actual and Expected Experience | 0 | 288,994 | 820,155 | 172,912 | 268,817 | (346,555) |
| Changes in Assumptions or Other Inputs | (486,049) | 345,719 | (860,584) | 1,393,782 | 2,105,741 | (1,474,809) |
| Benefit Payments | (536,793) | (583,092) | (555,284) | (477,901) | (489,200) | (524,019) |
| Net Change in Total OPEB Liability | \$ (41,910) | \$ 177,056 | \$ 682,576 | \$ 2,101,860 | \$ 2,962,598 | \$ (964,066) |
| Total OPEB Liability, Beginning | 10,491,727 | 10,449,817 | 10,626,873 | 11,309,449 | 13,411,309 | 16,373,907 |
| Total OPEB Liability, Ending | \$ 10,449,817 | \$ 10,626,873 | \$ 11,309,449 | \$ 13,411,309 | \$ 16,373,907 | \$ 15,409,841 |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 3,442,797 | \$ 3,038,892 | \$ 3,295,617 | \$ 3,715,695 | \$ 4,753,507 | \$ 4,641,566 |
| Employer Proportionate Share of the Total OPEB Liability | 7,007,020 | 7,587,981 | 8,013,832 | 9,695,614 | 11,620,400 | 10,768,275 |
| Covered Employee Payroll | \$ 40,927,192 | \$ 40,927,192 | \$ 41,130,313 | \$ 32,332,163 | \$ 33,648,191 | \$ 35,314,794 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 17.12% | 18.54% | 19.48% | 29.99% | 34.53% | 30.49% |

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

Note 2: Changes in assumptions.

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

| | |
|------|-------|
| 2016 | 2.92% |
| 2017 | 3.56% |
| 2018 | 3.62% |
| 2019 | 3.51% |
| 2020 | 2.21% |
| 2021 | 2.16% |
| 2022 | 3.54% |

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

| | |
|----------------|-----------------------|
| 2019 plan year | - from 5.4% to 6.75% |
| 2020 plan year | - from 6.75% to 6.03% |
| 2021 plan year | - from 6.03% to 9.02% |
| 2022 plan year | - from 9.02% to 7.36% |
| 2023 plan year | - from 7.36% to 8.37% |

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Dollar, Closed (Not to Exceed 20 Years) |
| Remaining Amortization Period | Varies by Year |
| Asset Valuation | 10-Year Smoothed Within a 20% Corridor to Market Value |
| Inflation | 2.25% |
| Salary Increases | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4% |
| Investment Rate of Return | 6.75%, Net of Investment Expense, Including Inflation |
| Retirement Age | Pattern of Retirement Determined by Experience Study |
| Mortality | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment | 2.125% |

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Other General Government Fund – The Other General Government Fund accounts for and reports financial resources and expenditures related to the American Rescue Plan Act.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions related to opioid lawsuit settlement funds.

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

Debt Service Funds

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

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

Exhibit G-1

Washington County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | | | |
|--|--------------------------------|-------------------|--------------------------------|-----------------------------|--|----------------------|
| | Solid Waste / Sanitation | Drug Control | Other General Government | Other Special Revenue | Constitu - tional Officers - Fees | Total |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 362,562 | \$ 362,562 |
| Equity in Pooled Cash and Investments | 714,017 | 338,752 | 10,660,044 | 593,754 | 0 | 12,306,567 |
| Accounts Receivable | 28,708 | 336 | 10,604 | 0 | 0 | 39,648 |
| Due from Other Governments | 93,537 | 0 | 24,450 | 0 | 0 | 117,987 |
| Due from Other Funds | 0 | 4,500 | 0 | 0 | 0 | 4,500 |
| Property Taxes Receivable | 1,278,787 | 0 | 0 | 0 | 0 | 1,278,787 |
| Allowance for Uncollectible Property Taxes | (17,341) | 0 | 0 | 0 | 0 | (17,341) |
| Prepaid Items | 31 | 0 | 0 | 0 | 0 | 31 |
| Total Assets | <u>\$ 2,097,739</u> | <u>\$ 343,588</u> | <u>\$ 10,695,098</u> | <u>\$ 593,754</u> | <u>\$ 362,562</u> | <u>\$ 14,092,741</u> |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 38,265 | \$ 3,243 | \$ 119,220 | \$ 0 | \$ 0 | \$ 160,728 |
| Accrued Payroll | 24,626 | 0 | 0 | 0 | 0 | 24,626 |
| Payroll Deductions Payable | 4,355 | 0 | 0 | 0 | 0 | 4,355 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 362,562 | 362,562 |
| Total Liabilities | <u>\$ 67,246</u> | <u>\$ 3,243</u> | <u>\$ 119,220</u> | <u>\$ 0</u> | <u>\$ 362,562</u> | <u>\$ 552,271</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 1,241,504 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,241,504 |
| Deferred Delinquent Property Taxes | 17,577 | 0 | 0 | 0 | 0 | 17,577 |
| Other Deferred/Unavailable Revenue | 22,581 | 0 | 0 | 0 | 0 | 22,581 |
| Total Deferred Inflows of Resources | <u>\$ 1,281,662</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,281,662</u> |

(Continued)

Exhibit G-1

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

| | Special Revenue Funds | | | | | Total |
|---|--------------------------------|-----------------|--------------------------------|-----------------------------|--|---------------|
| | Solid Waste / Sanitation | Drug Control | Other General Government | Other Special Revenue | Constitu - tional Officers - Fees | |
| <u>FUND BALANCES</u> | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid Items | \$ 31 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 31 |
| Restricted: | | | | | | |
| Restricted for Public Safety | 0 | 340,345 | 0 | 0 | 0 | 340,345 |
| Restricted for Public Health and Welfare | 28,581 | 0 | 0 | 531,271 | 0 | 559,852 |
| Restricted for Debt Service | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed: | | | | | | |
| Committed for Public Health and Welfare | 720,219 | 0 | 0 | 0 | 0 | 720,219 |
| Committed for Social, Cultural, and Recreational Services | 0 | 0 | 0 | 62,483 | 0 | 62,483 |
| Committed for Capital Outlay | 0 | 0 | 414,791 | 0 | 0 | 414,791 |
| Committed for Other Purposes | 0 | 0 | 10,161,087 | 0 | 0 | 10,161,087 |
| Total Fund Balances | \$ 748,831 | \$ 340,345 | \$ 10,575,878 | \$ 593,754 | \$ 0 | \$ 12,258,808 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,097,739 | \$ 343,588 | \$ 10,695,098 | \$ 593,754 | \$ 362,562 | \$ 14,092,741 |

(Continued)

Exhibit G-1

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

| | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|--------------------------|--|
| | Rural Debt Service | |
| <u>ASSETS</u> | | |
| Cash | \$ 0 | \$ 362,562 |
| Equity in Pooled Cash and Investments | 42,708 | 12,349,275 |
| Accounts Receivable | 42 | 39,690 |
| Due from Other Governments | 0 | 117,987 |
| Due from Other Funds | 0 | 4,500 |
| Property Taxes Receivable | 0 | 1,278,787 |
| Allowance for Uncollectible Property Taxes | 0 | (17,341) |
| Prepaid Items | 0 | 31 |
| Total Assets | <u>\$ 42,750</u> | <u>\$ 14,135,491</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 0 | \$ 160,728 |
| Accrued Payroll | 0 | 24,626 |
| Payroll Deductions Payable | 0 | 4,355 |
| Due to Other Funds | 0 | 362,562 |
| Total Liabilities | <u>\$ 0</u> | <u>\$ 552,271</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | |
| Deferred Current Property Taxes | \$ 0 | \$ 1,241,504 |
| Deferred Delinquent Property Taxes | 0 | 17,577 |
| Other Deferred/Unavailable Revenue | 0 | 22,581 |
| Total Deferred Inflows of Resources | <u>\$ 0</u> | <u>\$ 1,281,662</u> |

(Continued)

Exhibit G-1

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

FUND BALANCES

| | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|----------------------|--|
| Nonspendable: | | |
| Prepaid Items | \$ 0 | \$ 31 |
| Restricted: | | |
| Restricted for Public Safety | 0 | 340,345 |
| Restricted for Public Health and Welfare | 0 | 559,852 |
| Restricted for Debt Service | 42,750 | 42,750 |
| Committed: | | |
| Committed for Public Health and Welfare | 0 | 720,219 |
| Committed for Social, Cultural, and Recreational Services | 0 | 62,483 |
| Committed for Capital Outlay | 0 | 414,791 |
| Committed for Other Purposes | 0 | 10,161,087 |
| Total Fund Balances | <u>\$ 42,750</u> | <u>\$ 12,301,558</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 42,750</u> | <u>\$ 14,135,491</u> |

Exhibit G-2

Washington County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | |
|--|--------------------------------|-----------------|--------------------------------|-----------------------------|--|-----------------|
| | Solid Waste / Sanitation | Drug Control | Other General Government | Other Special Revenue | Constitu - tional Officers - Fees | Total |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 1,339,534 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,339,534 |
| Licenses and Permits | 137 | 0 | 0 | 0 | 0 | 137 |
| Fines, Forfeitures, and Penalties | 0 | 16,067 | 0 | 0 | 0 | 16,067 |
| Charges for Current Services | 99,945 | 0 | 0 | 0 | 7,712 | 107,657 |
| Other Local Revenues | 286,190 | 11,037 | 332,729 | 1,235 | 0 | 631,191 |
| State of Tennessee | 128,986 | 0 | 0 | 530,036 | 0 | 659,022 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 1,854,792 | \$ 27,104 | \$ 332,729 | \$ 531,271 | \$ 7,712 | \$ 2,753,608 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 7,640 | \$ 7,640 |
| Public Safety | 0 | 40,525 | 0 | 0 | 72 | 40,597 |
| Public Health and Welfare | 1,730,939 | 0 | 0 | 0 | 0 | 1,730,939 |
| Other Operations | 0 | 0 | 6,529,019 | 100,000 | 0 | 6,629,019 |
| Debt Service: | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on Debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 1,730,939 | \$ 40,525 | \$ 6,529,019 | \$ 100,000 | \$ 7,712 | \$ 8,408,195 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 123,853 | \$ (13,421) | \$ (6,196,290) | \$ 431,271 | \$ 0 | \$ (5,654,587) |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 8,413 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 8,413 |
| Transfers In | 0 | 0 | 0 | 162,483 | 0 | 162,483 |
| Transfers Out | (32,000) | 0 | (7,263,745) | 0 | 0 | (7,295,745) |
| Total Other Financing Sources (Uses) | \$ (23,587) | \$ 0 | \$ (7,263,745) | \$ 162,483 | \$ 0 | \$ (7,124,849) |
| Net Change in Fund Balances | \$ 100,266 | \$ (13,421) | \$ (13,460,035) | \$ 593,754 | \$ 0 | \$ (12,779,436) |
| Fund Balance, July 1, 2022 | 648,565 | 353,766 | 24,035,913 | 0 | 0 | 25,038,244 |
| Fund Balance, June 30, 2023 | \$ 748,831 | \$ 340,345 | \$ 10,575,878 | \$ 593,754 | \$ 0 | \$ 12,258,808 |

(Continued)

Exhibit G-2

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

| | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|-------------------------|--|
| <u>Revenues</u> | | |
| Local Taxes | \$ 0 | \$ 1,339,534 |
| Licenses and Permits | 0 | 137 |
| Fines, Forfeitures, and Penalties | 0 | 16,067 |
| Charges for Current Services | 0 | 107,657 |
| Other Local Revenues | 4,582 | 635,773 |
| State of Tennessee | 0 | 659,022 |
| Other Governments and Citizens Groups | 338,892 | 338,892 |
| Total Revenues | <u>\$ 343,474</u> | <u>\$ 3,097,082</u> |
| <u>Expenditures</u> | | |
| Current: | | |
| Administration of Justice | \$ 0 | \$ 7,640 |
| Public Safety | 0 | 40,597 |
| Public Health and Welfare | 0 | 1,730,939 |
| Other Operations | 0 | 6,629,019 |
| Debt Service: | | |
| Principal on Debt | 300,718 | 300,718 |
| Interest on Debt | 9,933 | 9,933 |
| Total Expenditures | <u>\$ 310,651</u> | <u>\$ 8,718,846</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 32,823</u> | <u>\$ (5,621,764)</u> |
| <u>Other Financing Sources (Uses)</u> | | |
| Insurance Recovery | \$ 0 | \$ 8,413 |
| Transfers In | 0 | 162,483 |
| Transfers Out | 0 | (7,295,745) |
| Total Other Financing Sources (Uses) | <u>\$ 0</u> | <u>\$ (7,124,849)</u> |
| Net Change in Fund Balances | <u>\$ 32,823</u> | <u>\$ (12,746,613)</u> |
| Fund Balance, July 1, 2022 | <u>9,927</u> | <u>25,048,171</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 42,750</u></u> | <u><u>\$ 12,301,558</u></u> |

Exhibit G-3

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|--------------------------|--------------------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 1,339,534 | \$ 0 | \$ 1,339,534 | \$ 1,287,904 | \$ 1,287,904 | \$ 51,630 |
| Licenses and Permits | 137 | 0 | 137 | 160 | 160 | (23) |
| Charges for Current Services | 99,945 | 0 | 99,945 | 90,900 | 90,900 | 9,045 |
| Other Local Revenues | 286,190 | 0 | 286,190 | 250,200 | 250,200 | 35,990 |
| State of Tennessee | 128,986 | 0 | 128,986 | 110,000 | 132,993 | (4,007) |
| Total Revenues | <u>\$ 1,854,792</u> | <u>\$ 0</u> | <u>\$ 1,854,792</u> | <u>\$ 1,739,164</u> | <u>\$ 1,762,157</u> | <u>\$ 92,635</u> |
| <u>Expenditures</u> | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | |
| Convenience Centers | \$ 1,609,015 | \$ 871 | \$ 1,609,886 | \$ 1,888,288 | \$ 1,879,281 | \$ 269,395 |
| Other Waste Disposal | 121,924 | 16,366 | 138,290 | 172,790 | 172,790 | 34,500 |
| Total Expenditures | <u>\$ 1,730,939</u> | <u>\$ 17,237</u> | <u>\$ 1,748,176</u> | <u>\$ 2,061,078</u> | <u>\$ 2,052,071</u> | <u>\$ 303,895</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 123,853</u> | <u>\$ (17,237)</u> | <u>\$ 106,616</u> | <u>\$ (321,914)</u> | <u>\$ (289,914)</u> | <u>\$ 396,530</u> |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 8,413 | \$ 0 | \$ 8,413 | \$ 0 | \$ 0 | \$ 8,413 |
| Transfers Out | (32,000) | 0 | (32,000) | 0 | (32,000) | 0 |
| Total Other Financing Sources | <u>\$ (23,587)</u> | <u>\$ 0</u> | <u>\$ (23,587)</u> | <u>\$ 0</u> | <u>\$ (32,000)</u> | <u>\$ 8,413</u> |
| Net Change in Fund Balance | \$ 100,266 | \$ (17,237) | \$ 83,029 | \$ (321,914) | \$ (321,914) | \$ 404,943 |
| Fund Balance, July 1, 2022 | <u>648,565</u> | <u>0</u> | <u>648,565</u> | <u>628,270</u> | <u>628,270</u> | <u>20,295</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 748,831</u></u> | <u><u>\$ (17,237)</u></u> | <u><u>\$ 731,594</u></u> | <u><u>\$ 306,356</u></u> | <u><u>\$ 306,356</u></u> | <u><u>\$ 425,238</u></u> |

Exhibit G-4

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Fines, Forfeitures, and Penalties | \$ 16,067 | \$ 0 | \$ 0 | \$ 16,067 | \$ 10,300 | \$ 10,300 | \$ 5,767 |
| Other Local Revenues | 11,037 | 0 | 0 | 11,037 | 400 | 400 | 10,637 |
| Total Revenues | \$ 27,104 | \$ 0 | \$ 0 | \$ 27,104 | \$ 10,700 | \$ 10,700 | \$ 16,404 |
| <u>Expenditures</u> | | | | | | | |
| Public Safety | | | | | | | |
| Drug Enforcement | \$ 40,525 | \$ (459) | \$ 17,949 | \$ 58,015 | \$ 39,470 | \$ 74,470 | \$ 16,455 |
| Total Expenditures | \$ 40,525 | \$ (459) | \$ 17,949 | \$ 58,015 | \$ 39,470 | \$ 74,470 | \$ 16,455 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (13,421) | \$ 459 | \$ (17,949) | \$ (30,911) | \$ (28,770) | \$ (63,770) | \$ 32,859 |
| Net Change in Fund Balance | \$ (13,421) | \$ 459 | \$ (17,949) | \$ (30,911) | \$ (28,770) | \$ (63,770) | \$ 32,859 |
| Fund Balance, July 1, 2022 | 353,766 | (459) | 0 | 353,307 | 353,946 | 353,946 | (639) |
| Fund Balance, June 30, 2023 | \$ 340,345 | \$ 0 | \$ (17,949) | \$ 322,396 | \$ 325,176 | \$ 290,176 | \$ 32,220 |

Exhibit G-5

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other General Government Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Other Local Revenues | \$ 332,729 | \$ 0 | \$ 0 | \$ 332,729 | \$ 5,000 | \$ 5,000 | \$ 327,729 |
| Federal Government | 0 | 0 | 0 | 0 | 14,000,321 | 21,041,357 | (21,041,357) |
| Total Revenues | \$ 332,729 | \$ 0 | \$ 0 | \$ 332,729 | \$ 14,005,321 | \$ 21,046,357 | \$ (20,713,628) |
| <u>Expenditures</u> | | | | | | | |
| <u>Other Operations</u> | | | | | | | |
| American Rescue Plan Act Grant #1 | \$ 6,509,500 | \$ (1,442,608) | \$ 222,825 | \$ 5,289,717 | \$ 7,346,912 | \$ 6,512,501 | \$ 1,222,784 |
| American Rescue Plan Act Grant #2 | 19,519 | 0 | 191,966 | 211,485 | 0 | 7,218,753 | 7,007,268 |
| <u>Capital Projects</u> | | | | | | | |
| Public Health and Welfare Projects | 0 | 0 | 0 | 0 | 0 | 450,000 | 450,000 |
| Total Expenditures | \$ 6,529,019 | \$ (1,442,608) | \$ 414,791 | \$ 5,501,202 | \$ 7,346,912 | \$ 14,181,254 | \$ 8,680,052 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (6,196,290) | \$ 1,442,608 | \$ (414,791) | \$ (5,168,473) | \$ 6,658,409 | \$ 6,865,103 | \$ (12,033,576) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers Out | \$ (7,263,745) | \$ 0 | \$ 0 | \$ (7,263,745) | \$ 0 | \$ (7,263,745) | \$ 0 |
| Total Other Financing Sources | \$ (7,263,745) | \$ 0 | \$ 0 | \$ (7,263,745) | \$ 0 | \$ (7,263,745) | \$ 0 |
| Net Change in Fund Balance | \$ (13,460,035) | \$ 1,442,608 | \$ (414,791) | \$ (12,432,218) | \$ 6,658,409 | \$ (398,642) | \$ (12,033,576) |
| Fund Balance, July 1, 2022 | 24,035,913 | (1,442,608) | 0 | 22,593,305 | 8,835,471 | 8,835,471 | 13,757,834 |
| Fund Balance, June 30, 2023 | \$ 10,575,878 | \$ 0 | \$ (414,791) | \$ 10,161,087 | \$ 15,493,880 | \$ 8,436,829 | \$ 1,724,258 |

Exhibit G-6

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------------------|--------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Other Local Revenues | \$ 1,235 | \$ 0 | \$ 0 | \$ 1,235 |
| State of Tennessee | 530,036 | 0 | 0 | 530,036 |
| Total Revenues | <u>\$ 531,271</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 531,271</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 0 | \$ 0 | \$ 62,483 | \$ 62,483 |
| <u>Other Operations</u> | | | | |
| Other Economic and Community Development | 100,000 | 0 | 100,000 | 0 |
| Total Expenditures | <u>\$ 100,000</u> | <u>\$ 0</u> | <u>\$ 162,483</u> | <u>\$ 62,483</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 431,271</u> | <u>\$ 0</u> | <u>\$ (162,483)</u> | <u>\$ 593,754</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 162,483 | \$ 0 | \$ 162,483 | \$ 0 |
| Total Other Financing Sources | <u>\$ 162,483</u> | <u>\$ 0</u> | <u>\$ 162,483</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 593,754 | \$ 0 | \$ 0 | \$ 593,754 |
| Fund Balance, July 1, 2022 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 593,754</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 593,754</u></u> |

Exhibit G-7

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Other Local Revenues | \$ 4,582 | \$ 0 | \$ 0 | \$ 4,582 |
| Other Governments and Citizens Groups | 338,892 | 0 | 338,892 | 0 |
| Total Revenues | <u>\$ 343,474</u> | <u>\$ 0</u> | <u>\$ 338,892</u> | <u>\$ 4,582</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 300,718 | \$ 300,718 | \$ 328,187 | \$ 27,469 |
| <u>Interest on Debt</u> | | | | |
| Education | 9,933 | 9,933 | 10,705 | 772 |
| Total Expenditures | <u>\$ 310,651</u> | <u>\$ 310,651</u> | <u>\$ 338,892</u> | <u>\$ 28,241</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 32,823</u> | <u>\$ (310,651)</u> | <u>\$ 0</u> | <u>\$ 32,823</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 0 | \$ 310,651 | \$ 0 | \$ 0 |
| Total Other Financing Sources | <u>\$ 0</u> | <u>\$ 310,651</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 32,823 | \$ 0 | \$ 0 | \$ 32,823 |
| Fund Balance, July 1, 2022 | <u>9,927</u> | <u>14,243</u> | <u>14,243</u> | <u>(4,316)</u> |
| Fund Balance, June 30, 2023 | <u><u>\$ 42,750</u></u> | <u><u>\$ 14,243</u></u> | <u><u>\$ 14,243</u></u> | <u><u>\$ 28,507</u></u> |

Major Governmental Funds

Debt Service Funds

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

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

Capital Projects Funds

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

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

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

Exhibit H-1

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2023

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 14,454,509 | \$ 13,859,333 | \$ 13,859,333 | \$ 595,176 |
| Licenses and Permits | 1,651 | 1,660 | 1,660 | (9) |
| Other Local Revenues | 172,907 | 5,000 | 5,000 | 167,907 |
| Total Revenues | <u>\$ 14,629,067</u> | <u>\$ 13,865,993</u> | <u>\$ 13,865,993</u> | <u>\$ 763,074</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 1,375,000 | \$ 1,375,000 | \$ 1,375,000 | \$ 0 |
| Education | 6,060,000 | 6,055,000 | 6,060,000 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 994,918 | 994,918 | 994,918 | 0 |
| Education | 3,818,960 | 3,823,960 | 3,818,961 | 1 |
| <u>Other Debt Service</u> | | | | |
| General Government | 279,004 | 281,500 | 281,499 | 2,495 |
| Total Expenditures | <u>\$ 12,527,882</u> | <u>\$ 12,530,378</u> | <u>\$ 12,530,378</u> | <u>\$ 2,496</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 2,101,185</u> | <u>\$ 1,335,615</u> | <u>\$ 1,335,615</u> | <u>\$ 765,570</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 81,000 | \$ 81,000 | \$ 81,000 | \$ 0 |
| Transfers Out | (2,500,000) | (2,500,000) | (2,500,000) | 0 |
| Total Other Financing Sources | <u>\$ (2,419,000)</u> | <u>\$ (2,419,000)</u> | <u>\$ (2,419,000)</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ (317,815) | \$ (1,083,385) | \$ (1,083,385) | \$ 765,570 |
| Fund Balance, July 1, 2022 | <u>6,144,478</u> | <u>6,115,833</u> | <u>6,115,833</u> | <u>28,645</u> |
| Fund Balance, June 30, 2023 | <u>\$ 5,826,663</u> | <u>\$ 5,032,448</u> | <u>\$ 5,032,448</u> | <u>\$ 794,215</u> |

Exhibit H-2

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 1,151,221 | \$ 0 | \$ 0 | \$ 1,151,221 | \$ 1,102,938 | \$ 1,102,938 | \$ 48,283 |
| Licenses and Permits | 134 | 0 | 0 | 134 | 130 | 130 | 4 |
| Other Local Revenues | 659,646 | 0 | 0 | 659,646 | 24,240 | 24,240 | 635,406 |
| Federal Government | 0 | 0 | 0 | 0 | 0 | 1,437,500 | (1,437,500) |
| Total Revenues | \$ 1,811,001 | \$ 0 | \$ 0 | \$ 1,811,001 | \$ 1,127,308 | \$ 2,564,808 | \$ (753,807) |
| <u>Expenditures</u> | | | | | | | |
| <u>Principal on Debt</u> | | | | | | | |
| General Government | \$ 127,039 | \$ 0 | \$ 0 | \$ 127,039 | \$ 0 | \$ 127,039 | \$ 0 |
| <u>Capital Projects</u> | | | | | | | |
| General Administration Projects | 159,641 | (225,877) | 328,129 | 261,893 | 1,422,000 | 1,594,961 | 1,333,068 |
| Public Safety Projects | 1,058,106 | (967,937) | 135,360 | 225,529 | 276,000 | 362,200 | 136,671 |
| Public Health and Welfare Projects | 283,643 | (134,810) | 252,867 | 401,700 | 450,000 | 2,048,400 | 1,646,700 |
| Social, Cultural, and Recreation Projects | 2,560,018 | 0 | 2,756,127 | 5,316,145 | 2,036,000 | 5,299,745 | (16,400) |
| Education Capital Projects | 0 | (515,072) | 515,072 | 0 | 0 | 0 | 0 |
| <u>Capital Projects - Donated</u> | | | | | | | |
| Capital Projects Donated to Other Entities | 0 | (16,368) | 16,368 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 4,188,447 | \$ (1,860,064) | \$ 4,003,923 | \$ 6,332,306 | \$ 4,184,000 | \$ 9,432,345 | \$ 3,100,039 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (2,377,446) | \$ 1,860,064 | \$ (4,003,923) | \$ (4,521,305) | \$ (3,056,692) | \$ (6,867,537) | \$ 2,346,232 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 8,263,745 | \$ 0 | \$ 0 | \$ 8,263,745 | \$ 2,400,000 | \$ 8,263,745 | \$ 0 |
| Total Other Financing Sources | \$ 8,263,745 | \$ 0 | \$ 0 | \$ 8,263,745 | \$ 2,400,000 | \$ 8,263,745 | \$ 0 |
| Net Change in Fund Balance | \$ 5,886,299 | \$ 1,860,064 | \$ (4,003,923) | \$ 3,742,440 | \$ (656,692) | \$ 1,396,208 | \$ 2,346,232 |
| Fund Balance, July 1, 2022 | 7,474,243 | (1,860,064) | 0 | 5,614,179 | 6,017,989 | 6,017,989 | (403,810) |
| Fund Balance, June 30, 2023 | \$ 13,360,542 | \$ 0 | \$ (4,003,923) | \$ 9,356,619 | \$ 5,361,297 | \$ 7,414,197 | \$ 1,942,422 |

Exhibit H-3

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Education Capital Projects Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 6,502,534 | \$ 0 | \$ 0 | \$ 6,502,534 | \$ 6,255,663 | \$ 6,255,663 | \$ 246,871 |
| Licenses and Permits | 759 | 0 | 0 | 759 | 760 | 760 | (1) |
| Other Local Revenues | 39,065 | 0 | 0 | 39,065 | 6,060 | 6,060 | 33,005 |
| Other Governments and Citizens Groups | 76,000 | 0 | 0 | 76,000 | 0 | 0 | 76,000 |
| Total Revenues | \$ 6,618,358 | \$ 0 | \$ 0 | \$ 6,618,358 | \$ 6,262,483 | \$ 6,262,483 | \$ 355,875 |
| <u>Expenditures</u> | | | | | | | |
| <u>Capital Projects</u> | | | | | | | |
| Education Capital Projects | \$ 2,074,540 | \$ (660,507) | \$ 1,128,021 | \$ 2,542,054 | \$ 3,008,000 | \$ 8,416,000 | \$ 5,873,946 |
| <u>Capital Projects - Donated</u> | | | | | | | |
| Capital Projects Donated to School Department | 1,585,760 | (984,667) | 505,973 | 1,107,066 | 1,012,000 | 1,155,496 | 48,430 |
| Total Expenditures | \$ 3,660,300 | \$ (1,645,174) | \$ 1,633,994 | \$ 3,649,120 | \$ 4,020,000 | \$ 9,571,496 | \$ 5,922,376 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 2,958,058 | \$ 1,645,174 | \$ (1,633,994) | \$ 2,969,238 | \$ 2,242,483 | \$ (3,309,013) | \$ 6,278,251 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 57,496 | \$ (57,496) |
| Transfers Out | (1,000,000) | 0 | 0 | (1,000,000) | 0 | (1,000,000) | 0 |
| Total Other Financing Sources | \$ (1,000,000) | \$ 0 | \$ 0 | \$ (1,000,000) | \$ 0 | \$ (942,504) | \$ (57,496) |
| Net Change in Fund Balance | \$ 1,958,058 | \$ 1,645,174 | \$ (1,633,994) | \$ 1,969,238 | \$ 2,242,483 | \$ (4,251,517) | \$ 6,220,755 |
| Fund Balance, July 1, 2022 | 6,502,453 | (1,645,174) | 0 | 4,857,279 | 4,888,486 | 4,888,486 | (31,207) |
| Fund Balance, June 30, 2023 | \$ 8,460,511 | \$ 0 | \$ (1,633,994) | \$ 6,826,517 | \$ 7,130,969 | \$ 636,969 | \$ 6,189,548 |

Custodial Funds

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

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

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

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

Other Custodial Fund – The Other Custodial Fund is used to account for amounts received and disbursed in a custodial capacity for the East Tennessee Railway Authority.

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

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

Exhibit I-1

Washington County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

| | Custodial Funds | | | |
|--|-----------------|---------------|--------------|-----------|
| | Cities - | City | Constitu - | |
| | Sales | School | tional | |
| | Tax | ADA - | Officers - | Other |
| | | Johnson City | Custodial | Custodial |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 0 | \$ 8,684,665 | \$ 0 |
| Equity in Pooled Cash and Investments | 0 | 2,250,640 | 0 | 18,766 |
| Accounts Receivable | 0 | 0 | 175,089 | 0 |
| Due from Other Governments | 6,259,171 | 3,545,816 | 0 | 0 |
| Property Taxes Receivable | 0 | 13,064,501 | 0 | 0 |
| Allowance for Uncollectible Property Taxes | 0 | (177,162) | 0 | 0 |
| Total Assets | \$ 6,259,171 | \$ 18,683,795 | \$ 8,859,754 | \$ 18,766 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Due to Other Taxing Units | 6,259,171 | 6,000,190 | 0 | 0 |
| Total Liabilities | \$ 6,259,171 | \$ 6,000,190 | \$ 0 | \$ 0 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 12,683,605 | \$ 0 | \$ 0 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 12,683,605 | \$ 0 | \$ 0 |
| <u>NET POSITION</u> | | | | |
| Restricted for Individuals, Organizations, and Other Governments | \$ 0 | \$ 0 | \$ 8,859,754 | \$ 18,766 |
| Total Net Position | \$ 0 | \$ 0 | \$ 8,859,754 | \$ 18,766 |

(Continued)

Exhibit I-1

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

| | <u>Custodial Funds (Cont.)</u> | | |
|--|--------------------------------|---------------------------------|----------------------------|
| | Judicial District Drug | District Attorney General | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 0 | \$ 8,684,665 |
| Equity in Pooled Cash and Investments | 107,048 | 170,035 | 2,546,489 |
| Accounts Receivable | 2,688 | 167 | 177,944 |
| Due from Other Governments | 5,055 | 1,157 | 9,811,199 |
| Property Taxes Receivable | 0 | 0 | 13,064,501 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | (177,162) |
| Total Assets | <u>\$ 114,791</u> | <u>\$ 171,359</u> | <u>\$ 34,107,636</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 2,921 | \$ 1,141 | \$ 4,062 |
| Due to Other Taxing Units | 0 | 0 | 12,259,361 |
| Total Liabilities | <u>\$ 2,921</u> | <u>\$ 1,141</u> | <u>\$ 12,263,423</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 0 | \$ 12,683,605 |
| Total Deferred Inflows of Resources | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 12,683,605</u> |
| <u>NET POSITION</u> | | | |
| Restricted for Individuals, Organizations, and Other Governments | <u>\$ 111,870</u> | <u>\$ 170,218</u> | <u>\$ 9,160,608</u> |
| Total Net Position | <u><u>\$ 111,870</u></u> | <u><u>\$ 170,218</u></u> | <u><u>\$ 9,160,608</u></u> |

Exhibit I-2

Washington County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

| | Custodial Funds | | | | | | | |
|--|--------------------------|---|---|--------------------|------------------------------|---------------------------------|---------------|--|
| | Cities - Sales Tax | City School ADA - Johnson City | Constitu - tional Officers - Custodial | Other Custodial | Judicial District Drug | District Attorney General | Total | |
| <u>Additions</u> | | | | | | | | |
| Sales Tax Collections for Other Governments | \$ 33,329,142 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 33,329,142 | |
| ADA - Educational Funds Collected for Cities | 0 | 35,048,769 | 0 | 0 | 0 | 0 | 35,048,769 | |
| Fines/Fees and Other Collections | 0 | 0 | 23,718,132 | 0 | 0 | 0 | 23,718,132 | |
| East Tennessee Railroad Authority Collections | 0 | 0 | 0 | 12,082 | 0 | 0 | 12,082 | |
| Drug Task Force Collections | 0 | 0 | 0 | 0 | 90,757 | 0 | 90,757 | |
| District Attorney General Collections | 0 | 0 | 0 | 0 | 0 | 32,922 | 32,922 | |
| Total Additions | \$ 33,329,142 | \$ 35,048,769 | \$ 23,718,132 | \$ 12,082 | \$ 90,757 | \$ 32,922 | \$ 92,231,804 | |
| <u>Deductions</u> | | | | | | | | |
| Payment of Sales Tax Collections for Other Governments | \$ 33,329,142 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 33,329,142 | |
| Payments to City School System | 0 | 35,048,769 | 0 | 0 | 0 | 0 | 35,048,769 | |
| Payments to State | 0 | 0 | 16,855,627 | 0 | 0 | 0 | 16,855,627 | |
| Payments to Individuals and Others | 0 | 0 | 7,305,122 | 0 | 0 | 0 | 7,305,122 | |
| Payment of East Tennessee Railroad Authority Expenses | 0 | 0 | 0 | 12,082 | 0 | 0 | 12,082 | |
| Payment of Drug Task Force Expenses | 0 | 0 | 0 | 0 | 74,546 | 0 | 74,546 | |
| Payment of District Attorney General Expenses | 0 | 0 | 0 | 0 | 0 | 26,576 | 26,576 | |
| Total Deductions | \$ 33,329,142 | \$ 35,048,769 | \$ 24,160,749 | \$ 12,082 | \$ 74,546 | \$ 26,576 | \$ 92,651,864 | |
| Change in Net Position | \$ 0 | \$ 0 | \$ (442,617) | \$ 0 | \$ 16,211 | \$ 6,346 | \$ (420,060) | |
| Net Position July 1, 2022 | 0 | 0 | 9,302,371 | 18,766 | 95,659 | 163,872 | 9,580,668 | |
| Net Position June 30, 2023 | \$ 0 | \$ 0 | \$ 8,859,754 | \$ 18,766 | \$ 111,870 | \$ 170,218 | \$ 9,160,608 | |

Washington County School Department

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

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

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

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

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

Exhibit J-1

Washington County, Tennessee
Statement of Activities
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|---|----------------------|----------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position Total Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction | \$ 61,355,693 | \$ 87,280 | \$ 8,748,029 | \$ 4,699,309 | \$ (47,821,075) |
| Support Services | 29,725,211 | 0 | 575,631 | 2,022,769 | (27,126,811) |
| Operation of Non-instructional Services | 6,963,385 | 1,869,154 | 5,691,901 | 0 | 597,670 |
| Debt Service | 338,892 | 0 | 0 | 0 | (338,892) |
| Total Governmental Activities | <u>\$ 98,383,181</u> | <u>\$ 1,956,434</u> | <u>\$ 15,015,561</u> | <u>\$ 6,722,078</u> | <u>\$ (74,689,108)</u> |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 13,715,049 |
| Local Option Sales Taxes | | | | | 23,032,425 |
| Mixed Drink Tax | | | | | 4,482 |
| Business Tax | | | | | 542,565 |
| Grants and Contributions Not Restricted for Specific Programs | | | | | 41,917,495 |
| Unrestricted Investment Income (Loss) | | | | | 514,178 |
| Miscellaneous | | | | | 210,711 |
| Gain on Sale of Capital Assets | | | | | 1,871,750 |
| Total General Revenues | | | | | <u>\$ 81,808,655</u> |
| Change in Net Position | | | | | \$ 7,119,547 |
| Net Position, July 1, 2022 | | | | | <u>132,303,029</u> |
| Net Position, June 30, 2023 | | | | | <u>\$ 139,422,576</u> |

Exhibit J-2

Washington County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Washington County School Department
 June 30, 2023

| | Major Funds | | Nonmajor Funds | |
|--|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Other Govern- mental Funds | Total Governmental Funds |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 0 | \$ 2,186,030 | \$ 2,186,030 |
| Equity in Pooled Cash and Investments | 22,035,556 | 308,275 | 3,658,921 | 26,002,752 |
| Inventories | 0 | 0 | 64,603 | 64,603 |
| Accounts Receivable | 0 | 0 | 7,574 | 7,574 |
| Due from Other Governments | 5,481,428 | 1,845,369 | 67,426 | 7,394,223 |
| Due from Other Funds | 0 | 25,783 | 29,764 | 55,547 |
| Property Taxes Receivable | 13,972,705 | 0 | 0 | 13,972,705 |
| Allowance for Uncollectible Property Taxes | (189,477) | 0 | 0 | (189,477) |
| Restricted Assets | 701,816 | 0 | 0 | 701,816 |
| Total Assets | \$ 42,002,028 | \$ 2,179,427 | \$ 6,014,318 | \$ 50,195,773 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 793,526 | \$ 534,985 | \$ 48,303 | \$ 1,376,814 |
| Accrued Payroll | 429,679 | 92,829 | 0 | 522,508 |
| Payroll Deductions Payable | 3,097,449 | 45,976 | 2,659 | 3,146,084 |
| Due to Other Funds | 55,547 | 0 | 0 | 55,547 |
| Due to Primary Government | 16,513 | 0 | 0 | 16,513 |
| Due to State of Tennessee | 0 | 5,637 | 0 | 5,637 |
| Other Current Liabilities | 49,123 | 0 | 0 | 49,123 |
| Total Liabilities | \$ 4,441,837 | \$ 679,427 | \$ 50,962 | \$ 5,172,226 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 13,565,331 | \$ 0 | \$ 0 | \$ 13,565,331 |

(Continued)

Exhibit J-2

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

| | Major Funds | | Nonmajor Funds | |
|---|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Other Govern- mental Funds | Total Governmental Funds |
| <u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u> | | | | |
| Deferred Delinquent Property Taxes | \$ 192,057 | \$ 0 | \$ 0 | \$ 192,057 |
| Other Deferred/Unavailable Revenue | 534,198 | 131,022 | 0 | 665,220 |
| Total Deferred Inflows of Resources | <u>\$ 14,291,586</u> | <u>\$ 131,022</u> | <u>\$ 0</u> | <u>\$ 14,422,608</u> |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable: | | | | |
| Inventory | \$ 0 | \$ 0 | \$ 64,603 | \$ 64,603 |
| Restricted: | | | | |
| Restricted for Education | 47,770 | 0 | 5,823,753 | 5,871,523 |
| Restricted for Hybrid Retirement Stabilization Funds | 701,816 | 0 | 0 | 701,816 |
| Committed: | | | | |
| Committed for Education | 0 | 1,500,000 | 75,000 | 1,575,000 |
| Assigned: | | | | |
| Assigned for Education | 8,763,500 | 0 | 0 | 8,763,500 |
| Unassigned | 13,755,519 | (131,022) | 0 | 13,624,497 |
| Total Fund Balances | <u>\$ 23,268,605</u> | <u>\$ 1,368,978</u> | <u>\$ 5,963,356</u> | <u>\$ 30,600,939</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 42,002,028</u> | <u>\$ 2,179,427</u> | <u>\$ 6,014,318</u> | <u>\$ 50,195,773</u> |

Exhibit J-3

Washington County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Washington County School Department
June 30, 2023

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

| | | |
|--|--------------------|-----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2) | | \$ 30,600,939 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 3,731,075 | |
| Add: construction in progress | 190,302 | |
| Add: buildings and improvements net of accumulated depreciation | 83,600,584 | |
| Add: other capital assets net of accumulated depreciation | <u>9,101,535</u> | 96,623,496 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: compensated absences payable | \$ (181,025) | |
| Less: OPEB liability | (10,768,275) | |
| Less: retirement incentive payable | (22,310) | |
| Less: net pension liability - agent plan | <u>(1,293,443)</u> | (12,265,053) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. | | |
| Add: deferred outflows of resources related to pensions | \$ 15,014,264 | |
| Less: deferred inflows of resources related to pensions | (2,757,870) | |
| Add: deferred outflows of resources related to OPEB | 3,275,654 | |
| Less: deferred inflows of resources related to OPEB | <u>(1,880,193)</u> | 13,651,855 |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | | |
| Add: net pension asset - teacher retirement plan | \$ 156,120 | |
| Add: net pension asset - teacher legacy pension plan | <u>9,797,942</u> | 9,954,062 |
| (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds. | | <u>857,277</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 139,422,576</u> |

Exhibit J-4

Washington County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| | Major Funds | | Nonmajor Funds Other | Total Governmental Funds |
|--|------------------------------|-------------------------------|----------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Govern- mental Funds | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 37,689,545 | \$ 0 | \$ 0 | \$ 37,689,545 |
| Licenses and Permits | 1,735 | 0 | 0 | 1,735 |
| Charges for Current Services | 617,864 | 0 | 1,337,070 | 1,954,934 |
| Other Local Revenues | 703,259 | 0 | 2,854,332 | 3,557,591 |
| State of Tennessee | 40,733,559 | 0 | 36,612 | 40,770,171 |
| Federal Government | 140,435 | 13,615,806 | 2,813,887 | 16,570,128 |
| Other Governments and Citizens Groups | 1,843,113 | 0 | 0 | 1,843,113 |
| Total Revenues | \$ 81,729,510 | \$ 13,615,806 | \$ 7,041,901 | \$ 102,387,217 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 52,906,133 | \$ 4,792,757 | \$ 0 | \$ 57,698,890 |
| Support Services | 28,571,817 | 3,979,734 | 0 | 32,551,551 |
| Operation of Non-Instructional Services | 932,128 | 0 | 6,367,103 | 7,299,231 |
| Capital Outlay | 618,452 | 4,522,440 | 0 | 5,140,892 |
| Debt Service: | | | | |
| Other Debt Service | 338,892 | 0 | 0 | 338,892 |
| Total Expenditures | \$ 83,367,422 | \$ 13,294,931 | \$ 6,367,103 | \$ 103,029,456 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,637,912) | \$ 320,875 | \$ 674,798 | \$ (642,239) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from Sale of Capital Assets | \$ 1,871,750 | \$ 0 | \$ 0 | \$ 1,871,750 |
| Insurance Recovery | 566,608 | 0 | 0 | 566,608 |
| Transfers In | 383,650 | 500,000 | 0 | 883,650 |
| Transfers Out | (500,000) | (383,650) | 0 | (883,650) |
| Total Other Financing Sources (Uses) | \$ 2,322,008 | \$ 116,350 | \$ 0 | \$ 2,438,358 |
| Net Change in Fund Balances | \$ 684,096 | \$ 437,225 | \$ 674,798 | \$ 1,796,119 |
| Fund Balance, July 1, 2022 | 22,584,509 | 931,753 | 5,288,558 | 28,804,820 |
| Fund Balance, June 30, 2023 | \$ 23,268,605 | \$ 1,368,978 | \$ 5,963,356 | \$ 30,600,939 |

Exhibit J-5

Washington County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

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

| | | |
|---|---------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4) | | \$ 1,796,119 |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 7,695,970 | |
| Less: current-year depreciation expense | <u>(5,363,143)</u> | 2,332,827 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net assets. | | |
| Add: capital assets transferred from the primary government | \$ 316,527 | |
| Less: book value of assets disposed | <u>(87,935)</u> | 228,592 |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2023 | \$ 857,277 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2022 | <u>(219,634)</u> | 637,643 |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in compensated absences payable | \$ (30,340) | |
| Change in OPEB liability | 852,125 | |
| Change in retirement incentive payable | 7,886 | |
| Change in net pension assets/liability | <u>(27,737,804)</u> | |
| Change in deferred outflows related to pensions | (503,941) | |
| Change in deferred inflows related to pensions | 31,130,842 | |
| Change in deferred outflows related to OPEB | (488,742) | |
| Change in deferred inflows related to OPEB | <u>(1,105,660)</u> | 2,124,366 |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 7,119,547</u> |

Exhibit J-6

Washington County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Washington County School Department
June 30, 2023

| | <u>Special Revenue Funds</u> | | Total Nonmajor Governmental Funds |
|---------------------------------------|------------------------------|---------------------|--|
| | Central Cafeteria | Internal School | |
| <u>ASSETS</u> | | | |
| Cash | \$ 50 | \$ 2,185,980 | \$ 2,186,030 |
| Equity in Pooled Cash and Investments | 3,658,921 | 0 | 3,658,921 |
| Inventories | 64,603 | 0 | 64,603 |
| Accounts Receivable | 0 | 7,574 | 7,574 |
| Due from Other Governments | 67,426 | 0 | 67,426 |
| Due from Other Funds | 29,764 | 0 | 29,764 |
| Total Assets | <u>\$ 3,820,764</u> | <u>\$ 2,193,554</u> | <u>\$ 6,014,318</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 46,978 | \$ 1,325 | \$ 48,303 |
| Payroll Deductions Payable | 2,659 | 0 | 2,659 |
| Total Liabilities | <u>\$ 49,637</u> | <u>\$ 1,325</u> | <u>\$ 50,962</u> |
| <u>FUND BALANCES</u> | | | |
| Nonspendable: | | | |
| Inventory | \$ 64,603 | \$ 0 | \$ 64,603 |
| Restricted: | | | |
| Restricted for Education | 3,631,524 | 2,192,229 | 5,823,753 |
| Committed: | | | |
| Committed for Education | 75,000 | 0 | 75,000 |
| Total Fund Balances | <u>\$ 3,771,127</u> | <u>\$ 2,192,229</u> | <u>\$ 5,963,356</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,820,764</u> | <u>\$ 2,193,554</u> | <u>\$ 6,014,318</u> |

Exhibit J-7

Washington County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| | <u>Special Revenue Funds</u> | | Total Nonmajor Governmental Funds |
|--|------------------------------|---------------------|--|
| | Central Cafeteria | Internal School | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 1,337,070 | \$ 0 | \$ 1,337,070 |
| Other Local Revenues | 60,881 | 2,793,451 | 2,854,332 |
| State of Tennessee | 36,612 | 0 | 36,612 |
| Federal Government | 2,813,887 | 0 | 2,813,887 |
| Total Revenues | <u>\$ 4,248,450</u> | <u>\$ 2,793,451</u> | <u>\$ 7,041,901</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Operation of Non-Instructional Services | \$ 3,746,812 | \$ 2,620,291 | \$ 6,367,103 |
| Total Expenditures | <u>\$ 3,746,812</u> | <u>\$ 2,620,291</u> | <u>\$ 6,367,103</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 501,638</u> | <u>\$ 173,160</u> | <u>\$ 674,798</u> |
| Net Change in Fund Balances | \$ 501,638 | \$ 173,160 | \$ 674,798 |
| Fund Balance, July 1, 2022 | <u>3,269,489</u> | <u>2,019,069</u> | <u>5,288,558</u> |
| Fund Balance, June 30, 2023 | <u>\$ 3,771,127</u> | <u>\$ 2,192,229</u> | <u>\$ 5,963,356</u> |

Exhibit J-8

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Washington County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 37,689,545 | \$ 0 | \$ 37,689,545 | \$ 32,325,071 | \$ 32,325,071 | \$ 5,364,474 |
| Licenses and Permits | 1,735 | 0 | 1,735 | 19,000 | 19,000 | (17,265) |
| Charges for Current Services | 617,864 | 0 | 617,864 | 788,000 | 788,000 | (170,136) |
| Other Local Revenues | 703,259 | 0 | 703,259 | 321,650 | 326,204 | 377,055 |
| State of Tennessee | 40,733,559 | 0 | 40,733,559 | 40,759,941 | 42,788,009 | (2,054,450) |
| Federal Government | 140,435 | 0 | 140,435 | 179,430 | 179,430 | (38,995) |
| Other Governments and Citizens Groups | 1,843,113 | 0 | 1,843,113 | 0 | 1,593,760 | 249,353 |
| Total Revenues | \$ 81,729,510 | \$ 0 | \$ 81,729,510 | \$ 74,393,092 | \$ 78,019,474 | \$ 3,710,036 |
| <u>Expenditures</u> | | | | | | |
| <u>Instruction</u> | | | | | | |
| Regular Instruction Program | \$ 44,839,253 | \$ 0 | \$ 44,839,253 | \$ 46,535,760 | \$ 46,107,551 | \$ 1,268,298 |
| Special Education Program | 4,759,100 | 0 | 4,759,100 | 5,278,555 | 5,279,718 | 520,618 |
| Career and Technical Education Program | 3,307,780 | 0 | 3,307,780 | 2,878,106 | 3,661,441 | 353,661 |
| Adult Education Program | 0 | 0 | 0 | 12,448 | 12,448 | 12,448 |
| <u>Support Services</u> | | | | | | |
| Attendance | 173,724 | 0 | 173,724 | 166,657 | 204,193 | 30,469 |
| Health Services | 1,065,205 | 0 | 1,065,205 | 1,070,103 | 1,145,502 | 80,297 |
| Other Student Support | 1,730,372 | 0 | 1,730,372 | 1,769,192 | 1,936,532 | 206,160 |
| Regular Instruction Program | 1,980,827 | 0 | 1,980,827 | 2,201,372 | 2,419,754 | 438,927 |
| Special Education Program | 1,180,071 | 0 | 1,180,071 | 1,192,110 | 1,325,867 | 145,796 |
| Career and Technical Education Program | 220,702 | 0 | 220,702 | 199,097 | 282,025 | 61,323 |
| Technology | 2,148,782 | 0 | 2,148,782 | 2,277,893 | 2,369,972 | 221,190 |
| Other Programs | 182,668 | 0 | 182,668 | 0 | 182,668 | 0 |
| Board of Education | 1,833,394 | (15,750) | 1,817,644 | 1,400,420 | 1,972,380 | 154,736 |

(Continued)

Exhibit J-8

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|-----------------|--|
| | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | |
| Director of Schools | \$ 705,867 | \$ 0 | \$ 705,867 | \$ 771,002 | \$ 793,124 | \$ 87,257 |
| Office of the Principal | 4,298,097 | 0 | 4,298,097 | 4,517,959 | 4,670,115 | 372,018 |
| Fiscal Services | 458,111 | 0 | 458,111 | 452,464 | 488,448 | 30,337 |
| Human Services/Personnel | 217,116 | 0 | 217,116 | 251,695 | 274,963 | 57,847 |
| Operation of Plant | 5,188,329 | 0 | 5,188,329 | 5,046,826 | 5,468,746 | 280,417 |
| Maintenance of Plant | 2,221,123 | 0 | 2,221,123 | 2,231,642 | 2,885,626 | 664,503 |
| Transportation | 4,821,431 | 0 | 4,821,431 | 3,936,444 | 5,400,728 | 579,297 |
| Central and Other | 145,998 | 0 | 145,998 | 169,722 | 175,706 | 29,708 |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | 29,522 | 0 | 29,522 | 0 | 93,231 | 63,709 |
| Community Services | 509,708 | 0 | 509,708 | 642,779 | 768,408 | 258,700 |
| Early Childhood Education | 392,898 | 0 | 392,898 | 437,250 | 470,079 | 77,181 |
| <u>Capital Outlay</u> | | | | | | |
| Regular Capital Outlay | 618,452 | 0 | 618,452 | 0 | 974,000 | 355,548 |
| <u>Other Debt Service</u> | | | | | | |
| Education | 338,892 | 0 | 338,892 | 0 | 338,892 | 0 |
| Total Expenditures | \$ 83,367,422 | \$ (15,750) | \$ 83,351,672 | \$ 83,439,496 | \$ 89,702,117 | \$ 6,350,445 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | |
| Over Expenditures | \$ (1,637,912) | \$ 15,750 | \$ (1,622,162) | \$ (9,046,404) | \$ (11,682,643) | \$ 10,060,481 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 1,871,750 | \$ 0 | \$ 1,871,750 | \$ 0 | \$ 1,871,750 | \$ 0 |
| Insurance Recovery | 566,608 | 0 | 566,608 | 60,000 | 380,600 | 186,008 |

(Continued)

Exhibit J-8

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | Original | Final | |
| <u>Other Financing Sources (Uses) (Cont.)</u> | | | | | | |
| Transfers In | \$ 383,650 | \$ 0 | \$ 383,650 | \$ 513,000 | \$ 522,460 | \$ (138,810) |
| Transfers Out | (500,000) | 0 | (500,000) | (680,000) | (541,108) | 41,108 |
| Total Other Financing Sources | \$ 2,322,008 | \$ 0 | \$ 2,322,008 | \$ (107,000) | \$ 2,233,702 | \$ 88,306 |
| Net Change in Fund Balance | \$ 684,096 | \$ 15,750 | \$ 699,846 | \$ (9,153,404) | \$ (9,448,941) | \$ 10,148,787 |
| Fund Balance, July 1, 2022 | 22,584,509 | (15,750) | 22,568,759 | 19,709,494 | 19,709,494 | 2,859,265 |
| Fund Balance, June 30, 2023 | <u>\$ 23,268,605</u> | <u>\$ 0</u> | <u>\$ 23,268,605</u> | <u>\$ 10,556,090</u> | <u>\$ 10,260,553</u> | <u>\$ 13,008,052</u> |

Exhibit J-9

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Washington County School Department
School Federal Projects Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Federal Government | \$ 13,615,806 | \$ 0 | \$ 13,615,806 | \$ 18,825,849 | \$ 19,771,247 | \$ (6,155,441) |
| Total Revenues | \$ 13,615,806 | \$ 0 | \$ 13,615,806 | \$ 18,825,849 | \$ 19,771,247 | \$ (6,155,441) |
| <u>Expenditures</u> | | | | | | |
| <u>Instruction</u> | | | | | | |
| Regular Instruction Program | \$ 2,905,909 | \$ 0 | \$ 2,905,909 | \$ 5,244,220 | \$ 4,403,550 | \$ 1,497,641 |
| Alternative Instruction Program | 41,045 | 0 | 41,045 | 75,426 | 72,093 | 31,048 |
| Special Education Program | 1,727,036 | 0 | 1,727,036 | 2,065,566 | 2,363,421 | 636,385 |
| Career and Technical Education Program | 118,767 | 0 | 118,767 | 131,162 | 124,811 | 6,044 |
| <u>Support Services</u> | | | | | | |
| Health Services | 470,100 | 0 | 470,100 | 923,952 | 686,009 | 215,909 |
| Other Student Support | 1,221,755 | 0 | 1,221,755 | 1,521,607 | 2,387,168 | 1,165,413 |
| Regular Instruction Program | 859,721 | 0 | 859,721 | 2,613,822 | 2,677,326 | 1,817,605 |
| Special Education Program | 370,007 | 0 | 370,007 | 221,732 | 473,129 | 103,122 |
| Technology | 61,824 | 0 | 61,824 | 125,821 | 105,641 | 43,817 |
| Fiscal Services | 22,050 | 0 | 22,050 | 0 | 33,015 | 10,965 |
| Maintenance of Plant | 66,675 | 0 | 66,675 | 136,673 | 66,675 | 0 |
| Transportation | 907,602 | 0 | 907,602 | 1,023,221 | 1,373,531 | 465,929 |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Community Services | 0 | 0 | 0 | 0 | 376 | 376 |
| <u>Capital Outlay</u> | | | | | | |
| Regular Capital Outlay | 4,522,440 | (4,286,497) | 235,943 | 4,656,247 | 4,620,852 | 4,384,909 |
| Total Expenditures | \$ 13,294,931 | \$ (4,286,497) | \$ 9,008,434 | \$ 18,739,449 | \$ 19,387,597 | \$ 10,379,163 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 320,875 | \$ 4,286,497 | \$ 4,607,372 | \$ 86,400 | \$ 383,650 | \$ 4,223,722 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers In | \$ 500,000 | \$ 0 | \$ 500,000 | \$ 0 | \$ 500,000 | \$ 0 |
| Transfers Out | (383,650) | 0 | (383,650) | (86,400) | (383,650) | 0 |
| Total Other Financing Sources | \$ 116,350 | \$ 0 | \$ 116,350 | \$ (86,400) | \$ 116,350 | \$ 0 |
| Net Change in Fund Balance | \$ 437,225 | \$ 4,286,497 | \$ 4,723,722 | \$ 0 | \$ 500,000 | \$ 4,223,722 |
| Fund Balance, July 1, 2022 | 931,753 | (4,286,497) | (3,354,744) | 0 | 0 | (3,354,744) |
| Fund Balance, June 30, 2023 | \$ 1,368,978 | \$ 0 | \$ 1,368,978 | \$ 0 | \$ 500,000 | \$ 868,978 |

Exhibit J-10

Washington County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Washington County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2022 | Add: Encumbrances 6/30/2023 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Charges for Current Services | \$ 1,337,070 | \$ 0 | \$ 0 | \$ 1,337,070 | \$ 953,000 | \$ 953,000 | \$ 384,070 |
| Other Local Revenues | 60,881 | 0 | 0 | 60,881 | 0 | 0 | 60,881 |
| State of Tennessee | 36,612 | 0 | 0 | 36,612 | 32,919 | 32,919 | 3,693 |
| Federal Government | 2,813,887 | 0 | 0 | 2,813,887 | 2,491,026 | 2,636,106 | 177,781 |
| Total Revenues | \$ 4,248,450 | \$ 0 | \$ 0 | \$ 4,248,450 | \$ 3,476,945 | \$ 3,622,025 | \$ 626,425 |
| <u>Expenditures</u> | | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Food Service | \$ 3,746,812 | \$ (40,276) | \$ 388,358 | \$ 4,094,894 | \$ 4,431,445 | \$ 4,956,445 | \$ 861,551 |
| Total Expenditures | \$ 3,746,812 | \$ (40,276) | \$ 388,358 | \$ 4,094,894 | \$ 4,431,445 | \$ 4,956,445 | \$ 861,551 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 501,638 | \$ 40,276 | \$ (388,358) | \$ 153,556 | \$ (954,500) | \$ (1,334,420) | \$ 1,487,976 |
| Net Change in Fund Balance | \$ 501,638 | \$ 40,276 | \$ (388,358) | \$ 153,556 | \$ (954,500) | \$ (1,334,420) | \$ 1,487,976 |
| Fund Balance, July 1, 2022 | 3,269,489 | (40,276) | 0 | 3,229,213 | 3,100,000 | 3,100,000 | 129,213 |
| Fund Balance, June 30, 2023 | \$ 3,771,127 | \$ 0 | \$ (388,358) | \$ 3,382,769 | \$ 2,145,500 | \$ 1,765,580 | \$ 1,617,189 |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Washington County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2023

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-22 | Paid and/or Matured During Period | Outstanding 6-30-23 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|--|------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| <u>BONDS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| School Construction Refunding 2011 | \$ 2,870,000 | 1.7 to 4 % | 6-27-11 | 4-1-23 | \$ 660,000 | \$ 660,000 | \$ 0 |
| General Obligation Refunding, Series 2016A | 115,970,000 | 2.88 to 4 | 7-13-16 | 6-1-37 | 104,810,000 | 5,260,000 | 99,550,000 |
| General Obligation Bonds, Series 2017A | 15,535,000 | 2.88 to 5 | 6-30-17 | 6-1-37 | 13,720,000 | 665,000 | 13,055,000 |
| General Obligation Bonds, Series 2017B | 14,565,000 | 2.88 to 5 | 6-30-17 | 6-1-37 | 12,460,000 | 605,000 | 11,855,000 |
| General Obligation Bonds, Series 2017C | 1,850,000 | 2.3 to 5 | 6-30-17 | 6-1-25 | 755,000 | 245,000 | 510,000 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 132,405,000</u> | <u>\$ 7,435,000</u> | <u>\$ 124,970,000</u> |
| Total Bonds Payable | | | | | <u>\$ 132,405,000</u> | <u>\$ 7,435,000</u> | <u>\$ 124,970,000</u> |
| <u>OTHER LOANS PAYABLE</u> | | | | | | | |
| <u>Payable through General Capital Projects Fund</u> | | | | | | | |
| Phone System | 644,866 | 0 | 7-28-20 | 8-10-25 | \$ 390,789 | \$ 127,039 | \$ 263,750 |
| Total Payable through General Capital Projects Fund | | | | | <u>\$ 390,789</u> | <u>\$ 127,039</u> | <u>\$ 263,750</u> |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | |
| Energy Efficient Schools Initiative | 2,331,726 | .5 | 10-14-21 | 7-1-29 | \$ 2,331,726 | \$ 300,718 | \$ 2,031,008 |
| Total Payable through Rural Debt Service Fund | | | | | <u>\$ 2,331,726</u> | <u>\$ 300,718</u> | <u>\$ 2,031,008</u> |
| Total Other Loans Payable | | | | | <u>\$ 2,722,515</u> | <u>\$ 427,757</u> | <u>\$ 2,294,758</u> |

Exhibit K-2

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

| Year Ending June 30 | Other Loans | | |
|---------------------------|--------------|-----------|--------------|
| | Principal | Interest | Total |
| 2024 | \$ 456,666 | \$ 9,264 | \$ 465,930 |
| 2025 | 458,323 | 7,608 | 465,931 |
| 2026 | 342,613 | 5,952 | 348,565 |
| 2027 | 334,608 | 4,284 | 338,892 |
| 2028 | 336,288 | 2,604 | 338,892 |
| 2029 | 338,052 | 840 | 338,892 |
| 2030 | 28,208 | 55 | 28,263 |
| Total | \$ 2,294,758 | \$ 30,607 | \$ 2,325,365 |

| Year Ending June 30 | Bonds | | |
|---------------------------|----------------|---------------|----------------|
| | Principal | Interest | Total |
| 2024 | \$ 7,055,000 | \$ 4,513,143 | \$ 11,568,143 |
| 2025 | 7,345,000 | 4,221,468 | 11,566,468 |
| 2026 | 7,385,000 | 3,917,488 | 11,302,488 |
| 2027 | 7,690,000 | 3,607,387 | 11,297,387 |
| 2028 | 8,020,000 | 3,284,437 | 11,304,437 |
| 2029 | 8,360,000 | 2,947,487 | 11,307,487 |
| 2030 | 8,715,000 | 2,596,087 | 11,311,087 |
| 2031 | 9,040,000 | 2,265,338 | 11,305,338 |
| 2032 | 9,385,000 | 1,922,138 | 11,307,138 |
| 2033 | 9,735,000 | 1,568,056 | 11,303,056 |
| 2034 | 10,025,000 | 1,276,006 | 11,301,006 |
| 2035 | 10,320,000 | 975,256 | 11,295,256 |
| 2036 | 10,785,000 | 673,406 | 11,458,406 |
| 2037 | 11,110,000 | 347,188 | 11,457,188 |
| Total | \$ 124,970,000 | \$ 34,114,885 | \$ 159,084,885 |

Exhibit K-3

Washington County, Tennessee
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Maturity Date | Outstanding 7-1-22 | Paid and/or Matured During Period | Outstanding 6-30-23 |
|-------------------------------------|--------------------------------|------------------|---------------------|------------------|-----------------------|--|------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| <u>LEASES PAYABLE</u> | | | | | | | |
| <u>Payable through General Fund</u> | | | | | | | |
| EMA Building Rental | \$ 179,669 | 2.6899 % | 5-1-17 | 6-30-37 | \$ 170,177 | \$ 9,337 | \$ 160,840 |
| Johnson City Office Space Rental | 305,932 | 2.6899 | 6-16-21 | 6-16-31 | 278,279 | 27,702 | 250,577 |
| Sheriff Garage Rental | 179,669 | 2.6899 | 11-1-20 | 10-31-25 | 126,119 | 36,658 | 89,461 |
| Total Payable through General Fund | | | | | <u>\$ 574,575</u> | <u>\$ 73,697</u> | <u>\$ 500,878</u> |
| Total Leases Payable | | | | | <u>\$ 574,575</u> | <u>\$ 73,697</u> | <u>\$ 500,878</u> |

Exhibit K-4

Washington County, Tennessee
Schedule of Lease Requirements by Year

| Year Ending June 30 | Leases | | |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2024 | \$ 75,701 | \$ 12,547 | \$ 88,248 |
| 2025 | 77,765 | 10,483 | 88,248 |
| 2026 | 53,276 | 8,572 | 61,848 |
| 2027 | 41,242 | 7,406 | 48,648 |
| 2028 | 42,365 | 6,283 | 48,648 |
| 2029 | 43,516 | 5,132 | 48,648 |
| 2030 | 44,705 | 3,943 | 48,648 |
| 2031 | 45,922 | 2,726 | 48,648 |
| 2032 | 11,891 | 1,909 | 13,800 |
| 2033 | 12,214 | 1,586 | 13,800 |
| 2034 | 12,547 | 1,253 | 13,800 |
| 2035 | 12,889 | 911 | 13,800 |
| 2036 | 13,242 | 558 | 13,800 |
| 2037 | 13,603 | 198 | 13,801 |
| Total | \$ 500,878 | \$ 63,507 | \$ 564,385 |

Washington County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2023

| Description | Debtor | Original Amount of Lease | Interest Rate | Date of Issue | Date of Maturity | Balance 7-1-22 | Deductions | Balance 6-30-23 |
|----------------------------------|----------------------------------|--------------------------------|------------------|---------------------|------------------------|-------------------|------------|--------------------|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | | |
| <u>General Fund</u> | | | | | | | | |
| Land Rental | Vertical Bridge Development, LLC | \$ 184,582 | 2.6899 % | 6-1-18 | 6-1-43 | \$ 178,087 | \$ 6,431 | \$ 171,656 |
| Total General Fund | | | | | | \$ 178,087 | \$ 6,431 | \$ 171,656 |
| <u>Highway/Public Works Fund</u> | | | | | | | | |
| Quarry Rental | Blue Water Industries, LLC | 870,101 | 2.6899 | 1-1-04 | 12-31-43 | \$ 839,688 | \$ 29,246 | \$ 810,442 |
| Total Highway/Public Works Fund | | | | | | \$ 839,688 | \$ 29,246 | \$ 810,442 |
| Total Leases Receivable | | | | | | \$ 1,017,775 | \$ 35,677 | \$ 982,098 |

Exhibit K-6

Washington County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|--|--------------------------|---|----------------------|
| <u>PRIMARY GOVERNMENT</u> | | | |
| General | Other Special Revenue | Past remediation opioid settlement funds | \$ 162,483 |
| " | General Debt Service | Debt retirement | 49,000 |
| Solid Waste/Sanitation | " | " | 32,000 |
| Other General Government | General Capital Projects | Capital expenditures - American Rescue Plan Act Funds | 7,263,745 |
| General Debt Service | General | Original Budget - Operations | 2,500,000 |
| Education Capital Projects | General Capital Projects | Capital expenditures - Athletic Fields | <u>1,000,000</u> |
| Total Transfers Primary Government | | | <u>\$ 11,007,228</u> |
| <u>DISCRETELY PRESENTED WASHINGTON COUNTY SCHOOL DEPARTMENT</u> | | | |
| General Purpose School | School Federal Projects | Cash flow | \$ 500,000 |
| School Federal Projects | General Purpose School | Indirect costs | <u>383,650</u> |
| Total Transfers Discretely Presented Washington County School Department | | | <u>\$ 883,650</u> |

Washington County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| Official | Authorization | Bond | Surety |
|--|---|---------|---|
| County Mayor | Section 8-24-102, TCA | \$ (1) | Local Government Property and Casualty Fund |
| Base salary | \$ 150,892 | | |
| Superintendent of Highways | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary | \$ 130,642 | | |
| Director of Schools | State Board of Education and County Board of Education | 100,000 | RLI Insurance Company |
| Base salary | \$ 147,500 | | |
| Bonus | 10,000 | | |
| Career ladder | 1,000 | | |
| Chief executive officer training supplement | 1,000 | | |
| Total compensation | \$ 159,500 | | |
| Trustee | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | \$ 107,968 | | |
| Assessor of Property - Scott Buckingham (7/1/22-6/2/23) | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | \$ 99,571 | | |
| Assessor of Property - Robbie McGuire (6/23/23-6/30/23) | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | \$ 2,399 | | |
| Total Assessor of Property compensation | \$ 101,970 | | |
| County Clerk - Kathy Storey (7/1/22-8/31/22) | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | \$ 17,995 | | |
| County Clerk - Cheryl Storey (9/1/22-6/30/23) | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | \$ 89,973 | | |
| Total County Clerk compensation | \$ 107,968 | | |
| Circuit, General Sessions and Juvenile Courts Clerk | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary | \$ 107,968 | | |
| Additional 10% for administration of multiple courts | 10,797 | | |
| Total compensation | \$ 118,765 | | |
| Clerk and Master | Section 8-24-102, TCA | (1) | Local Government Property and Casualty Fund |
| Base salary | \$ 107,968 | | |
| Additional 10% for administration of multiple courts | 10,797 | | |
| Total compensation | \$ 118,765 | | |

Washington County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Washington County School Department (Cont.)

| Official | Authorization | Bond | Surety |
|---|------------------------------|---------|---|
| Register of Deeds | Section 8-24-102, <i>TCA</i> | \$ (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | <u>\$ 107,968</u> | | |
| Sheriff | Section 8-24-102, <i>TCA</i> | (1) | Local Government Property and Casualty Fund |
| Base salary | \$ 130,642 | | |
| Superintendent of workhouse (10% on base) | 13,064 | | |
| Law enforcement training supplement | 800 | | |
| Total compensation | <u>\$ 144,506</u> | | |
| Director of Accounts and Budgets | County Commission | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | <u>\$ 103,724</u> | | |
| Purchasing Agent | County Commission | (1) | Local Government Property and Casualty Fund |
| Base salary/Total compensation | <u>\$ 73,482</u> | | |
| Employee Blanket Bonds: | | | |
| Employee Fidelity - County Departments | | 400,000 | Local Government Property and Casualty Fund |
| Employee Fidelity - School Department | | 400,000 | Employers Insurance Company of Wasau |

(1) Official is under the employee fidelity insurance coverage.

Exhibit K-8

Washington County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 23,416,920 | \$ 1,223,504 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Trustee's Collections - Prior Year | 446,562 | 23,180 | 0 | 0 | 0 | 0 |
| Trustee's Collections - Bankruptcy | 36 | 1 | 0 | 0 | 0 | 0 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 97,644 | 5,101 | 0 | 0 | 0 | 0 |
| Interest and Penalty | 110,637 | 5,691 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 1,827 | 95 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Local Utilities | 430,820 | 22,506 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 6,272 | 312 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 32,236 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 173,665 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 305 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Courthouse Security | 203,472 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 958,942 | 49,924 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 176,492 | 9,220 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 345,337 | 0 | 0 | 0 | 0 | 0 |
| Other Statutory Local Taxes | 126,393 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 26,527,560 | \$ 1,339,534 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 2,990 | \$ 137 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Cable TV Franchise | 495,649 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Licenses and Permits (Cont.)</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Building Permits | \$ 456,597 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 955,236 | \$ 137 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 25,605 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Criminal Court</u> | | | | | | |
| Fines | 8,361 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 1,839 | 0 | 0 | 0 |
| Drug Court Fees | 2,006 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 14,996 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 1,762 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Criminal Court | 7,415 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 20,777 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 6,362 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 55,861 | 0 | 0 | 0 | 0 | 0 |
| Fines for Littering | 459 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 78,498 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 50 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 13,828 | 0 | 0 | 0 |
| Drug Court Fees | 5,848 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 111,998 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 15,996 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>General Sessions Court (Cont.)</u> | | | | | | |
| Data Entry Fee - General Sessions Court | \$ 32,122 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Courtroom Security Fee | 3,959 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 46,612 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 57 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 7,082 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 2,260 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 6 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 3,491 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 5,464 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 849 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | |
| Fines | 16,178 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 59,357 | 0 | 400 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 533,431 | \$ 0 | \$ 16,067 | \$ 0 | \$ 0 | 0 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Surcharge - Waste Tire Disposal | \$ 0 | \$ 99,945 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Work Release Charges for Board | 2,445 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Copy Fees | 1,838 | 0 | 0 | 0 | 0 | 0 |
| Library Fees | 9,522 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|---|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | |
| Archives and Records Management Fee | \$ 272,811 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Telephone Commissions | 190,186 | 0 | 0 | 0 | 0 | 0 |
| Electronic Citation Fee | 4,998 | 0 | 0 | 0 | 0 | 0 |
| Additional Fees - Titling and Registration | 140,442 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 7,712 |
| Data Processing Fee - Register | 37,920 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 5,361 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 7,500 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 16,542 | 0 | 0 | 0 | 0 | 0 |
| Subscription and Electronic Filing Fee - Circuit and General Ses: | 10,500 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Registration Reinstatement Fees | 9,115 | 0 | 0 | 0 | 0 | 0 |
| <u>Education Charges</u> | | | | | | |
| Other Charges for Services | 90,820 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 800,000 | \$ 99,945 | \$ 0 | \$ 0 | \$ 0 | 7,712 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 356,406 | \$ 12,498 | \$ 6,537 | \$ 308,279 | \$ 1,235 | 0 |
| Lease/Rentals/PPP | 126,211 | 0 | 0 | 0 | 0 | 0 |
| Lease/PPP Interest | 4,711 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 67,826 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 240,478 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 171,624 | 3,214 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Other Local Revenues (Cont.)</u> | | | | | | |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | \$ 19,030 | \$ 30,000 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Sale of Property | 142,319 | 0 | 4,500 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 9,664 | 0 | 0 | 24,450 | 0 | 0 |
| Total Other Local Revenues | \$ 897,791 | \$ 286,190 | \$ 11,037 | \$ 332,729 | \$ 1,235 | 0 |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 1,526,628 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Circuit Court Clerk | 608,410 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 1,022,018 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 453,725 | 0 | 0 | 0 | 0 | 0 |
| Register | 672,390 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 42,424 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 2,580,127 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received From County Officials | \$ 6,905,722 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 13,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 73,600 | 0 | 0 | 0 | 0 | 0 |
| Other Public Safety Grants | 110,217 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 698,661 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Litter Program | 66,186 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | |
| Beer Tax | 19,200 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 19,506 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 244,283 | 0 | 0 | 0 | 0 | 0 |
| Opioid Settlement Funds - TN Abatement Council | 0 | 0 | 0 | 0 | 530,036 | 0 |
| State Revenue Sharing - Telecommunications | 226,956 | 0 | 0 | 0 | 0 | 0 |
| State Shared Sports Gaming Privilege Tax | 105,389 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 1,907,033 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 445,276 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 1,486,893 | 128,986 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 5,431,864 | \$ 128,986 | \$ 0 | \$ 0 | \$ 530,036 | \$ 0 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Homeland Security Grants | \$ 134,443 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Law Enforcement Grants | 19,173 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 20,967 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Asset Forfeiture Funds | 32,867 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant #8 | 36,299 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-8

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------------|-----------------|--|-----------------------------|--|
| | General | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Other Special Revenue | Constitu - tional Officers - Fees |
| <u>Federal Government (Cont.)</u> | | | | | | |
| <u>Direct Federal Revenue (Cont.)</u> | | | | | | |
| Other Direct Federal Revenue | \$ 1,682,144 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Federal Government | \$ 1,925,893 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Paving and Maintenance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contributions | 13,500 | 0 | 0 | 0 | 0 | 0 |
| Contracted Services | 162,372 | 0 | 0 | 0 | 0 | 0 |
| <u>Other</u> | | | | | | |
| Other | 192,501 | 0 | 0 | 0 | 0 | 0 |
| Opioid Settlement Funds - Past Remediation | 214,029 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 582,402 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total | \$ 44,559,899 | \$ 1,854,792 | \$ 27,104 | \$ 332,729 | \$ 531,271 | \$ 7,712 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|---------------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 4,718,083 | \$ 12,931,706 | \$ 0 | \$ 1,048,510 | \$ 5,941,610 | \$ 49,280,333 |
| Trustee's Collections - Prior Year | 90,120 | 246,158 | 0 | 21,812 | 111,282 | 939,114 |
| Trustee's Collections - Bankruptcy | 8 | 16 | 0 | 15 | 0 | 76 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 19,675 | 53,923 | 0 | 4,372 | 24,775 | 205,490 |
| Interest and Penalty | 22,396 | 60,626 | 0 | 6,178 | 26,304 | 231,832 |
| Payments in-Lieu-of Taxes - T.V.A. | 368 | 1,009 | 0 | 82 | 464 | 3,845 |
| Payments in-Lieu-of Taxes - Local Utilities | 86,807 | 237,916 | 0 | 19,290 | 109,313 | 906,652 |
| Payments in-Lieu-of Taxes - Other | 24,818 | 2,999 | 0 | 267 | 1,515 | 36,183 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 32,236 |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 173,665 |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 305 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 298,173 | 0 | 0 | 0 | 298,173 |
| Litigation Tax - Courthouse Security | 0 | 0 | 0 | 0 | 0 | 203,472 |
| Business Tax | 192,564 | 524,517 | 0 | 42,792 | 242,489 | 2,011,228 |
| Mineral Severance Tax | 18,981 | 0 | 0 | 0 | 0 | 18,981 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 35,562 | 97,466 | 0 | 7,903 | 44,782 | 371,425 |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 345,337 |
| Other Statutory Local Taxes | 0 | 0 | 0 | 0 | 0 | 126,393 |
| Total Local Taxes | \$ 5,209,382 | \$ 14,454,509 | \$ 0 | \$ 1,151,221 | \$ 6,502,534 | \$ 55,184,740 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 622 | \$ 1,651 | \$ 0 | \$ 134 | \$ 759 | \$ 6,293 |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 495,649 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|------------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Licenses and Permits (Cont.)</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Building Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 456,597 |
| Other Permits | 300 | 0 | 0 | 0 | 0 | 300 |
| Total Licenses and Permits | \$ 922 | \$ 1,651 | \$ 0 | \$ 134 | \$ 759 | \$ 958,839 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 25,605 |
| <u>Criminal Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 8,361 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 1,839 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 2,006 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 14,996 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 1,762 |
| Data Entry Fee - Criminal Court | 0 | 0 | 0 | 0 | 0 | 7,415 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 20,777 |
| Victims Assistance Assessments | 0 | 0 | 0 | 0 | 0 | 6,362 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 55,861 |
| Fines for Littering | 0 | 0 | 0 | 0 | 0 | 459 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 78,498 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 50 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 13,828 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 5,848 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 111,998 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 15,996 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|---------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>General Sessions Court (Cont.)</u> | | | | | | |
| Data Entry Fee - General Sessions Court | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 32,122 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 3,959 |
| Victims Assistance Assessments | 0 | 0 | 0 | 0 | 0 | 46,612 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 57 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 7,082 |
| Data Entry Fee - Juvenile Court | 0 | 0 | 0 | 0 | 0 | 2,260 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 6 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 3,491 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 5,464 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 849 |
| <u>Other Courts - In-county</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 16,178 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 59,757 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 549,498 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Surcharge - Waste Tire Disposal | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 99,945 |
| Work Release Charges for Board | 0 | 0 | 0 | 0 | 0 | 2,445 |
| <u>Fees</u> | | | | | | |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 1,838 |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 9,522 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|-----------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | |
| Archives and Records Management Fee | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 272,811 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 190,186 |
| Electronic Citation Fee | 0 | 0 | 0 | 0 | 0 | 4,998 |
| Additional Fees - Titling and Registration | 0 | 0 | 0 | 0 | 0 | 140,442 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 7,712 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 37,920 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 5,361 |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 7,500 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 16,542 |
| Subscription and Electronic Filing Fee - Circuit and General Ses | 0 | 0 | 0 | 0 | 0 | 10,500 |
| Vehicle Registration Reinstatement Fees | 0 | 0 | 0 | 0 | 0 | 9,115 |
| <u>Education Charges</u> | | | | | | |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 90,820 |
| Total Charges for Current Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 907,657 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 149,807 | \$ 172,907 | \$ 4,582 | \$ 294,882 | \$ 39,065 | 1,346,198 |
| Lease/Rentals/PPP | 135,357 | 0 | 0 | 0 | 0 | 261,568 |
| Lease/PPP Interest | 22,228 | 0 | 0 | 0 | 0 | 26,939 |
| Sale of Materials and Supplies | 2,150 | 0 | 0 | 0 | 0 | 2,150 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 67,826 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 240,478 |
| Miscellaneous Refunds | 3,958 | 0 | 0 | 364,764 | 0 | 543,560 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|--------------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Other Local Revenues (Cont.)</u> | | | | | | |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | \$ 220,521 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 269,551 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 146,819 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 0 | 34,114 |
| Total Other Local Revenues | \$ 534,021 | \$ 172,907 | \$ 4,582 | \$ 659,646 | \$ 39,065 | \$ 2,939,203 |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,526,628 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 608,410 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 1,022,018 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 453,725 |
| Register | 0 | 0 | 0 | 0 | 0 | 672,390 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 42,424 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 2,580,127 |
| Total Fees Received From County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 6,905,722 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 13,500 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 73,600 |
| Other Public Safety Grants | 0 | 0 | 0 | 0 | 0 | 110,217 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 698,661 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|---------------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | \$ 852,644 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 852,644 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 66,186 |
| <u>Other State Revenues</u> | | | | | | |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 19,200 |
| Vehicle Certificate of Title Fees | 0 | 0 | 0 | 0 | 0 | 19,506 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 244,283 |
| Opioid Settlement Funds - TN Abatement Council | 0 | 0 | 0 | 0 | 0 | 530,036 |
| State Revenue Sharing - Telecommunications | 0 | 0 | 0 | 0 | 0 | 226,956 |
| State Shared Sports Gaming Privilege Tax | 0 | 0 | 0 | 0 | 0 | 105,389 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 1,907,033 |
| Gasoline and Motor Fuel Tax | 3,335,840 | 0 | 0 | 0 | 0 | 3,335,840 |
| Petroleum Special Tax | 88,124 | 0 | 0 | 0 | 0 | 88,124 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 445,276 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 1,615,879 |
| Total State of Tennessee | \$ 4,276,608 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,367,494 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Homeland Security Grants | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 134,443 |
| Law Enforcement Grants | 0 | 0 | 0 | 0 | 0 | 19,173 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 20,967 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Asset Forfeiture Funds | 0 | 0 | 0 | 0 | 0 | 32,867 |
| COVID-19 Grant #8 | 0 | 0 | 0 | 0 | 0 | 36,299 |

(Continued)

Exhibit K-8

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

| | Special Revenue Fund | Debt Service Funds | | Capital Projects Funds | | |
|--|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------------------|---------------|
| | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Education Capital Projects | Total |
| <u>Federal Government (Cont.)</u> | | | | | | |
| <u>Direct Federal Revenue (Cont.)</u> | | | | | | |
| Other Direct Federal Revenue | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,682,144 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,925,893 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Paving and Maintenance | \$ 105,226 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 105,226 |
| Contributions | 0 | 0 | 338,892 | 0 | 0 | 352,392 |
| Contracted Services | 0 | 0 | 0 | 0 | 0 | 162,372 |
| <u>Other</u> | | | | | | |
| Other | 0 | 0 | 0 | 0 | 76,000 | 268,501 |
| Opioid Settlement Funds - Past Remediation | 0 | 0 | 0 | 0 | 0 | 214,029 |
| Total Other Governments and Citizens Groups | \$ 105,226 | \$ 0 | \$ 338,892 | \$ 0 | \$ 76,000 | \$ 1,102,520 |
| Total | \$ 10,126,159 | \$ 14,629,067 | \$ 343,474 | \$ 1,811,001 | \$ 6,618,358 | \$ 80,841,566 |

Exhibit K-9

Washington County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

| | Special Revenue Funds | | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|--|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 13,366,087 | \$ 0 | \$ 0 | \$ 0 | \$ 13,366,087 | |
| Trustee's Collections - Prior Year | 255,013 | 0 | 0 | 0 | 255,013 | |
| Trustee's Collections - Bankruptcy | 21 | 0 | 0 | 0 | 21 | |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 57,750 | 0 | 0 | 0 | 57,750 | |
| Interest and Penalty | 63,755 | 0 | 0 | 0 | 63,755 | |
| Payments in-Lieu-of Taxes - T.V.A. | 2,018 | 0 | 0 | 0 | 2,018 | |
| Payments in-Lieu-of Taxes - Local Utilities | 245,384 | 0 | 0 | 0 | 245,384 | |
| Payments in-Lieu-of Taxes - Other | 18,973 | 0 | 0 | 0 | 18,973 | |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 23,032,425 | 0 | 0 | 0 | 23,032,425 | |
| Business Tax | 542,565 | 0 | 0 | 0 | 542,565 | |
| Mixed Drink Tax | 4,482 | 0 | 0 | 0 | 4,482 | |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 101,072 | 0 | 0 | 0 | 101,072 | |
| Total Local Taxes | \$ 37,689,545 | \$ 0 | \$ 0 | \$ 0 | \$ 37,689,545 | |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 1,735 | \$ 0 | \$ 0 | \$ 0 | \$ 1,735 | |
| Total Licenses and Permits | \$ 1,735 | \$ 0 | \$ 0 | \$ 0 | \$ 1,735 | |
| <u>Charges for Current Services</u> | | | | | | |
| <u>Fees</u> | | | | | | |
| Archives and Records Management Fee | \$ 5 | \$ 0 | \$ 0 | \$ 0 | 5 | |

(Continued)

Exhibit K-9

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

| | Special Revenue Funds | | | | | |
|---|------------------------------|-------------------------------|----------------------|--------------------|--------------|--|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Education Charges</u> | | | | | | |
| Tuition - Other | \$ 87,280 | \$ 0 | \$ 0 | \$ 0 | \$ 87,280 | |
| Lunch Payments - Children | 0 | 0 | 1,285,486 | 0 | 1,285,486 | |
| Income from Breakfast | 0 | 0 | 6,934 | 0 | 6,934 | |
| Community Service Fees - Children | 530,579 | 0 | 0 | 0 | 530,579 | |
| Other Charges for Services | 0 | 0 | 44,650 | 0 | 44,650 | |
| Total Charges for Current Services | \$ 617,864 | \$ 0 | \$ 1,337,070 | \$ 0 | \$ 1,954,934 | |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 501,396 | \$ 0 | \$ 54,162 | \$ 0 | \$ 555,558 | |
| Lease/Rentals/PPP | 488 | 0 | 0 | 0 | 488 | |
| Sale of Materials and Supplies | 1,012 | 0 | 0 | 0 | 1,012 | |
| Miscellaneous Refunds | 190 | 0 | 0 | 0 | 190 | |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 73,898 | 0 | 6,719 | 0 | 80,617 | |
| Contributions and Gifts | 6,181 | 0 | 0 | 0 | 6,181 | |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 120,094 | 0 | 0 | 2,793,451 | 2,913,545 | |
| Total Other Local Revenues | \$ 703,259 | \$ 0 | \$ 60,881 | \$ 2,793,451 | \$ 3,557,591 | |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| On-behalf Contributions for OPEB | \$ 182,668 | \$ 0 | \$ 0 | \$ 0 | \$ 182,668 | |

(Continued)

Exhibit K-9

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

| | Special Revenue Funds | | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|--|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total | |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>State Education Funds</u> | | | | | | |
| Basic Education Program | \$ 38,328,252 | \$ 0 | \$ 0 | \$ 0 | \$ 38,328,252 | |
| Early Childhood Education | 162,644 | 0 | 0 | 0 | 162,644 | |
| Driver Education | 33,436 | 0 | 0 | 0 | 33,436 | |
| Other State Education Funds | 131,361 | 0 | 0 | 0 | 131,361 | |
| Career Ladder Program | 67,222 | 0 | 0 | 0 | 67,222 | |
| Vocational Equipment | 60,000 | 0 | 0 | 0 | 60,000 | |
| <u>Other State Revenues</u> | | | | | | |
| State Revenue Sharing - T.V.A. | 1,345,033 | 0 | 0 | 0 | 1,345,033 | |
| Other State Grants | 422,943 | 0 | 0 | 0 | 422,943 | |
| Other State Revenues | 0 | 0 | 36,612 | 0 | 36,612 | |
| Total State of Tennessee | \$ 40,733,559 | \$ 0 | \$ 36,612 | \$ 0 | \$ 40,770,171 | |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,787,389 | \$ 0 | \$ 1,787,389 | |
| USDA - Commodities | 0 | 0 | 241,026 | 0 | 241,026 | |
| Breakfast | 0 | 0 | 460,220 | 0 | 460,220 | |
| USDA - Other | 0 | 0 | 325,252 | 0 | 325,252 | |
| Vocational Education - Basic Grants to States | 0 | 143,692 | 0 | 0 | 143,692 | |
| Title I Grants to Local Education Agencies | 0 | 1,868,847 | 0 | 0 | 1,868,847 | |
| Special Education - Grants to States | 0 | 2,060,621 | 0 | 0 | 2,060,621 | |
| Special Education Preschool Grants | 0 | 38,053 | 0 | 0 | 38,053 | |
| Eisenhower Professional Development State Grants | 0 | 194,980 | 0 | 0 | 194,980 | |
| COVID-19 Grant B | 0 | 1,868,619 | 0 | 0 | 1,868,619 | |

(Continued)

Exhibit K-9

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

| | Special Revenue Funds | | | | | |
|--|------------------------------|-------------------------------|----------------------|---------------------|-----------------------|--|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total | |
| <u>Federal Government (Cont.)</u> | | | | | | |
| <u>Federal Through State (Cont.)</u> | | | | | | |
| COVID-19 Grant D | \$ 0 | \$ 109,400 | \$ 0 | \$ 0 | \$ 109,400 | |
| American Rescue Plan Act Grant #1 | 0 | 5,897,898 | 0 | 0 | 5,897,898 | |
| American Rescue Plan Act Grant #2 | 0 | 267,680 | 0 | 0 | 267,680 | |
| American Rescue Plan Act Grant #3 | 0 | 13,639 | 0 | 0 | 13,639 | |
| American Rescue Plan Act Grant #4 | 0 | 3,372 | 0 | 0 | 3,372 | |
| Other Federal through State | 0 | 1,149,005 | 0 | 0 | 1,149,005 | |
| <u>Direct Federal Revenue</u> | | | | | | |
| ROTC Reimbursement | 140,435 | 0 | 0 | 0 | 140,435 | |
| Total Federal Government | <u>\$ 140,435</u> | <u>\$ 13,615,806</u> | <u>\$ 2,813,887</u> | <u>\$ 0</u> | <u>\$ 16,570,128</u> | |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 1,585,760 | \$ 0 | \$ 0 | \$ 0 | \$ 1,585,760 | |
| <u>Other</u> | | | | | | |
| Other | 257,353 | 0 | 0 | 0 | 257,353 | |
| Total Other Governments and Citizens Groups | <u>\$ 1,843,113</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,843,113</u> | |
| Total | <u>\$ 81,729,510</u> | <u>\$ 13,615,806</u> | <u>\$ 4,248,450</u> | <u>\$ 2,793,451</u> | <u>\$ 102,387,217</u> | |

Washington County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

| | | | |
|----------------------------------|----|--------|------------|
| Board and Committee Members Fees | \$ | 67,500 | |
| Other Per Diem and Fees | | 1,200 | |
| Social Security | | 4,259 | |
| Pensions | | 5,828 | |
| Employer Medicare | | 996 | |
| Contracts with Private Agencies | | 40,569 | |
| Dues and Memberships | | 9,077 | |
| Maintenance Agreements | | 1,850 | |
| Rentals | | 245 | |
| Travel | | 8,811 | |
| Tuition | | 3,900 | |
| Food Supplies | | 229 | |
| Office Supplies | | 591 | |
| Other Supplies and Materials | | 29 | |
| Workers' Compensation Insurance | | 132 | |
| Other Charges | | 250 | |
| Other Capital Outlay | | 13,536 | |
| Total County Commission | | | \$ 159,002 |

Board of Equalization

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,250 | |
| Total Board of Equalization | | | 1,250 |

County Mayor/Executive

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 150,892 | |
| Assistant(s) | | 61,865 | |
| Social Security | | 13,116 | |
| Pensions | | 25,595 | |
| Employee and Dependent Insurance | | 23,716 | |
| Employer Medicare | | 3,143 | |
| Other Fringe Benefits | | 6,885 | |
| Communication | | 552 | |
| Contracts with Private Agencies | | 65 | |
| Dues and Memberships | | 2,630 | |
| Licenses | | 25 | |
| Maintenance Agreements | | 3,020 | |
| Postal Charges | | 41 | |
| Rentals | | 3,786 | |
| Travel | | 3,752 | |
| Tuition | | 1,130 | |
| Duplicating Supplies | | 250 | |
| Office Supplies | | 53 | |
| Periodicals | | 264 | |
| Other Supplies and Materials | | 73 | |
| Premiums on Corporate Surety Bonds | | 50 | |
| Workers' Compensation Insurance | | 376 | |
| Total County Mayor/Executive | | | 301,279 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

| | | | |
|---|----|---------|------------|
| Supervisor/Director | \$ | 167,719 | |
| Paraprofessionals | | 43,155 | |
| Social Security | | 12,027 | |
| Pensions | | 25,150 | |
| Employee and Dependent Insurance | | 15,478 | |
| Employer Medicare | | 2,966 | |
| Dues and Memberships | | 1,294 | |
| Legal Services | | 25,568 | |
| Legal Notices, Recording, and Court Costs | | 97 | |
| Licenses | | 61 | |
| Maintenance Agreements | | 2,065 | |
| Postal Charges | | 132 | |
| Rentals | | 1,006 | |
| Travel | | 875 | |
| Tuition | | 1,891 | |
| Office Supplies | | 2,005 | |
| Periodicals | | 7,914 | |
| Workers' Compensation Insurance | | 438 | |
| Other Charges | | 27 | |
| Total County Attorney | | | \$ 309,868 |

Election Commission

| | | |
|---|----|---------|
| County Official/Administrative Officer | \$ | 97,171 |
| Deputy(ies) | | 194,781 |
| Part-time Personnel | | 126,514 |
| Election Commission | | 21,000 |
| Election Workers | | 41,555 |
| Social Security | | 26,162 |
| Pensions | | 26,739 |
| Employee and Dependent Insurance | | 81,462 |
| Unemployment Compensation | | 7,150 |
| Employer Medicare | | 6,119 |
| Contracts with Private Agencies | | 904 |
| Data Processing Services | | 5,327 |
| Dues and Memberships | | 800 |
| Legal Notices, Recording, and Court Costs | | 5,749 |
| Maintenance Agreements | | 40,295 |
| Postal Charges | | 27,167 |
| Printing, Stationery, and Forms | | 5,322 |
| Rentals | | 32,637 |
| Travel | | 7,050 |
| Tuition | | 130 |
| Data Processing Supplies | | 154 |
| Food Supplies | | 140 |
| Office Supplies | | 6,864 |
| Software | | 2,438 |
| Building and Contents Insurance | | 520 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|-----------------------------------|----|---------|--------------|
| Liability Insurance | \$ | 12,060 | |
| Workers' Compensation Insurance | | 701 | |
| Fines, Assessments, and Penalties | | 52 | |
| Data Processing Equipment | | 18,531 | |
| Furniture and Fixtures | | 960 | |
| Voting Machines | | 742,250 | |
| Total Election Commission | | | \$ 1,538,704 |

Register of Deeds

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 107,968 | |
| Deputy(ies) | | 274,687 | |
| Part-time Personnel | | 14,094 | |
| Social Security | | 23,081 | |
| Pensions | | 45,524 | |
| Employee and Dependent Insurance | | 103,262 | |
| Employer Medicare | | 5,398 | |
| Communication | | 230 | |
| Contracts with Private Agencies | | 559 | |
| Dues and Memberships | | 1,113 | |
| Maintenance Agreements | | 18,101 | |
| Postal Charges | | 1,078 | |
| Rentals | | 1,932 | |
| Travel | | 1,291 | |
| Tuition | | 510 | |
| Data Processing Supplies | | 3,884 | |
| Duplicating Supplies | | 1,114 | |
| Office Supplies | | 3,425 | |
| Workers' Compensation Insurance | | 832 | |
| Building Construction | | 1,749 | |
| Data Processing Equipment | | 1,348 | |
| Total Register of Deeds | | | 611,180 |

Planning

| | | | |
|---|----|--------|---------|
| Assistant(s) | \$ | 96,211 | |
| Supervisor/Director | | 72,696 | |
| Board and Committee Members Fees | | 3,000 | |
| Social Security | | 10,266 | |
| Pensions | | 20,319 | |
| Employee and Dependent Insurance | | 21,771 | |
| Employer Medicare | | 2,401 | |
| Other Fringe Benefits | | 363 | |
| Dues and Memberships | | 877 | |
| Legal Notices, Recording, and Court Costs | | 654 | |
| Maintenance Agreements | | 9,572 | |
| Travel | | 2,293 | |
| Tuition | | 428 | |
| Workers' Compensation Insurance | | 1,336 | |
| Total Planning | | | 242,187 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance

| | | | |
|--|----|--------|------------|
| Assistant(s) | \$ | 39,906 | |
| Supervisor/Director | | 68,019 | |
| Other Salaries and Wages | | 93,036 | |
| Social Security | | 11,778 | |
| Pensions | | 24,176 | |
| Employee and Dependent Insurance | | 68,417 | |
| Employer Medicare | | 2,755 | |
| Communication | | 3,444 | |
| Contracts with Private Agencies | | 337 | |
| Dues and Memberships | | 585 | |
| Licenses | | 35 | |
| Maintenance Agreements | | 9,189 | |
| Maintenance and Repair Services - Vehicles | | 14,344 | |
| Postal Charges | | 1,659 | |
| Internet Connectivity | | 1,225 | |
| Rentals | | 3,258 | |
| Travel | | 770 | |
| Tuition | | 395 | |
| Data Processing Supplies | | 1,365 | |
| Duplicating Supplies | | 564 | |
| Food Supplies | | 94 | |
| Gasoline | | 7,346 | |
| Office Supplies | | 6,598 | |
| Periodicals | | 53 | |
| Uniforms | | 2,025 | |
| Vehicle Parts | | 1,046 | |
| Software | | 581 | |
| Other Supplies and Materials | | 130 | |
| Vehicle and Equipment Insurance | | 1,620 | |
| Workers' Compensation Insurance | | 3,254 | |
| Data Processing Equipment | | 2,981 | |
| Furniture and Fixtures | | 1,296 | |
| Motor Vehicles | | 38,498 | |
| Total Codes Compliance | | | \$ 410,779 |

County Buildings

| | | |
|---|----|---------|
| Contracts with Private Agencies | \$ | 3,040 |
| Maintenance Agreements | | 56,455 |
| Maintenance and Repair Services - Buildings | | 25,068 |
| Maintenance and Repair Services - Equipment | | 12,844 |
| Pest Control | | 2,165 |
| Rentals | | 4,603 |
| Permits | | 405 |
| Custodial Supplies | | 27,489 |
| Electricity | | 217,146 |
| Natural Gas | | 42,624 |
| Water and Sewer | | 8,932 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

| | | | |
|---------------------------------|----|---------------|------------|
| Building and Contents Insurance | \$ | 58,945 | |
| Other Capital Outlay | | <u>15,745</u> | |
| Total County Buildings | | | \$ 475,461 |

Other General Administration

| | | | |
|---|----|----------------|-----------|
| Custodial Personnel | \$ | 66,232 | |
| Other Salaries and Wages | | 115,859 | |
| Social Security | | 10,700 | |
| Handling Charges and Administrative Costs | | 9,207 | |
| Pensions | | 9,579 | |
| Employee and Dependent Insurance | | 39,446 | |
| Life Insurance | | 27,852 | |
| Employer Medicare | | 2,502 | |
| Audit Services | | 62,870 | |
| Communication | | 36,628 | |
| Consultants | | 4,083 | |
| Contracts with Private Agencies | | 6,828 | |
| Dues and Memberships | | 890 | |
| Legal Notices, Recording, and Court Costs | | 5,825 | |
| Maintenance Agreements | | 225,900 | |
| Postal Charges | | 1,509 | |
| Internet Connectivity | | 27,822 | |
| Rentals | | 1,544 | |
| Travel | | 3,536 | |
| Food Supplies | | 473 | |
| Office Supplies | | 806 | |
| Uniforms | | 185 | |
| Other Supplies and Materials | | 1,186 | |
| Liability Insurance | | 23,280 | |
| Trustee's Commission | | 540,887 | |
| Vehicle and Equipment Insurance | | 1,010 | |
| Workers' Compensation Insurance | | 5,569 | |
| Tax Relief Program | | <u>435,227</u> | |
| Total Other General Administration | | | 1,667,435 |

Preservation of Records

| | | | |
|---|----|--------|--|
| Assistant(s) | \$ | 59,594 | |
| Supervisor/Director | | 72,134 | |
| Part-time Personnel | | 49 | |
| Social Security | | 7,899 | |
| Pensions | | 14,310 | |
| Employee and Dependent Insurance | | 25,111 | |
| Employer Medicare | | 1,847 | |
| Janitorial Services | | 2,095 | |
| Maintenance Agreements | | 3,567 | |
| Maintenance and Repair Services - Buildings | | 322 | |
| Pest Control | | 284 | |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Postal Charges | \$ | 25 | |
| Travel | | 1,252 | |
| Tuition | | 85 | |
| Custodial Supplies | | 152 | |
| Electricity | | 12,262 | |
| Office Supplies | | 12,501 | |
| Water and Sewer | | 637 | |
| Workers' Compensation Insurance | | 228 | |
| Building Improvements | | 8,450 | |
| Total Preservation of Records | | | \$ 222,804 |

Finance

Accounting and Budgeting

| | | | |
|----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 103,724 | |
| Accountants/Bookkeepers | | 295,709 | |
| Social Security | | 23,481 | |
| Pensions | | 39,682 | |
| Employee and Dependent Insurance | | 110,783 | |
| Employer Medicare | | 5,491 | |
| Accounting Services | | 270 | |
| Communication | | 1,406 | |
| Contracts with Private Agencies | | 21,728 | |
| Data Processing Services | | 7,528 | |
| Dues and Memberships | | 670 | |
| Maintenance Agreements | | 2,449 | |
| Internet Connectivity | | 816 | |
| Rentals | | 633 | |
| Duplicating Supplies | | 620 | |
| Office Supplies | | 1,303 | |
| Workers' Compensation Insurance | | 570 | |
| Data Processing Equipment | | 616 | |
| Furniture and Fixtures | | 159 | |
| Office Equipment | | 258 | |
| Total Accounting and Budgeting | | | 617,896 |

Purchasing

| | | | |
|---|----|--------|--|
| Supervisor/Director | \$ | 73,482 | |
| Purchasing Personnel | | 61,196 | |
| Social Security | | 7,934 | |
| Pensions | | 14,035 | |
| Employee and Dependent Insurance | | 38,249 | |
| Life Insurance | | 2,425 | |
| Employer Medicare | | 1,856 | |
| Communication | | 563 | |
| Legal Notices, Recording, and Court Costs | | 3,108 | |
| Maintenance Agreements | | 459 | |
| Postal Charges | | 377 | |

(Continued)

Exhibit K-10

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

General Fund (Cont.)Finance (Cont.)Purchasing (Cont.)

| | | | |
|---------------------------------|----|-----|------------|
| Internet Connectivity | \$ | 480 | |
| Duplicating Supplies | | 255 | |
| Office Supplies | | 957 | |
| Workers' Compensation Insurance | | 342 | |
| Total Purchasing | | | \$ 205,718 |

Property Assessor's Office

| | | | |
|---|----|---------|---------|
| County Official/Administrative Officer | \$ | 101,970 | |
| Deputy(ies) | | 106,293 | |
| Social Security | | 12,543 | |
| Pensions | | 25,009 | |
| Employee and Dependent Insurance | | 39,000 | |
| Life Insurance | | 5,000 | |
| Employer Medicare | | 2,933 | |
| Contracts with Private Agencies | | 1,061 | |
| Data Processing Services | | 33,461 | |
| Dues and Memberships | | 2,585 | |
| Legal Notices, Recording, and Court Costs | | 224 | |
| Licenses | | 50 | |
| Maintenance Agreements | | 4,995 | |
| Postal Charges | | 3,061 | |
| Printing, Stationery, and Forms | | 834 | |
| Rentals | | 900 | |
| Travel | | 686 | |
| Tuition | | 765 | |
| Data Processing Supplies | | 906 | |
| Food Supplies | | 617 | |
| Gasoline | | 621 | |
| Office Supplies | | 26 | |
| Vehicle Parts | | 120 | |
| Premiums on Corporate Surety Bonds | | 100 | |
| Vehicle and Equipment Insurance | | 370 | |
| Workers' Compensation Insurance | | 3,254 | |
| Total Property Assessor's Office | | | 347,384 |

Reappraisal Program

| | | | |
|----------------------------------|----|---------|--|
| Deputy(ies) | \$ | 381,848 | |
| Social Security | | 22,500 | |
| Pensions | | 42,349 | |
| Employee and Dependent Insurance | | 112,115 | |
| Employer Medicare | | 5,262 | |
| Other Fringe Benefits | | 759 | |
| Accounting Services | | 66,830 | |
| Contracts with Private Agencies | | 690 | |
| Data Processing Services | | 11,881 | |
| Licenses | | 26 | |
| Maintenance Agreements | | 324 | |

(Continued)

Exhibit K-10

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program (Cont.)

| | | | |
|--|----|--------|------------|
| Maintenance and Repair Services - Vehicles | \$ | 670 | |
| Postal Charges | | 6,592 | |
| Printing, Stationery, and Forms | | 942 | |
| Data Processing Supplies | | 6,449 | |
| Gasoline | | 6,156 | |
| Office Supplies | | 5,969 | |
| Periodicals | | 234 | |
| Tires and Tubes | | 1,204 | |
| Vehicle Parts | | 1,108 | |
| Vehicle and Equipment Insurance | | 2,669 | |
| Workers' Compensation Insurance | | 6,095 | |
| Data Processing Equipment | | 31,137 | |
| Motor Vehicles | | 30,050 | |
| Total Reappraisal Program | | | \$ 743,859 |

County Trustee's Office

| | | | |
|---|----|---------|---------|
| County Official/Administrative Officer | \$ | 107,968 | |
| Deputy(ies) | | 188,244 | |
| Salary Supplements | | 3,500 | |
| Temporary Personnel | | 45,868 | |
| Social Security | | 20,421 | |
| Pensions | | 36,055 | |
| Employee and Dependent Insurance | | 58,985 | |
| Employer Medicare | | 4,776 | |
| Communication | | 169 | |
| Consultants | | 12,000 | |
| Contracts with Private Agencies | | 715 | |
| Data Processing Services | | 29,411 | |
| Dues and Memberships | | 1,088 | |
| Legal Notices, Recording, and Court Costs | | 849 | |
| Maintenance Agreements | | 28,268 | |
| Maintenance and Repair Services - Buildings | | 591 | |
| Postal Charges | | 4,033 | |
| Internet Connectivity | | 1,830 | |
| Rentals | | 8,332 | |
| Travel | | 3,019 | |
| Tuition | | 485 | |
| Duplicating Supplies | | 312 | |
| Electricity | | 1,701 | |
| Natural Gas | | 1,008 | |
| Office Supplies | | 4,482 | |
| Premiums on Corporate Surety Bonds | | 39,048 | |
| Workers' Compensation Insurance | | 718 | |
| Office Equipment | | 798 | |
| Total County Trustee's Office | | | 604,674 |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

| | | | |
|---|----|---------|--------------|
| County Official/Administrative Officer | \$ | 107,968 | |
| Deputy(ies) | | 494,907 | |
| Social Security | | 35,083 | |
| Pensions | | 66,024 | |
| Employee and Dependent Insurance | | 172,915 | |
| Life Insurance | | 2,949 | |
| Employer Medicare | | 8,205 | |
| Other Fringe Benefits | | 174 | |
| Communication | | 223 | |
| Contracts with Private Agencies | | 1,552 | |
| Dues and Memberships | | 1,103 | |
| Janitorial Services | | 2,695 | |
| Maintenance Agreements | | 35,646 | |
| Maintenance and Repair Services - Buildings | | 1,373 | |
| Postal Charges | | 98,999 | |
| Internet Connectivity | | 1,830 | |
| Rentals | | 9,152 | |
| Travel | | 4,364 | |
| Tuition | | 100 | |
| Data Processing Supplies | | 4,621 | |
| Duplicating Supplies | | 3,004 | |
| Electricity | | 2,043 | |
| Natural Gas | | 1,008 | |
| Office Supplies | | 11,174 | |
| Workers' Compensation Insurance | | 1,287 | |
| Data Processing Equipment | | 26,144 | |
| Other Capital Outlay | | 5,012 | |
| Total County Clerk's Office | | | \$ 1,099,555 |

Administration of Justice

Circuit Court

| | | | |
|--|----|-----------|--|
| County Official/Administrative Officer | \$ | 118,765 | |
| Deputy(ies) | | 1,278,528 | |
| Part-time Personnel | | 16,444 | |
| Overtime Pay | | 11,383 | |
| Social Security | | 83,178 | |
| Pensions | | 139,115 | |
| Employee and Dependent Insurance | | 476,496 | |
| Life Insurance | | 4,850 | |
| Employer Medicare | | 19,453 | |
| Other Fringe Benefits | | 39 | |
| Communication | | 52 | |
| Contracts with Private Agencies | | 2,144 | |
| Dues and Memberships | | 1,128 | |
| Licenses | | 50 | |
| Maintenance Agreements | | 69,891 | |
| Postal Charges | | 15,057 | |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

| | | | |
|------------------------------------|----|--------|--------------|
| Printing, Stationery, and Forms | \$ | 6,960 | |
| Rentals | | 5,147 | |
| Travel | | 2,793 | |
| Tuition | | 765 | |
| Data Processing Supplies | | 9,184 | |
| Duplicating Supplies | | 4,677 | |
| Office Supplies | | 13,624 | |
| Periodicals | | 573 | |
| Other Supplies and Materials | | 242 | |
| Premiums on Corporate Surety Bonds | | 100 | |
| Refunds | | 16,250 | |
| Workers' Compensation Insurance | | 2,769 | |
| Liability Claims | | 1,000 | |
| Data Processing Equipment | | 17,185 | |
| Furniture and Fixtures | | 1,898 | |
| Total Circuit Court | | | \$ 2,319,740 |

General Sessions Judge

| | | | |
|-----------------------------------|----|---------|---------|
| Judge(s) | \$ | 552,920 | |
| Part-time Personnel | | 5,962 | |
| Social Security | | 29,944 | |
| Pensions | | 66,516 | |
| Employee and Dependent Insurance | | 57,358 | |
| Employer Medicare | | 7,940 | |
| Other Fringe Benefits | | 21 | |
| Dues and Memberships | | 2,443 | |
| Licenses | | 1,562 | |
| Travel | | 8,363 | |
| Tuition | | 767 | |
| Other Contracted Services | | 225 | |
| Office Supplies | | 1,027 | |
| Periodicals | | 719 | |
| Workers' Compensation Insurance | | 1,025 | |
| Fines, Assessments, and Penalties | | 3 | |
| Total General Sessions Judge | | | 736,795 |

Drug Court

| | | | |
|----------------------------------|----|--------|--|
| Social Workers | \$ | 42,157 | |
| Social Security | | 2,516 | |
| Pensions | | 5,071 | |
| Employee and Dependent Insurance | | 8,006 | |
| Employer Medicare | | 588 | |
| Contracts with Private Agencies | | 35,024 | |
| Travel | | 16,511 | |
| Tuition | | 3,920 | |
| Drugs and Medical Supplies | | 3,362 | |
| Office Supplies | | 2,348 | |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

| | | | |
|---------------------------------|----|-----------|------------|
| Other Supplies and Materials | \$ | 13,640 | |
| Workers' Compensation Insurance | | <u>57</u> | |
| Total Drug Court | | | \$ 133,200 |

Chancery Court

| | | | |
|---|----|------------|---------|
| County Official/Administrative Officer | \$ | 118,765 | |
| Deputy(ies) | | 383,904 | |
| Part-time Personnel | | 3,038 | |
| Social Security | | 30,082 | |
| Pensions | | 60,471 | |
| Employee and Dependent Insurance | | 121,732 | |
| Employer Medicare | | 7,035 | |
| Communication | | 637 | |
| Contracts with Private Agencies | | 496 | |
| Dues and Memberships | | 903 | |
| Legal Notices, Recording, and Court Costs | | 39,970 | |
| Maintenance Agreements | | 58,438 | |
| Postal Charges | | 3,880 | |
| Rentals | | 4,450 | |
| Data Processing Supplies | | 796 | |
| Duplicating Supplies | | 1,195 | |
| Office Supplies | | 9,600 | |
| Periodicals | | 1,716 | |
| Workers' Compensation Insurance | | 946 | |
| Liability Claims | | <u>500</u> | |
| Total Chancery Court | | | 848,554 |

District Attorney General

| | | | |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 69,882 | |
| Total District Attorney General | | | 69,882 |

Other Administration of Justice

| | | | |
|---|----|------------|---------|
| Part-time Personnel | \$ | 30,073 | |
| Jury and Witness Expense | | 15,094 | |
| Social Security | | 1,807 | |
| Employee and Dependent Insurance | | 5,287 | |
| Employer Medicare | | 423 | |
| Contracts with Private Agencies | | 2,574 | |
| Evaluation and Testing | | 8,092 | |
| Legal Notices, Recording, and Court Costs | | 94,832 | |
| Food Supplies | | 174 | |
| Workers' Compensation Insurance | | <u>114</u> | |
| Total Other Administration of Justice | | | 158,470 |

Courtroom Security

| | | | |
|-------------|----|---------|--|
| Deputy(ies) | \$ | 422,032 | |
| Sergeant(s) | | 63,184 | |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

| | | | |
|----------------------------------|----|---------|------------|
| Salary Supplements | \$ | 5,600 | |
| Overtime Pay | | 31,265 | |
| Social Security | | 30,838 | |
| Pensions | | 57,966 | |
| Employee and Dependent Insurance | | 136,761 | |
| Employer Medicare | | 7,212 | |
| Other Fringe Benefits | | 483 | |
| Workers' Compensation Insurance | | 12,717 | |
| Total Courtroom Security | | | \$ 768,058 |

Victim Assistance Programs

| | | | |
|----------------------------------|----|--------|--------|
| Contributions | \$ | 52,973 | |
| Total Victim Assistance Programs | | | 52,973 |

Public Safety

Sheriff's Department

| | | | |
|---|----|-----------|--|
| County Official/Administrative Officer | \$ | 143,706 | |
| Deputy(ies) | | 2,995,738 | |
| Lieutenant(s) | | 814,631 | |
| Sergeant(s) | | 593,580 | |
| Salary Supplements | | 67,200 | |
| Part-time Personnel | | 57,775 | |
| Overtime Pay | | 173,585 | |
| Bonus Payments | | 5,000 | |
| Other Salaries and Wages | | 1,338,248 | |
| Social Security | | 365,286 | |
| Pensions | | 699,653 | |
| Employee and Dependent Insurance | | 1,585,141 | |
| Life Insurance | | 5,890 | |
| Employer Medicare | | 85,430 | |
| Other Fringe Benefits | | 14,069 | |
| Advertising | | 423 | |
| Communication | | 83,837 | |
| Contracts with Government Agencies | | 23,014 | |
| Contracts with Private Agencies | | 13,975 | |
| Confidential Drug Enforcement Payments | | 3,500 | |
| Dues and Memberships | | 4,480 | |
| Evaluation and Testing | | 3,250 | |
| Freight Expenses | | 1,527 | |
| Licenses | | 431 | |
| Maintenance Agreements | | 190,836 | |
| Maintenance and Repair Services - Buildings | | 255 | |
| Maintenance and Repair Services - Equipment | | 3,687 | |
| Maintenance and Repair Services - Vehicles | | 26,419 | |
| Medical and Dental Services | | 16,535 | |
| Postal Charges | | 2,892 | |
| Printing, Stationery, and Forms | | 4,541 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | | |
|--------------------------------------|----|---------|---------------|
| Rentals | \$ | 26,852 | |
| Towing Services | | 450 | |
| Travel | | 25,669 | |
| Tuition | | 24,092 | |
| Veterinary Services | | 13,349 | |
| Animal Food and Supplies | | 6,076 | |
| Data Processing Supplies | | 19,951 | |
| Duplicating Supplies | | 805 | |
| Garage Supplies | | 13,003 | |
| Gasoline | | 300,508 | |
| Instructional Supplies and Materials | | 521 | |
| Law Enforcement Supplies | | 89,248 | |
| Lubricants | | 5,922 | |
| Office Supplies | | 8,537 | |
| Periodicals | | 2,249 | |
| Tires and Tubes | | 45,646 | |
| Uniforms | | 107,805 | |
| Utilities | | 48 | |
| Vehicle Parts | | 101,514 | |
| Other Supplies and Materials | | 22,933 | |
| Building and Contents Insurance | | 197 | |
| Liability Insurance | | 159,799 | |
| Premiums on Corporate Surety Bonds | | 50 | |
| Refunds | | 948 | |
| Vehicle and Equipment Insurance | | 78,109 | |
| Workers' Compensation Insurance | | 122,628 | |
| Other Charges | | 4,646 | |
| Data Processing Equipment | | 9,861 | |
| Furniture and Fixtures | | 15,517 | |
| Law Enforcement Equipment | | 54,411 | |
| Motor Vehicles | | 316,989 | |
| Other Equipment | | 48 | |
| Total Sheriff's Department | | | \$ 10,902,915 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|-------|-------|
| Remittance of Revenue Collected | \$ | 2,500 | |
| Total Administration of the Sexual Offender Registry | | | 2,500 |

Jail

| | | | |
|--------------------------|----|-----------|--|
| Deputy(ies) | \$ | 3,428,203 | |
| Lieutenant(s) | | 725,315 | |
| Sergeant(s) | | 239,208 | |
| Part-time Personnel | | 27,801 | |
| Overtime Pay | | 223,542 | |
| Bonus Payments | | 3,000 | |
| Other Salaries and Wages | | 761,174 | |
| Social Security | | 322,218 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | |
|---|------------|---------------|
| Pensions | \$ 471,802 | |
| Employee and Dependent Insurance | 1,091,536 | |
| Life Insurance | 5,450 | |
| Employer Medicare | 75,358 | |
| Other Fringe Benefits | 1,437 | |
| Accounting Services | 17,545 | |
| Advertising | 1,035 | |
| Communication | 4,626 | |
| Contracts with Other Public Agencies | 30,000 | |
| Contracts with Private Agencies | 2,336,861 | |
| Licenses | 25 | |
| Maintenance Agreements | 203,644 | |
| Maintenance and Repair Services - Buildings | 2,351 | |
| Maintenance and Repair Services - Equipment | 4,476 | |
| Medical and Dental Services | 37,179 | |
| Pest Control | 4,750 | |
| Printing, Stationery, and Forms | 1,787 | |
| Internet Connectivity | 1,822 | |
| Rentals | 13,637 | |
| Transportation - Other than Students | 1,153 | |
| Travel | 8,688 | |
| Tuition | 10,393 | |
| Disposal Fees | 9,756 | |
| Custodial Supplies | 110,286 | |
| Data Processing Supplies | 12,637 | |
| Diesel Fuel | 1,172 | |
| Duplicating Supplies | 5,846 | |
| Electricity | 290,852 | |
| Equipment and Machinery Parts | 520 | |
| Food Preparation Supplies | 25,036 | |
| Food Supplies | 1,027,069 | |
| Law Enforcement Supplies | 10,566 | |
| Natural Gas | 152,148 | |
| Office Supplies | 11,931 | |
| Prisoners Clothing | 13,199 | |
| Uniforms | 36,079 | |
| Water and Sewer | 164,940 | |
| Other Supplies and Materials | 116,760 | |
| Building and Contents Insurance | 70,625 | |
| Premiums on Corporate Surety Bonds | 50 | |
| Workers' Compensation Insurance | 119,540 | |
| Liability Claims | 1,000 | |
| Building Improvements | 72,860 | |
| Data Processing Equipment | 7,565 | |
| Furniture and Fixtures | 3,970 | |
| Law Enforcement Equipment | 9,949 | |
| Other Equipment | 37 | |
| Total Jail | | \$ 12,330,409 |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

| | | | |
|--------------------------------------|----|---------|------------|
| Supervisor/Director | \$ | 57,971 | |
| Youth Service Officer(s) | | 117,439 | |
| Social Security | | 10,651 | |
| Pensions | | 19,332 | |
| Employee and Dependent Insurance | | 26,637 | |
| Employer Medicare | | 2,491 | |
| Communication | | 2,285 | |
| Contracts with Government Agencies | | 4,500 | |
| Contracts with Other Public Agencies | | 250,387 | |
| Contracts with Private Agencies | | 296 | |
| Dues and Memberships | | 160 | |
| Maintenance Agreements | | 1,623 | |
| Postal Charges | | 1,086 | |
| Rentals | | 903 | |
| Travel | | 4,551 | |
| Tuition | | 320 | |
| Duplicating Supplies | | 294 | |
| Office Supplies | | 2,015 | |
| Workers' Compensation Insurance | | 3,467 | |
| Fines, Assessments, and Penalties | | 14 | |
| Total Juvenile Services | | | \$ 506,422 |

Work Release Program

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 6,300 | |
| Social Security | | 391 | |
| Employer Medicare | | 91 | |
| Total Work Release Program | | | 6,782 |

Fire Prevention and Control

| | | | |
|-----------------------------------|----|-----------|-----------|
| Contributions | \$ | 1,011,000 | |
| Total Fire Prevention and Control | | | 1,011,000 |

Civil Defense

| | | | |
|--|----|--------|--|
| Supervisor/Director | \$ | 71,379 | |
| Other Salaries and Wages | | 68,842 | |
| Social Security | | 8,386 | |
| Pensions | | 14,763 | |
| Employee and Dependent Insurance | | 39,940 | |
| Employer Medicare | | 1,961 | |
| Other Fringe Benefits | | 192 | |
| Communication | | 2,563 | |
| Dues and Memberships | | 110 | |
| Licenses | | 51 | |
| Maintenance Agreements | | 4,240 | |
| Maintenance and Repair Services - Office Equipment | | 148 | |
| Postal Charges | | 55 | |
| Printing, Stationery, and Forms | | 388 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

| | | | |
|-----------------------------------|----|-------|------------|
| Internet Connectivity | \$ | 3,888 | |
| Rentals | | 217 | |
| Travel | | 1,942 | |
| Tuition | | 1,305 | |
| Custodial Supplies | | 212 | |
| Data Processing Supplies | | 958 | |
| Food Supplies | | 495 | |
| Gasoline | | 4,131 | |
| Office Supplies | | 90 | |
| Small Tools | | 2,241 | |
| Uniforms | | 1,430 | |
| Software | | 827 | |
| Other Supplies and Materials | | 113 | |
| Building and Contents Insurance | | 138 | |
| Liability Insurance | | 344 | |
| Vehicle and Equipment Insurance | | 1,868 | |
| Workers' Compensation Insurance | | 1,350 | |
| Fines, Assessments, and Penalties | | 6 | |
| Data Processing Equipment | | 600 | |
| Total Civil Defense | | | \$ 235,173 |

Rescue Squad

| | | | |
|--------------------|----|--------|--------|
| Contributions | \$ | 87,700 | |
| Total Rescue Squad | | | 87,700 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|---------|---------|
| Contracts with Government Agencies | \$ | 295,838 | |
| Total County Coroner/Medical Examiner | | | 295,838 |

Other Public Safety

| | | | |
|---------------------------|----|-----------|-----------|
| Supervisor/Director | \$ | 6,906 | |
| Social Security | | 428 | |
| Pensions | | 831 | |
| Employer Medicare | | 100 | |
| Contributions | | 1,085,000 | |
| Total Other Public Safety | | | 1,093,265 |

Public Health and Welfare

Local Health Center

| | | | |
|----------------------------------|----|---------|--|
| Medical Personnel | \$ | 235,935 | |
| Clerical Personnel | | 375,523 | |
| Custodial Personnel | | 23,055 | |
| Part-time Personnel | | 15,638 | |
| Other Salaries and Wages | | 283,704 | |
| Social Security | | 55,169 | |
| Pensions | | 106,260 | |
| Employee and Dependent Insurance | | 270,558 | |

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | | |
|---|----|--------|--------------|
| Employer Medicare | \$ | 12,902 | |
| Communication | | 12,781 | |
| Contracts with Government Agencies | | 17,400 | |
| Contracts with Private Agencies | | 3,166 | |
| Janitorial Services | | 8,150 | |
| Lease/SBITA Payments | | 19,141 | |
| Licenses | | 25 | |
| Maintenance Agreements | | 24,903 | |
| Maintenance and Repair Services - Buildings | | 6,095 | |
| Maintenance and Repair Services - Equipment | | 26,546 | |
| Pest Control | | 560 | |
| Postal Charges | | 2,250 | |
| Rentals | | 9,431 | |
| Travel | | 2,614 | |
| Tuition | | 510 | |
| Permits | | 165 | |
| Other Contracted Services | | 87,421 | |
| Custodial Supplies | | 1,927 | |
| Drugs and Medical Supplies | | 9,456 | |
| Electricity | | 56,455 | |
| Natural Gas | | 2,187 | |
| Office Supplies | | 1,507 | |
| Water and Sewer | | 12,365 | |
| Other Supplies and Materials | | 4,990 | |
| Building and Contents Insurance | | 11,140 | |
| Liability Insurance | | 6,030 | |
| Premiums on Corporate Surety Bonds | | 50 | |
| Workers' Compensation Insurance | | 1,564 | |
| Fines, Assessments, and Penalties | | 284 | |
| Furniture and Fixtures | | 2,671 | |
| Heating and Air Conditioning Equipment | | 12,010 | |
| Total Local Health Center | | | \$ 1,722,538 |

Rabies and Animal Control

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

Ambulance/Emergency Medical Services

| | | | |
|--|----|-----------|-----------|
| Contributions | \$ | 2,021,753 | |
| Total Ambulance/Emergency Medical Services | | | 2,021,753 |

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|-----------|-----------|
| Contributions | \$ | 3,940,000 | |
| Total Alcohol and Drug Programs | | | 3,940,000 |

Regional Mental Health Center

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

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

| | | |
|----------------------------------|-----------|-----------|
| Pauper Burials | \$ 22,200 | |
| Total General Welfare Assistance | | \$ 22,200 |

Sanitation Education/Information

| | | |
|--|-----------|--------|
| Other Salaries and Wages | \$ 35,920 | |
| Social Security | 2,098 | |
| Pensions | 4,321 | |
| Employee and Dependent Insurance | 14,814 | |
| Employer Medicare | 491 | |
| Advertising | 26,843 | |
| Other Contracted Services | 510 | |
| Other Supplies and Materials | 8,718 | |
| Workers' Compensation Insurance | 554 | |
| Total Sanitation Education/Information | | 94,269 |

Social, Cultural, and Recreational Services

Adult Activities

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

Libraries

| | | |
|---|-----------|--|
| Assistant(s) | \$ 82,830 | |
| Supervisor/Director | 60,219 | |
| Deputy(ies) | 174,896 | |
| Custodial Personnel | 6,846 | |
| Part-time Personnel | 119,824 | |
| Social Security | 26,787 | |
| Pensions | 33,401 | |
| Employee and Dependent Insurance | 68,771 | |
| Employer Medicare | 6,264 | |
| Communication | 2,152 | |
| Contracts with Private Agencies | 11,498 | |
| Contributions | 127,000 | |
| Data Processing Services | 1,830 | |
| Licenses | 1,803 | |
| Maintenance Agreements | 16,936 | |
| Maintenance and Repair Services - Buildings | 4,773 | |
| Pest Control | 680 | |
| Postal Charges | 51 | |
| Internet Connectivity | 4,068 | |
| Rentals | 4,125 | |
| Tuition | 20 | |
| Disposal Fees | 30 | |
| Custodial Supplies | 4,375 | |
| Data Processing Supplies | 12,389 | |
| Electricity | 18,988 | |
| Library Books/Media | 72,757 | |

(Continued)

Exhibit K-10

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

| | | | |
|---------------------------------|----|-------|------------|
| Natural Gas | \$ | 1,756 | |
| Office Supplies | | 3,891 | |
| Periodicals | | 3,737 | |
| Water and Sewer | | 2,031 | |
| Software | | 1,552 | |
| Other Supplies and Materials | | 8,223 | |
| Building and Contents Insurance | | 2,940 | |
| Liability Insurance | | 2,295 | |
| Workers' Compensation Insurance | | 797 | |
| Other Charges | | 568 | |
| Data Processing Equipment | | 5,330 | |
| Furniture and Fixtures | | 2,201 | |
| Total Libraries | | | \$ 898,634 |

Other Social, Cultural, and Recreational

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

Agriculture and Natural ResourcesAgricultural Extension Service

| | | | |
|---|----|---------|---------|
| Contracts with Government Agencies | \$ | 445,180 | |
| Contracts with Private Agencies | | 670 | |
| Dues and Memberships | | 735 | |
| Janitorial Services | | 1,905 | |
| Maintenance Agreements | | 517 | |
| Maintenance and Repair Services - Buildings | | 1,434 | |
| Pest Control | | 550 | |
| Internet Connectivity | | 2,871 | |
| Rentals | | 5,320 | |
| Travel | | 12,448 | |
| Custodial Supplies | | 942 | |
| Data Processing Supplies | | 2,042 | |
| Electricity | | 2,859 | |
| General Construction Materials | | 154 | |
| Natural Gas | | 937 | |
| Office Supplies | | 3,793 | |
| Water and Sewer | | 994 | |
| Other Supplies and Materials | | 2,980 | |
| Building and Contents Insurance | | 611 | |
| Vehicle and Equipment Insurance | | 12 | |
| Fines, Assessments, and Penalties | | 26 | |
| Data Processing Equipment | | 1,820 | |
| Total Agricultural Extension Service | | | 488,800 |

Forest Service

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

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

| | | | |
|----------------------------------|----|---------|------------|
| Other Salaries and Wages | \$ | 132,835 | |
| Social Security | | 7,855 | |
| Pensions | | 15,980 | |
| Employee and Dependent Insurance | | 21,035 | |
| Employer Medicare | | 1,837 | |
| Workers' Compensation Insurance | | 2,216 | |
| Total Soil Conservation | | | \$ 181,758 |

Storm Water Management

| | | | |
|---------------------------------|----|--------|--------|
| Contracts with Private Agencies | \$ | 25,967 | |
| Engineering Services | | 23,203 | |
| Licenses | | 3,460 | |
| Total Storm Water Management | | | 52,630 |

Other Agriculture and Natural Resources

| | | | |
|---|----|-------|-------|
| Contributions | \$ | 2,500 | |
| Other Charges | | 2,500 | |
| Total Other Agriculture and Natural Resources | | | 5,000 |

Other Operations

Tourism

| | | | |
|---------------|----|--------|--------|
| Contributions | \$ | 10,000 | |
| Total Tourism | | | 10,000 |

Other Economic and Community Development

| | | | |
|--|----|---------|-----------|
| Contracts with Government Agencies | \$ | 499,317 | |
| Contributions | | 190,615 | |
| Other Charges | | 2,808 | |
| Site Development | | 479,320 | |
| Total Other Economic and Community Development | | | 1,172,060 |

Airport

| | | | |
|----------------------------------|----|--------|--------|
| Contributions | \$ | 19,987 | |
| Nonexchange Financial Guarantees | | 24,468 | |
| Total Airport | | | 44,455 |

Veterans' Services

| | | | |
|---------------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 35,205 | |
| Social Security | | 2,153 | |
| Pensions | | 2,267 | |
| Employer Medicare | | 503 | |
| Communication | | 914 | |
| Contracts with Private Agencies | | 219 | |
| Data Processing Services | | 931 | |
| Dues and Memberships | | 25 | |
| Postal Charges | | 59 | |
| Travel | | 2,027 | |

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

| | | |
|---------------------------------|-----------|------------|
| Other Contracted Services | \$ 53,784 | |
| Office Supplies | 2,198 | |
| Workers' Compensation Insurance | 972 | |
| Communication Equipment | 30 | |
| Data Processing Equipment | 1,936 | |
| Total Veterans' Services | | \$ 103,223 |

Contributions to Other Agencies

| | | |
|---------------------------------------|-----------|--------|
| Contributions | \$ 40,500 | |
| Total Contributions to Other Agencies | | 40,500 |

COVID-19 Grant #8

| | | |
|--------------------------|-----------|--------|
| Law Enforcement Supplies | \$ 36,307 | |
| Total COVID-19 Grant #8 | | 36,307 |

Principal on Debt

General Government

| | | |
|--------------------------|-----------|--------|
| Principal on Leases | \$ 73,697 | |
| Total General Government | | 73,697 |

Interest on Debt

General Government

| | | |
|--------------------------|-----------|--------|
| Interest on Leases | \$ 14,551 | |
| Total General Government | | 14,551 |

Capital Projects - Donated

Capital Projects Donated to Other Entities

| | | |
|--|------------|---------|
| Other Capital Outlay | \$ 134,443 | |
| Total Capital Projects Donated to Other Entities | | 134,443 |

Total General Fund \$ 52,680,029

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

| | |
|---|-----------|
| Supervisor/Director | \$ 60,954 |
| Foremen | 6,409 |
| Truck Drivers | 138,900 |
| Attendants | 370,295 |
| Part-time Personnel | 70,346 |
| Social Security | 38,212 |
| Handling Charges and Administrative Costs | 115 |
| Pensions | 62,491 |
| Employee and Dependent Insurance | 185,641 |
| Life Insurance | 1,090 |
| Employer Medicare | 8,936 |
| Communication | 2,937 |

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

| | | | |
|---|----|---------|--------------|
| Contracts with Private Agencies | \$ | 336 | |
| Dues and Memberships | | 100 | |
| Maintenance and Repair Services - Equipment | | 33,634 | |
| Maintenance and Repair Services - Vehicles | | 18,906 | |
| Medical and Dental Services | | 70 | |
| Postal Charges | | 68 | |
| Internet Connectivity | | 2,526 | |
| Rentals | | 22,067 | |
| Towing Services | | 75 | |
| Travel | | 359 | |
| Tuition | | 100 | |
| Disposal Fees | | 331,181 | |
| Custodial Supplies | | 504 | |
| Diesel Fuel | | 83,911 | |
| Electricity | | 10,139 | |
| Equipment and Machinery Parts | | 14,526 | |
| Garage Supplies | | 1,365 | |
| Gasoline | | 9,336 | |
| General Construction Materials | | 1,287 | |
| Instructional Supplies and Materials | | 800 | |
| Lubricants | | 3,331 | |
| Office Supplies | | 147 | |
| Propane Gas | | 805 | |
| Small Tools | | 1,518 | |
| Tires and Tubes | | 24,778 | |
| Uniforms | | 345 | |
| Vehicle Parts | | 1,937 | |
| Water and Sewer | | 1,808 | |
| Wire | | 6,621 | |
| Other Supplies and Materials | | 4,107 | |
| Building and Contents Insurance | | 1,214 | |
| Liability Insurance | | 3,838 | |
| Trustee's Commission | | 27,166 | |
| Vehicle and Equipment Insurance | | 9,673 | |
| Workers' Compensation Insurance | | 20,530 | |
| Liability Claims | | 1,000 | |
| Solid Waste Equipment | | 22,581 | |
| Total Convenience Centers | | | \$ 1,609,015 |

Other Waste Disposal

| | | |
|---------------------------------|----|--------|
| Attendants | \$ | 30,688 |
| Social Security | | 1,903 |
| Pensions | | 3,692 |
| Employer Medicare | | 445 |
| Contracts with Private Agencies | | 83,634 |
| Licenses | | 25 |
| Permits | | 375 |

(Continued)

Exhibit K-10

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Other Waste Disposal (Cont.)

| | | | |
|----------------------------|----|-------|------------|
| Electricity | \$ | 1,007 | |
| Water and Sewer | | 155 | |
| Total Other Waste Disposal | | | \$ 121,924 |

Total Solid Waste/Sanitation Fund \$ 1,730,939

Drug Control FundPublic SafetyDrug Enforcement

| | | | |
|--|----|--------|-----------|
| Contracts with Private Agencies | \$ | 4,613 | |
| Confidential Drug Enforcement Payments | | 10,000 | |
| Dues and Memberships | | 165 | |
| Licenses | | 120 | |
| Rentals | | 459 | |
| Travel | | 4,376 | |
| Law Enforcement Supplies | | 7,899 | |
| Other Supplies and Materials | | 7,544 | |
| Trustee's Commission | | 206 | |
| Data Processing Equipment | | 4,918 | |
| Law Enforcement Equipment | | 225 | |
| Total Drug Enforcement | | | \$ 40,525 |

Total Drug Control Fund 40,525

Other General Government Special Revenue FundOther OperationsAmerican Rescue Plan Act Grant #1

| | | | |
|---|----|-----------|--------------|
| Contributions | \$ | 3,582,523 | |
| Other Equipment | | 99,946 | |
| Other Capital Outlay | | 2,827,031 | |
| Total American Rescue Plan Act Grant #1 | | | \$ 6,509,500 |

American Rescue Plan Act Grant #2

| | | | |
|---|----|--------|--------|
| Contracts with Other Public Agencies | \$ | 19,519 | |
| Total American Rescue Plan Act Grant #2 | | | 19,519 |

Total Other General Government Special Revenue Fund 6,529,019

Other Special Revenue FundOther OperationsOther Economic and Community Development

| | | | |
|--|----|---------|------------|
| Contributions | \$ | 100,000 | |
| Total Other Economic and Community Development | | | \$ 100,000 |

Total Other Special Revenue Fund 100,000

(Continued)

Exhibit K-10

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

Constitutional Officers - Fees FundAdministration of JusticeCircuit Court

| | | |
|---|----------|----------|
| Constitutional Officers' Operating Expenses | \$ 1,242 | |
| Total Circuit Court | | \$ 1,242 |

General Sessions Court

| | | |
|---|----------|-------|
| Constitutional Officers' Operating Expenses | \$ 6,398 | |
| Total General Sessions Court | | 6,398 |

Public SafetySheriff's Department

| | | |
|---|-------|----|
| Constitutional Officers' Operating Expenses | \$ 72 | |
| Total Sheriff's Department | | 72 |

| | | |
|---|--|----------|
| Total Constitutional Officers - Fees Fund | | \$ 7,712 |
|---|--|----------|

Highway/Public Works FundHighwaysAdministration

| | |
|---|------------|
| County Official/Administrative Officer | \$ 130,642 |
| Assistant(s) | 85,738 |
| Computer Programmer(s) | 46,395 |
| Secretary(ies) | 95,006 |
| Other Salaries and Wages | 9,900 |
| Social Security | 22,243 |
| Handling Charges and Administrative Costs | 413 |
| Pensions | 42,194 |
| Employee and Dependent Insurance | 47,717 |
| Life Insurance | 11,148 |
| Unemployment Compensation | 532 |
| Employer Medicare | 5,202 |
| Other Fringe Benefits | 294 |
| Advertising | 74 |
| Communication | 5,110 |
| Contracts with Private Agencies | 1,437 |
| Dues and Memberships | 4,907 |
| Evaluation and Testing | 6,715 |
| Freight Expenses | 10 |
| Janitorial Services | 5,400 |
| Legal Notices, Recording, and Court Costs | 177 |
| Licenses | 1,002 |
| Maintenance Agreements | 9,917 |
| Pest Control | 760 |
| Postal Charges | 116 |
| Printing, Stationery, and Forms | 462 |
| Internet Connectivity | 4,096 |
| Rentals | 1,230 |
| Travel | 2,656 |
| Tuition | 475 |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

| | | | |
|------------------------------------|----|---------|------------|
| Other Contracted Services | \$ | 480 | |
| Custodial Supplies | | 694 | |
| Data Processing Supplies | | 828 | |
| Electricity | | 3,752 | |
| General Construction Materials | | 178 | |
| Natural Gas | | 2,447 | |
| Office Supplies | | 470 | |
| Water and Sewer | | 956 | |
| Other Supplies and Materials | | 122 | |
| Building and Contents Insurance | | 6,997 | |
| Liability Insurance | | 13,058 | |
| Premiums on Corporate Surety Bonds | | 50 | |
| Trustee's Commission | | 136,692 | |
| Vehicle and Equipment Insurance | | 57,021 | |
| Workers' Compensation Insurance | | 112,535 | |
| Liability Claims | | 500 | |
| Fines, Assessments, and Penalties | | 14 | |
| Data Processing Equipment | | 4,194 | |
| Total Administration | | | \$ 882,956 |

Highway and Bridge Maintenance

| | | |
|---|----|---------|
| Supervisor/Director | \$ | 72,308 |
| Foremen | | 229,416 |
| Equipment Operators - Heavy | | 328,274 |
| Equipment Operators - Light | | 126,825 |
| Truck Drivers | | 354,116 |
| Laborers | | 288,107 |
| Overtime Pay | | 61 |
| Social Security | | 81,986 |
| Pensions | | 161,150 |
| Employee and Dependent Insurance | | 481,452 |
| Employer Medicare | | 19,174 |
| Other Fringe Benefits | | 102 |
| Communication | | 4,113 |
| Contracts with Private Agencies | | 7,325 |
| Engineering Services | | 3,500 |
| Maintenance and Repair Services - Buildings | | 8,750 |
| Internet Connectivity | | 1,378 |
| Rentals | | 390 |
| Permits | | 830 |
| Concrete | | 7,530 |
| Crushed Stone | | 38,112 |
| Diesel Fuel | | 122,177 |
| Electricity | | 17,073 |
| Equipment Parts - Light | | 1,104 |
| Fertilizer, Lime, and Seed | | 8,647 |
| Gasoline | | 91,767 |

(Continued)

Exhibit K-10

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

| | | | |
|--------------------------------------|----|--------|--------------|
| General Construction Materials | \$ | 6,438 | |
| Ice | | 111 | |
| Other Road Materials | | 86,902 | |
| Pipe - Metal | | 31,457 | |
| Salt | | 8,841 | |
| Small Tools | | 2,085 | |
| Uniforms | | 1,448 | |
| Water and Sewer | | 1,157 | |
| Fencing | | 956 | |
| Chemicals | | 7,592 | |
| Other Supplies and Materials | | 1,208 | |
| Total Highway and Bridge Maintenance | | | \$ 2,603,862 |

Operation and Maintenance of Equipment

| | | | |
|--|----|---------|---------|
| Materials Supervisor | \$ | 48,546 | |
| Foremen | | 158,689 | |
| Mechanic(s) | | 103,395 | |
| Social Security | | 18,381 | |
| Pensions | | 32,320 | |
| Employee and Dependent Insurance | | 67,118 | |
| Employer Medicare | | 4,299 | |
| Communication | | 1,558 | |
| Freight Expenses | | 3,980 | |
| Maintenance Agreements | | 3,178 | |
| Maintenance and Repair Services - Equipment | | 31,873 | |
| Maintenance and Repair Services - Vehicles | | 13,212 | |
| Internet Connectivity | | 496 | |
| Rentals | | 95 | |
| Towing Services | | 124 | |
| Custodial Supplies | | 6,063 | |
| Electricity | | 6,961 | |
| Equipment Parts - Heavy | | 84,826 | |
| Equipment Parts - Light | | 75,334 | |
| Equipment and Machinery Parts | | 77 | |
| Garage Supplies | | 37,384 | |
| General Construction Materials | | 3,551 | |
| Lubricants | | 27,538 | |
| Office Supplies | | 1,184 | |
| Pipe - Metal | | 2,958 | |
| Propane Gas | | 10,512 | |
| Small Tools | | 3,132 | |
| Tires and Tubes | | 49,352 | |
| Vehicle Parts | | 43 | |
| Other Supplies and Materials | | 453 | |
| Building Improvements | | 10,590 | |
| Total Operation and Maintenance of Equipment | | | 807,222 |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Asphalt Plant Operations

| | | | |
|----------------------------------|----|-----------|--------------|
| Foremen | \$ | 108,472 | |
| Equipment Operators | | 257,555 | |
| Truck Drivers | | 478,789 | |
| Laborers | | 215,932 | |
| Overtime Pay | | 351 | |
| Social Security | | 61,994 | |
| Pensions | | 117,983 | |
| Employee and Dependent Insurance | | 330,971 | |
| Employer Medicare | | 14,499 | |
| Communication | | 1,013 | |
| Contracts with Private Agencies | | 5,065 | |
| Freight Expenses | | 22,481 | |
| Internet Connectivity | | 443 | |
| Permits | | 475 | |
| Asphalt - Hot Mix | | 1,037,695 | |
| Asphalt - Liquid | | 33,334 | |
| Crushed Stone | | 235,159 | |
| Diesel Fuel | | 159,485 | |
| Electricity | | 31,136 | |
| Equipment and Machinery Parts | | 6,895 | |
| Fuel Oil | | 56,430 | |
| General Construction Materials | | 4,199 | |
| Lubricants | | 1,475 | |
| Natural Gas | | 813 | |
| Sand | | 1,130 | |
| Water and Sewer | | 1,587 | |
| Other Supplies and Materials | | 582 | |
| Asphalt Plant Equipment | | 34,193 | |
| Total Asphalt Plant Operations | | | \$ 3,220,136 |

Traffic Control

| | | | |
|----------------------------------|----|--------|--------|
| Materials Supervisor | \$ | 43,509 | |
| Laborers | | 5,502 | |
| Social Security | | 2,854 | |
| Pensions | | 5,234 | |
| Employee and Dependent Insurance | | 21,289 | |
| Employer Medicare | | 667 | |
| Freight Expenses | | 48 | |
| Road Signs | | 14,462 | |
| Small Tools | | 339 | |
| Chemicals | | 4,992 | |
| Total Traffic Control | | | 98,896 |

Capital Outlay

| | | |
|----------------------|----|---------|
| Bridge Construction | \$ | 863,439 |
| Highway Construction | | 121,311 |
| Highway Equipment | | 490,159 |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

| | | |
|----------------------|------------|--------------|
| Motor Vehicles | \$ 285,507 | |
| Other Equipment | 18,847 | |
| Total Capital Outlay | | \$ 1,779,263 |

Total Highway/Public Works Fund \$ 9,392,335

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|--------------|--------------|
| Principal on Bonds | \$ 1,375,000 | |
| Total General Government | | \$ 1,375,000 |

Education

| | | |
|--------------------|--------------|-----------|
| Principal on Bonds | \$ 6,060,000 | |
| Total Education | | 6,060,000 |

Interest on Debt

General Government

| | | |
|--------------------------|------------|---------|
| Interest on Bonds | \$ 994,918 | |
| Total General Government | | 994,918 |

Education

| | | |
|-------------------|--------------|-----------|
| Interest on Bonds | \$ 3,818,960 | |
| Total Education | | 3,818,960 |

Other Debt Service

General Government

| | | |
|--------------------------|------------|---------|
| Trustee's Commission | \$ 274,064 | |
| Other Debt Service | 4,940 | |
| Total General Government | | 279,004 |

Total General Debt Service Fund 12,527,882

Rural Debt Service Fund

Principal on Debt

Education

| | | |
|--------------------------|------------|------------|
| Principal on Other Loans | \$ 300,718 | |
| Total Education | | \$ 300,718 |

Interest on Debt

Education

| | | |
|-------------------------|----------|-------|
| Interest on Other Loans | \$ 9,933 | |
| Total Education | | 9,933 |

Total Rural Debt Service Fund 310,651

(Continued)

Exhibit K-10

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

| | | | |
|--|----|-----------|---------------|
| <u>General Capital Projects Fund</u> | | | |
| <u>Principal on Debt</u> | | | |
| <u>General Government</u> | | | |
| Principal on Other Loans | \$ | 127,039 | |
| Total General Government | | | \$ 127,039 |
| <u>Capital Projects</u> | | | |
| <u>General Administration Projects</u> | | | |
| Trustee's Commission | \$ | 22,502 | |
| Building Construction | | 125,874 | |
| Building Improvements | | 1,200 | |
| Other Capital Outlay | | 10,065 | |
| Total General Administration Projects | | | 159,641 |
| <u>Public Safety Projects</u> | | | |
| Building Improvements | \$ | 405,146 | |
| Communication Equipment | | 76,700 | |
| Data Processing Equipment | | 56,521 | |
| Food Service Equipment | | 61,554 | |
| Furniture and Fixtures | | 4,950 | |
| Law Enforcement Equipment | | 423,335 | |
| Other Capital Outlay | | 29,900 | |
| Total Public Safety Projects | | | 1,058,106 |
| <u>Public Health and Welfare Projects</u> | | | |
| Building Improvements | \$ | 100,058 | |
| Other Capital Outlay | | 183,585 | |
| Total Public Health and Welfare Projects | | | 283,643 |
| <u>Social, Cultural, and Recreation Projects</u> | | | |
| Site Development | \$ | 2,560,018 | |
| Total Social, Cultural, and Recreation Projects | | | 2,560,018 |
| Total General Capital Projects Fund | | | \$ 4,188,447 |
| <u>Education Capital Projects Fund</u> | | | |
| <u>Capital Projects</u> | | | |
| <u>Education Capital Projects</u> | | | |
| Trustee's Commission | \$ | 124,514 | |
| Building Improvements | | 1,153,520 | |
| Other Equipment | | 479,978 | |
| Other Capital Outlay | | 316,528 | |
| Total Education Capital Projects | | | \$ 2,074,540 |
| <u>Capital Projects - Donated</u> | | | |
| <u>Capital Projects Donated to School Department</u> | | | |
| Data Processing Equipment | \$ | 639,760 | |
| Transportation Equipment | | 946,000 | |
| Total Capital Projects Donated to School Department | | | 1,585,760 |
| Total Education Capital Projects Fund | | | 3,660,300 |
| Total Governmental Funds - Primary Government | | | \$ 91,167,839 |

Exhibit K-11

Washington County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Washington County School Department
For the Year Ended June 30, 2023

General Purpose School FundInstructionRegular Instruction Program

| | | |
|--------------------------------------|---------------|---------------|
| Teachers | \$ 25,746,363 | |
| Career Ladder Program | 44,500 | |
| Homebound Teachers | 26,510 | |
| Educational Assistants | 1,196,327 | |
| Other Salaries and Wages | 1,000 | |
| Certified Substitute Teachers | 125,837 | |
| Non-certified Substitute Teachers | 387,941 | |
| Social Security | 1,605,315 | |
| Pensions | 2,235,754 | |
| Life Insurance | 14,567 | |
| Medical Insurance | 5,554,700 | |
| Unemployment Compensation | 4,551 | |
| Employer Medicare | 380,279 | |
| Other Fringe Benefits | 45,012 | |
| Other Contracted Services | 4,857,822 | |
| Instructional Supplies and Materials | 257,933 | |
| Textbooks - Bound | 1,058,414 | |
| Other Supplies and Materials | 652,280 | |
| Other Charges | 4,388 | |
| Data Processing Equipment | 639,760 | |
| Total Regular Instruction Program | | \$ 44,839,253 |

Special Education Program

| | | |
|--------------------------------------|--------------|-----------|
| Teachers | \$ 2,838,262 | |
| Career Ladder Program | 3,000 | |
| Homebound Teachers | 9,265 | |
| Educational Assistants | 285,734 | |
| Speech Pathologist | 237,991 | |
| Other Salaries and Wages | 109,544 | |
| Certified Substitute Teachers | 3,602 | |
| Non-certified Substitute Teachers | 29,478 | |
| Social Security | 204,878 | |
| Pensions | 301,836 | |
| Life Insurance | 2,810 | |
| Medical Insurance | 627,045 | |
| Employer Medicare | 47,546 | |
| Other Contracted Services | 4,489 | |
| Instructional Supplies and Materials | 13,284 | |
| Other Charges | 40,336 | |
| Total Special Education Program | | 4,759,100 |

Career and Technical Education Program

| | | |
|-----------------------------------|--------------|--|
| Teachers | \$ 2,099,999 | |
| Certified Substitute Teachers | 2,678 | |
| Non-certified Substitute Teachers | 24,445 | |
| Social Security | 125,310 | |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

| | | | |
|--|----|---------|--------------|
| Pensions | \$ | 178,723 | |
| Life Insurance | | 1,300 | |
| Medical Insurance | | 283,883 | |
| Employer Medicare | | 29,306 | |
| Instructional Supplies and Materials | | 230,252 | |
| Vocational Instruction Equipment | | 331,884 | |
| Total Career and Technical Education Program | | | \$ 3,307,780 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 85,287 | |
| Clerical Personnel | | 33,888 | |
| Social Security | | 6,747 | |
| Pensions | | 11,488 | |
| Life Insurance | | 44 | |
| Medical Insurance | | 28,452 | |
| Employer Medicare | | 1,578 | |
| Travel | | 5,870 | |
| Other Supplies and Materials | | 370 | |
| Total Attendance | | | 173,724 |

Health Services

| | | | |
|------------------------------|----|---------|-----------|
| Medical Personnel | \$ | 296,870 | |
| Other Salaries and Wages | | 446,097 | |
| Social Security | | 43,597 | |
| Pensions | | 77,360 | |
| Life Insurance | | 443 | |
| Medical Insurance | | 132,111 | |
| Employer Medicare | | 10,196 | |
| Travel | | 12,582 | |
| Other Contracted Services | | 3,298 | |
| Other Supplies and Materials | | 34,395 | |
| Other Charges | | 8,256 | |
| Total Health Services | | | 1,065,205 |

Other Student Support

| | | | |
|------------------------------------|----|-----------|-----------|
| Career Ladder Program | \$ | 2,000 | |
| Guidance Personnel | | 1,171,533 | |
| Social Security | | 69,284 | |
| Pensions | | 100,732 | |
| Life Insurance | | 778 | |
| Medical Insurance | | 167,549 | |
| Employer Medicare | | 16,203 | |
| Contracts with Government Agencies | | 90,000 | |
| Evaluation and Testing | | 56,880 | |
| Other Supplies and Materials | | 5,013 | |
| Other Equipment | | 50,400 | |
| Total Other Student Support | | | 1,730,372 |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

| | | | |
|---|----|---------|--------------|
| Supervisor/Director | \$ | 299,329 | |
| Career Ladder Program | | 1,500 | |
| Librarians | | 799,598 | |
| Clerical Personnel | | 155,994 | |
| Other Salaries and Wages | | 26,979 | |
| Social Security | | 75,985 | |
| Pensions | | 112,344 | |
| Life Insurance | | 920 | |
| Medical Insurance | | 181,012 | |
| Employer Medicare | | 17,826 | |
| Maintenance and Repair Services - Equipment | | 19,089 | |
| Travel | | 41,966 | |
| Library Books/Media | | 99,304 | |
| Other Supplies and Materials | | 2,474 | |
| In Service/Staff Development | | 146,507 | |
| Total Regular Instruction Program | | | \$ 1,980,827 |

Special Education Program

| | | | |
|---------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 172,378 | |
| Psychological Personnel | | 68,469 | |
| Assessment Personnel | | 184,229 | |
| Secretary(ies) | | 40,734 | |
| Speech Pathologist | | 247,726 | |
| Other Salaries and Wages | | 132,494 | |
| Social Security | | 50,528 | |
| Pensions | | 76,025 | |
| Life Insurance | | 473 | |
| Medical Insurance | | 80,363 | |
| Employer Medicare | | 11,818 | |
| Travel | | 28,634 | |
| Other Contracted Services | | 53,376 | |
| Other Supplies and Materials | | 30,625 | |
| In Service/Staff Development | | 2,199 | |
| Total Special Education Program | | | 1,180,071 |

Career and Technical Education Program

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 66,445 | |
| Secretary(ies) | | 15,920 | |
| Social Security | | 5,924 | |
| Pensions | | 9,955 | |
| Life Insurance | | 61 | |
| Medical Insurance | | 18,226 | |
| Employer Medicare | | 1,385 | |
| Maintenance and Repair Services - Equipment | | 3,608 | |
| Travel | | 35,556 | |
| Other Contracted Services | | 60,000 | |
| Other Supplies and Materials | | 3,622 | |
| Total Career and Technical Education Program | | | 220,702 |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Technology

| | | | |
|----------------------------------|----|---------|--------------|
| Supervisor/Director | \$ | 271,026 | |
| Data Processing Personnel | | 159,708 | |
| Instructional Computer Personnel | | 69,738 | |
| Other Salaries and Wages | | 314,148 | |
| Social Security | | 48,275 | |
| Pensions | | 96,887 | |
| Life Insurance | | 479 | |
| Medical Insurance | | 116,612 | |
| Employer Medicare | | 11,424 | |
| Internet Connectivity | | 77,435 | |
| Travel | | 7,936 | |
| Other Contracted Services | | 582,231 | |
| Other Supplies and Materials | | 392,883 | |
| Total Technology | | | \$ 2,148,782 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-behalf Payments to OPEB | \$ | 182,668 | |
| Total Other Programs | | | 182,668 |

Board of Education

| | | | |
|------------------------------------|----|---------|-----------|
| Board and Committee Members Fees | \$ | 29,610 | |
| Social Security | | 1,398 | |
| Pensions | | 3,165 | |
| Medical Insurance | | 20,563 | |
| Employer Medicare | | 375 | |
| Audit Services | | 64,485 | |
| Dues and Memberships | | 14,857 | |
| Legal Services | | 54,311 | |
| Travel | | 26,381 | |
| Other Contracted Services | | 368,965 | |
| Building and Contents Insurance | | 191,133 | |
| Liability Insurance | | 71,844 | |
| Premiums on Corporate Surety Bonds | | 39,327 | |
| Trustee's Commission | | 621,268 | |
| Workers' Compensation Insurance | | 289,061 | |
| Other Charges | | 36,651 | |
| Total Board of Education | | | 1,833,394 |

Director of Schools

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 147,500 | |
| Career Ladder Program | | 3,000 | |
| Secretary(ies) | | 208,948 | |
| Bonus Payments | | 10,000 | |
| Other Salaries and Wages | | 35,718 | |
| Social Security | | 22,402 | |
| Pensions | | 41,122 | |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

| | | | |
|---------------------------|----|--------|------------|
| Life Insurance | \$ | 174 | |
| Medical Insurance | | 85,824 | |
| Employer Medicare | | 5,239 | |
| Communication | | 30,058 | |
| Postal Charges | | 14,649 | |
| Travel | | 8,059 | |
| Other Contracted Services | | 87,406 | |
| Office Supplies | | 5,768 | |
| Total Director of Schools | | | \$ 705,867 |

Office of the Principal

| | | | |
|-------------------------------|----|-----------|-----------|
| Principals | \$ | 1,009,374 | |
| Career Ladder Program | | 3,000 | |
| Assistant Principals | | 1,177,546 | |
| Secretary(ies) | | 731,276 | |
| Other Salaries and Wages | | 149,284 | |
| Social Security | | 181,114 | |
| Pensions | | 293,742 | |
| Life Insurance | | 1,795 | |
| Medical Insurance | | 544,002 | |
| Employer Medicare | | 42,358 | |
| Communication | | 20,000 | |
| Travel | | 7,420 | |
| Other Supplies and Materials | | 54,175 | |
| Other Charges | | 83,011 | |
| Total Office of the Principal | | | 4,298,097 |

Fiscal Services

| | | | |
|------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 153,482 | |
| Accountants/Bookkeepers | | 155,586 | |
| Social Security | | 18,001 | |
| Pensions | | 37,181 | |
| Life Insurance | | 60 | |
| Medical Insurance | | 67,568 | |
| Employer Medicare | | 4,210 | |
| Travel | | 7,867 | |
| Other Contracted Services | | 8,219 | |
| Other Supplies and Materials | | 5,937 | |
| Total Fiscal Services | | | 458,111 |

Human Services/Personnel

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 112,086 | |
| Other Salaries and Wages | | 39,936 | |
| Social Security | | 8,513 | |
| Pensions | | 17,488 | |
| Medical Insurance | | 33,750 | |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel (Cont.)

| | | | |
|--------------------------------|----|-------|------------|
| Employer Medicare | \$ | 1,991 | |
| Travel | | 1,840 | |
| Other Supplies and Materials | | 1,512 | |
| Total Human Services/Personnel | | | \$ 217,116 |

Operation of Plant

| | | | |
|------------------------------|----|-----------|-----------|
| Custodial Personnel | \$ | 704,946 | |
| Other Salaries and Wages | | 246,135 | |
| Social Security | | 56,256 | |
| Pensions | | 99,716 | |
| Life Insurance | | 295 | |
| Medical Insurance | | 202,083 | |
| Employer Medicare | | 13,156 | |
| Janitorial Services | | 927,920 | |
| Disposal Fees | | 178,401 | |
| Other Contracted Services | | 127,974 | |
| Custodial Supplies | | 133,471 | |
| Electricity | | 1,887,762 | |
| Natural Gas | | 212,057 | |
| Water and Sewer | | 263,975 | |
| Other Supplies and Materials | | 70,378 | |
| Boiler Insurance | | 32,815 | |
| Other Charges | | 30,989 | |
| Total Operation of Plant | | | 5,188,329 |

Maintenance of Plant

| | | | |
|---|----|---------|-----------|
| Supervisor/Director | \$ | 267,318 | |
| Maintenance Personnel | | 503,524 | |
| Social Security | | 45,398 | |
| Pensions | | 89,893 | |
| Life Insurance | | 281 | |
| Medical Insurance | | 156,340 | |
| Employer Medicare | | 10,618 | |
| Communication | | 1,507 | |
| Maintenance and Repair Services - Buildings | | 354,079 | |
| Maintenance and Repair Services - Equipment | | 95,737 | |
| Other Supplies and Materials | | 619,725 | |
| Other Charges | | 34,685 | |
| Administration Equipment | | 42,018 | |
| Total Maintenance of Plant | | | 2,221,123 |

Transportation

| | | | |
|--------------------------|----|-----------|--|
| Supervisor/Director | \$ | 126,955 | |
| Mechanic(s) | | 167,784 | |
| Bus Drivers | | 1,320,966 | |
| Other Salaries and Wages | | 22,663 | |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

| | | | |
|---------------------------------|----|-----------|--------------|
| Social Security | \$ | 96,570 | |
| Pensions | | 186,269 | |
| Life Insurance | | 1,517 | |
| Medical Insurance | | 425,754 | |
| Employer Medicare | | 23,118 | |
| Communication | | 336 | |
| Lease/SBITA Payments | | 34,737 | |
| Other Contracted Services | | 6,766 | |
| Diesel Fuel | | 362,994 | |
| Garage Supplies | | 6,883 | |
| Gasoline | | 200,499 | |
| Tires and Tubes | | 59,172 | |
| Vehicle Parts | | 147,587 | |
| Other Supplies and Materials | | 7,252 | |
| Vehicle and Equipment Insurance | | 250,371 | |
| Other Charges | | 28,228 | |
| Transportation Equipment | | 1,345,010 | |
| Total Transportation | | | \$ 4,821,431 |

Central and Other

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 78,856 | |
| Clerical Personnel | | 26,796 | |
| Social Security | | 6,365 | |
| Pensions | | 10,076 | |
| Life Insurance | | 76 | |
| Medical Insurance | | 15,696 | |
| Employer Medicare | | 1,488 | |
| Other Supplies and Materials | | 2,242 | |
| Other Charges | | 4,403 | |
| Total Central and Other | | | 145,998 |

Operation of Non-Instructional ServicesFood Service

| | | | |
|---------------------|----|--------|--------|
| Cafeteria Personnel | \$ | 25,119 | |
| Social Security | | 1,557 | |
| Pensions | | 2,723 | |
| Employer Medicare | | 123 | |
| Total Food Service | | | 29,522 |

Community Services

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 73,679 | |
| Teachers | | 27,707 | |
| Clerical Personnel | | 17,861 | |
| Educational Assistants | | 490 | |
| Other Salaries and Wages | | 295,176 | |
| Social Security | | 24,435 | |

(Continued)

Exhibit K-11

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Pensions | \$ | 25,318 | |
| Medical Insurance | | 19,124 | |
| Employer Medicare | | 5,786 | |
| Travel | | 977 | |
| Other Supplies and Materials | | 18,015 | |
| Other Charges | | 1,140 | |
| Total Community Services | | | \$ 509,708 |

Early Childhood Education

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 226,092 | |
| Educational Assistants | | 60,194 | |
| Social Security | | 16,434 | |
| Pensions | | 25,757 | |
| Medical Insurance | | 53,995 | |
| Employer Medicare | | 3,844 | |
| Instructional Supplies and Materials | | 1,441 | |
| Other Supplies and Materials | | 5,141 | |
| Total Early Childhood Education | | | 392,898 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|---------|---------|
| Building Improvements | \$ | 239,766 | |
| Land | | 378,686 | |
| Total Regular Capital Outlay | | | 618,452 |

Other Debt Service

Education

| | | | |
|---|----|---------|---------|
| Debt Service Contribution to Primary Government | \$ | 338,892 | |
| Total Education | | | 338,892 |

Total General Purpose School Fund

\$ 83,367,422

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|-----------|--------------|
| Teachers | \$ | 1,018,048 | |
| Educational Assistants | | 131,149 | |
| Other Salaries and Wages | | 68,000 | |
| Social Security | | 67,031 | |
| Pensions | | 98,468 | |
| Medical Insurance | | 214,715 | |
| Employer Medicare | | 15,541 | |
| Instructional Supplies and Materials | | 534,622 | |
| Textbooks - Bound | | 269,916 | |
| Software | | 404,084 | |
| Other Supplies and Materials | | 22,462 | |
| Regular Instruction Equipment | | 61,873 | |
| Total Regular Instruction Program | | | \$ 2,905,909 |

(Continued)

Exhibit K-11

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Alternative Instruction Program

| | | | |
|---------------------------------------|----|--------|-----------|
| Teachers | \$ | 38,128 | |
| Social Security | | 2,364 | |
| Employer Medicare | | 553 | |
| Total Alternative Instruction Program | | | \$ 41,045 |

Special Education Program

| | | | |
|--------------------------------------|----|---------|-----------|
| Teachers | \$ | 169,014 | |
| Educational Assistants | | 894,847 | |
| Speech Pathologist | | 49,569 | |
| Social Security | | 63,420 | |
| Pensions | | 112,504 | |
| Medical Insurance | | 329,998 | |
| Employer Medicare | | 14,995 | |
| Instructional Supplies and Materials | | 63,237 | |
| Other Supplies and Materials | | 29,452 | |
| Total Special Education Program | | | 1,727,036 |

Career and Technical Education Program

| | | | |
|--|----|--------|---------|
| Instructional Supplies and Materials | \$ | 56,170 | |
| Other Supplies and Materials | | 42,425 | |
| Vocational Instruction Equipment | | 20,172 | |
| Total Career and Technical Education Program | | | 118,767 |

Support Services

Health Services

| | | | |
|---------------------------|----|---------|---------|
| Medical Personnel | \$ | 17,026 | |
| Other Salaries and Wages | | 6,505 | |
| Social Security | | 1,459 | |
| Pensions | | 693 | |
| Employer Medicare | | 341 | |
| Other Contracted Services | | 325,430 | |
| Software | | 10,076 | |
| Health Equipment | | 108,570 | |
| Total Health Services | | | 470,100 |

Other Student Support

| | | | |
|---------------------------|----|---------|--|
| Guidance Personnel | \$ | 173,588 | |
| Social Workers | | 198,237 | |
| Other Salaries and Wages | | 15,815 | |
| Social Security | | 19,791 | |
| Pensions | | 29,059 | |
| Medical Insurance | | 44,776 | |
| Employer Medicare | | 5,654 | |
| Evaluation and Testing | | 41,684 | |
| Travel | | 10,000 | |
| Other Contracted Services | | 409,294 | |

(Continued)

Exhibit K-11

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|---------|--------------|
| Other Supplies and Materials | \$ | 241,677 | |
| In Service/Staff Development | | 28,660 | |
| Other Equipment | | 3,520 | |
| Total Other Student Support | | | \$ 1,221,755 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 47,913 | |
| Instructional Computer Personnel | | 126,388 | |
| Clerical Personnel | | 46,411 | |
| Other Salaries and Wages | | 153,656 | |
| Social Security | | 22,768 | |
| Pensions | | 30,577 | |
| Medical Insurance | | 56,380 | |
| Employer Medicare | | 5,326 | |
| Travel | | 1,948 | |
| Other Contracted Services | | 239,300 | |
| Software | | 13,688 | |
| Other Supplies and Materials | | 4,437 | |
| In Service/Staff Development | | 110,929 | |
| Total Regular Instruction Program | | | 859,721 |

Special Education Program

| | | | |
|---------------------------------|----|---------|---------|
| Contracts with Private Agencies | \$ | 81,309 | |
| Other Supplies and Materials | | 183,430 | |
| In Service/Staff Development | | 62,140 | |
| Other Charges | | 13,885 | |
| Other Equipment | | 29,243 | |
| Total Special Education Program | | | 370,007 |

Technology

| | | | |
|------------------------------|----|--------|--------|
| Other Supplies and Materials | \$ | 58,289 | |
| In Service/Staff Development | | 3,535 | |
| Total Technology | | | 61,824 |

Fiscal Services

| | | | |
|---------------------------|----|--------|--------|
| Other Contracted Services | \$ | 22,050 | |
| Total Fiscal Services | | | 22,050 |

Maintenance of Plant

| | | | |
|----------------------------|----|--------|--------|
| Maintenance Equipment | \$ | 66,675 | |
| Total Maintenance of Plant | | | 66,675 |

Transportation

| | | | |
|-----------------|----|---------|--|
| Bus Drivers | \$ | 268,754 | |
| Social Security | | 14,459 | |
| Pensions | | 32,139 | |

(Continued)

Exhibit K-11

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

| | | | |
|--|----|-----------|----------------|
| <u>School Federal Projects Fund (Cont.)</u> | | | |
| <u>Support Services (Cont.)</u> | | | |
| <u>Transportation (Cont.)</u> | | | |
| Medical Insurance | \$ | 99,788 | |
| Employer Medicare | | 3,585 | |
| Other Supplies and Materials | | 304,289 | |
| Transportation Equipment | | 184,588 | |
| Total Transportation | | | \$ 907,602 |
| <u>Capital Outlay</u> | | | |
| <u>Regular Capital Outlay</u> | | | |
| Building Improvements | \$ | 4,522,440 | |
| Total Regular Capital Outlay | | | 4,522,440 |
| Total School Federal Projects Fund | | | \$ 13,294,931 |
| <u>Central Cafeteria Fund</u> | | | |
| <u>Operation of Non-Instructional Services</u> | | | |
| <u>Food Service</u> | | | |
| Supervisor/Director | \$ | 85,301 | |
| Cafeteria Personnel | | 989,846 | |
| Social Security | | 60,975 | |
| Pensions | | 114,581 | |
| Medical Insurance | | 342,228 | |
| Unemployment Compensation | | 1,439 | |
| Employer Medicare | | 14,260 | |
| Bank Charges | | 268 | |
| Travel | | 9,685 | |
| Other Contracted Services | | 193,973 | |
| Food Preparation Supplies | | 176,159 | |
| Food Supplies | | 1,218,262 | |
| Office Supplies | | 9,917 | |
| Utilities | | 4,723 | |
| USDA - Commodities | | 241,026 | |
| Other Supplies and Materials | | 43,141 | |
| Refunds | | 2,185 | |
| In Service/Staff Development | | 4,866 | |
| Food Service Equipment | | 233,977 | |
| Total Food Service | | | \$ 3,746,812 |
| Total Central Cafeteria Fund | | | 3,746,812 |
| <u>Internal School Fund</u> | | | |
| <u>Operation of Non-Instructional Services</u> | | | |
| <u>Community Services</u> | | | |
| Other Charges | \$ | 2,620,291 | |
| Total Community Services | | | \$ 2,620,291 |
| Total Other Education Special Revenue #3 Fund | | | 2,620,291 |
| Total Governmental Funds - Washington County School Department | | | \$ 103,029,456 |

STATISTICAL SECTION

This part of Washington County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| | Table(s) | Page(s) |
|--|----------|---------|
| Financial Trends: | | |
| These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 1-4 | 259-264 |
| Revenue Capacity: | | |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | 5-8 | 265-268 |
| Debt Capacity: | | |
| These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | 9-12 | 269-272 |
| Demographic and Economic Information: | | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 13-14 | 273-274 |
| Operating Information: | | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 15-17 | 275-277 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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

| | | | | | | | | | | Table 1 |
|--|--|--|--|--|--|--|--|--|--|-------------|
| | | | | | | | | | | Fiscal Year |
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WASHINGTON COUNTY, TENNESSEE
CHANGES IN NET POSITION (UNAUDITED)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | | Table 2 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| EXPENSES | | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | | |
| General Government | \$ 6,366,834 | \$ 6,916,544 | \$ 7,425,277 | \$ 9,104,898 | \$ 6,210,554 | \$ 7,963,052 | \$ 6,242,198 | \$ 6,207,838 | \$ 7,936,986 | \$ 13,380,788 | |
| Finance | 2,564,200 | 2,369,480 | 2,280,587 | 2,922,688 | 2,624,752 | 2,949,719 | 3,180,532 | 3,298,803 | 3,327,610 | 3,774,012 | * |
| Administration of Justice | 3,803,354 | 3,744,198 | 3,989,948 | 4,505,184 | 4,559,547 | 4,334,215 | 4,516,369 | 4,699,935 | 4,426,121 | 5,110,879 | |
| Public Safety | 18,596,830 | 18,566,191 | 17,891,640 | 20,864,781 | 20,594,583 | 21,257,958 | 22,076,953 | 23,018,475 | 22,324,656 | 28,115,201 | |
| Highways | 8,784,888 | 8,377,451 | 8,356,281 | 8,557,588 | 8,719,597 | 8,384,896 | 7,785,415 | 8,141,482 | 8,257,626 | 6,240,615 | |
| Social, Cultural and Recreational | 893,752 | 1,354,837 | 864,139 | 1,303,591 | 967,744 | 1,132,166 | 1,121,962 | 1,239,701 | 2,373,075 | 1,220,571 | * |
| Public Health and Welfare | 5,397,355 | 5,037,422 | 5,061,973 | 5,421,337 | 6,324,577 | 6,122,851 | 5,818,526 | 6,174,715 | 5,837,810 | 10,120,685 | |
| Agricultural and Natural Resources | 421,188 | 372,411 | 404,461 | 441,294 | 489,132 | 506,131 | 570,990 | 585,286 | 670,445 | 734,211 | * |
| Education | 4,849,517 | 2,370,917 | 2,367,238 | 12,840,299 | 1,308,810 | 1,641,824 | 28,860,320 | 2,553,266 | 6,491,380 | 2,856,714 | * |
| Interest on Long-Term Debt | 6,901,927 | 6,222,995 | 6,080,922 | 5,285,691 | 5,001,768 | 5,338,159 | 5,072,694 | 4,803,525 | 4,490,025 | 4,275,348 | |
| Total Governmental Activities Expenses | <u>\$ 58,579,845</u> | <u>\$ 55,332,446</u> | <u>\$ 54,722,466</u> | <u>\$ 71,247,351</u> | <u>\$ 56,801,064</u> | <u>\$ 59,630,971</u> | <u>\$ 85,245,959</u> | <u>\$ 60,723,026</u> | <u>\$ 66,135,734</u> | <u>\$ 75,829,024</u> | |
| PROGRAM REVENUES | | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | | |
| Charges for Services | | | | | | | | | | | |
| General Government | \$ 619,370 | \$ 782,033 | \$ 859,297 | \$ 1,960,650 | \$ 2,077,420 | \$ 2,042,945 | \$ 2,300,165 | \$ 2,756,575 | \$ 2,659,339 | \$ 2,397,296 | |
| Finance | 1,897,081 | 1,967,215 | 2,116,550 | 3,240,276 | 3,489,321 | 3,623,211 | 3,514,604 | 3,971,296 | 3,987,226 | 4,292,360 | |
| Administration of Justice | 2,136,900 | 2,108,387 | 2,134,107 | 2,892,185 | 2,876,661 | 2,987,369 | 2,724,304 | 2,322,711 | 2,442,264 | 2,597,032 | * |
| Public Safety | 4,090,509 | 3,876,258 | 4,141,148 | 2,152,933 | 2,451,219 | 2,111,726 | 1,964,560 | 1,584,676 | 2,131,067 | 2,271,474 | |
| Highways | 521,231 | 190,689 | 328,971 | 698,703 | 357,099 | 132,239 | 107,866 | 41,161 | 511,270 | 242,733 | |
| Social, Cultural and Recreational | 264,290 | 264,588 | 271,681 | 22,249 | 22,285 | 20,787 | 16,353 | 1,331 | 10,029 | 9,522 | * |
| Public Health and Welfare | 300,883 | 298,072 | 291,802 | 345,082 | 293,251 | 297,976 | 284,561 | 369,474 | 522,361 | 340,423 | |
| Operating Grants and Contributions | | | | | | | | | | | |
| General Government | 230,340 | 148,791 | 161,250 | 57,614 | 69,564 | 17,204 | 139,410 | 2,062,652 | 25,079,788 | 270,566 | |
| Administration of Justice | 33,659 | 34,164 | 27,574 | 68,840 | 100,410 | 66,985 | 86,660 | 100,905 | 186,593 | 141,425 | * |
| Public Safety | 310,950 | 399,183 | 131,933 | 2,040,420 | 1,479,745 | 1,582,906 | 1,500,826 | 2,380,447 | 1,825,247 | 2,060,288 | |
| Highways | 2,325,875 | 2,379,014 | 2,480,323 | 2,520,019 | 3,029,763 | 3,216,326 | 3,255,232 | 3,307,891 | 3,451,193 | 3,423,964 | |
| Social, Cultural and Recreational | 19,172 | 1,154 | - | 1,299 | 16,331 | 16,500 | 15,700 | 19,158 | 38,701 | 14,332 | * |
| Agriculture and Natural Resources | - | - | - | - | 17,500 | 17,500 | 35,000 | 35,000 | 17,500 | 26,250 | |
| Interest on Long-term Debt | - | - | - | 260,000 | 260,000 | 260,000 | 44,525 | 38,000 | 24,571 | 38,174 | |
| Public Health and Welfare | 994,092 | 1,015,523 | 831,479 | 887,332 | 961,809 | 1,101,428 | 1,012,782 | 1,427,142 | 939,500 | 1,444,689 | |
| Capital Grants and Contributions | | | | | | | | | | | |
| General Government | 210,908 | 109,847 | 147,555 | 186,422 | 524,428 | - | 123,706 | 142,367 | - | 1,054,707 | |
| Administration of Justice | 33,659 | 34,164 | 27,574 | 68,840 | - | 10,089 | - | - | - | - | |
| Public Safety | 16,054 | 784,994 | 70,139 | 27,455 | 194,578 | 164,059 | 116,303 | 455,437 | 131,741 | 134,443 | |
| Highways | 1,097 | 284,999 | 257,680 | - | 707,106 | 1,144,750 | 634,412 | 1,189,152 | 1,099,052 | 852,644 | |
| Social, Cultural and Recreational | - | - | - | 324,782 | - | 973 | 1,999 | 300 | - | - | * |
| Public Health and Welfare | 17,090 | - | - | 39,970 | 478,075 | - | 442,000 | 348,476 | 17,619 | - | |
| Education | - | - | - | - | - | - | - | - | - | 76,000 | |
| Total Governmental Activities Program Revenues | <u>\$ 14,023,160</u> | <u>\$ 14,679,075</u> | <u>\$ 14,279,063</u> | <u>\$ 17,795,071</u> | <u>\$ 19,406,565</u> | <u>\$ 18,814,973</u> | <u>\$ 18,320,968</u> | <u>\$ 22,554,151</u> | <u>\$ 45,075,061</u> | <u>\$ 21,688,322</u> | |

* Prior year's information is not readily available.

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

| | Fiscal Year | | | | | | | | | | Table 2 |
|--|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| NET (EXPENSE)/REVENUE | | | | | | | | | | | |
| Total Governmental Activities Net Expense | \$ (44,590,344) | \$ (40,687,535) | \$ (40,470,977) | \$ (53,521,120) | \$ (37,394,499) | \$ (40,815,998) | \$ (66,924,991) | \$ (38,168,875) | \$ (21,060,673) | \$ (54,140,702) | |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | | |
| Taxes | | | | | | | | | | | |
| Property Taxes | \$ 35,566,742 | \$ 36,224,789 | \$ 36,150,344 | \$ 46,042,196 | \$ 47,311,779 | \$ 47,865,385 | \$ 48,190,018 | \$ 49,034,782 | \$ 49,255,602 | \$ 50,557,832 | |
| Business Taxes | 987,940 | 1,079,144 | 1,136,463 | 1,295,552 | 1,385,699 | 1,333,906 | 1,407,839 | 1,532,252 | 1,741,812 | 2,011,228 | |
| Miscellaneous | 2,032,951 | 2,477,345 | 2,466,548 | 1,406,368 | 1,291,487 | 1,392,346 | 1,197,122 | 1,017,068 | 1,087,252 | 1,198,562 | |
| Other Local Governments | 1,735,966 | 1,670,665 | 1,802,251 | - | - | - | - | - | - | - | *** |
| State Aid | 293,447 | 565,917 | 657,084 | - | - | - | - | - | - | - | *** |
| Federal Aid | - | 403,381 | - | - | - | - | - | - | - | - | |
| Grants and Contributions | - | - | - | 2,005,623 | 2,339,218 | 2,174,470 | 2,510,600 | 2,539,569 | 8,812,901 | 2,885,582 | *** |
| Gain (Loss) on Sale and Disposal of Assets | 56,294 | 24,294 | 138,732 | - | - | 56,518 | 815,112 | 25,127 | - | - | |
| Unrestricted Investment Earnings | 55,808 | 57,605 | 66,431 | 80,072 | 215,344 | 712,210 | 714,947 | 294,096 | (536,863) | 1,424,215 | |
| Lease Interest | - | - | - | - | - | - | - | - | 25,707 | 26,939 | |
| Miscellaneous | - | - | - | 147,415 | 86,344 | 241,826 | 230,214 | 277,756 | 384,035 | 1,001,584 | *** |
| | <u>\$ 40,729,148</u> | <u>\$ 42,503,140</u> | <u>\$ 42,417,853</u> | <u>\$ 50,977,226</u> | <u>\$ 52,629,871</u> | <u>\$ 53,776,661</u> | <u>\$ 55,065,852</u> | <u>\$ 54,720,650</u> | <u>\$ 60,770,446</u> | <u>\$ 59,105,942</u> | |
| CHANGE IN NET POSITION | | | | | | | | | | | |
| Total Governmental Activities | <u>\$ (3,861,196)</u> | <u>\$ 1,815,605</u> | <u>\$ 1,946,876</u> | <u>\$ (2,543,894)</u> | <u>\$ 15,235,372</u> | <u>\$ 12,960,663</u> | <u>\$ (11,859,139)</u> | <u>\$ 16,551,775</u> | <u>\$ 39,709,773</u> | <u>\$ 4,965,240</u> | |

*** The presentation of certain fund revenues were changed in 2017

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

Table 3

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,229 | \$ 20,997 | \$ 104,894 | \$ 75,855 | \$ 68,845 |
| Restricted | 381,934 | 336,034 | 392,312 | 310,411 | 410,391 | 571,924 | 899,558 | 770,257 | 1,035,349 | 1,883,509 |
| Committed | 1,625,590 | 2,010,134 | 1,616,241 | - | - | - | - | 721,845 | - | 227,981 |
| Assigned | 284,829 | 355,039 | 231,757 | 2,029,616 | 1,864,749 | 2,132,262 | 2,106,376 | 3,064,962 | 7,361,874 | 1,554,681 |
| Unassigned | 17,318,952 | 14,849,884 | 14,130,256 | 14,309,037 | 15,562,557 | 14,574,988 | 14,392,940 | 15,746,724 | 13,301,276 | 12,285,455 |
| Total General Fund | <u>\$ 19,611,305</u> | <u>\$ 17,551,091</u> | <u>\$ 16,370,566</u> | <u>\$ 16,649,064</u> | <u>\$ 17,837,697</u> | <u>\$ 17,299,403</u> | <u>\$ 17,419,871</u> | <u>\$ 20,408,682</u> | <u>\$ 21,774,354</u> | <u>\$ 16,020,471</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Highways | \$ - | \$ - | \$ 716,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 124 | \$ 79 |
| Debt Service | - | - | - | - | - | - | - | - | 2,226 | - |
| Other Purposes | - | - | - | - | - | - | - | - | 25 | 31 |
| Restricted | | | | | | | | | | |
| Highways | 5,325,614 | 5,180,307 | 4,362,048 | - | 1,142,531 | 1,487,660 | 1,353,805 | 1,236,908 | 1,437,378 | 2,092,858 |
| Public Health and Welfare | - | - | - | - | - | - | - | - | - | 559,852 |
| Debt Service | 7,470,558 | 7,342,205 | 6,133,622 | 7,472,633 | 5,844,967 | 6,862,845 | 7,243,289 | 7,090,072 | 6,152,179 | 5,869,413 |
| Public Safety | 206,921 | 228,545 | 243,194 | 260,306 | 319,554 | 373,719 | 358,743 | 334,554 | 353,766 | 340,345 |
| Education | - | - | - | 8,933,057 | 7,610,697 | - | - | - | 6,502,453 | 8,460,511 |
| Capital Projects | - | - | - | 19,326,934 | 13,905,875 | 9,245,998 | 10,713,542 | 12,177,760 | 7,474,243 | 10,760,542 |
| Committed | | | | | | | | | | |
| Highway Fund | - | - | - | 4,256,253 | 4,627,319 | 5,137,493 | 5,582,006 | 5,982,776 | 6,602,476 | 6,703,893 |
| Public Health and Welfare | 1,228,278 | 1,215,443 | 987,653 | 743,547 | 434,092 | 361,030 | 245,932 | 356,677 | 648,540 | 720,219 |
| Capital Projects | 4,136,977 | - | 1,544,648 | - | - | - | - | - | 1,442,608 | 3,014,791 |
| Other Purposes | - | - | - | - | - | - | - | 190 | 22,593,305 | 10,223,570 |
| Assigned | | | | | | | | | | |
| Capital Projects | - | 2,927,689 | 1,294,068 | - | - | - | - | - | - | - |
| Unassigned | | | | | | | | | | |
| Capital Projects | - | - | (740,077) | - | - | - | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 18,368,348</u> | <u>\$ 16,894,189</u> | <u>\$ 14,541,156</u> | <u>\$ 40,992,730</u> | <u>\$ 33,885,035</u> | <u>\$ 23,468,745</u> | <u>\$ 25,497,317</u> | <u>\$ 27,178,937</u> | <u>\$ 53,209,323</u> | <u>\$ 48,746,104</u> |

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

| | | | | | | | | | | Table 4 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| Fiscal Year | | | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| REVENUES | | | | | | | | | | |
| Taxes | \$ 37,846,018 | \$ 38,499,876 | \$ 38,850,710 | \$ 50,561,120 | \$ 50,614,402 | \$ 51,200,097 | \$ 52,034,114 | \$ 53,165,475 | \$ 53,167,688 | \$ 55,184,740 |
| Licenses and Permits | 569,907 | 579,239 | 618,064 | 685,941 | 709,293 | 711,579 | 784,810 | 941,666 | 1,020,775 | 958,839 |
| Fines, Forfeitures and Penalties | 942,459 | 966,951 | 1,020,892 | 691,817 | 649,459 | 584,227 | 522,393 | 411,384 | 540,128 | 549,498 |
| Charges for Current Services | 938,606 | 847,433 | 995,603 | 791,034 | 769,831 | 773,561 | 733,741 | 707,016 | 891,791 | 907,657 |
| Other Local Revenues | 851,021 | 790,851 | 972,749 | 793,014 | 962,304 | 1,342,919 | 2,075,418 | 1,016,065 | 1,118,251 | 2,939,203 |
| Fees Received from County Officials | 5,357,541 | 5,406,599 | 5,654,440 | 6,045,846 | 6,421,792 | 6,655,364 | 6,416,734 | 6,790,007 | 6,775,553 | 6,905,722 |
| Revenue from State of Tennessee | 6,599,275 | 7,657,738 | 6,735,772 | 6,028,324 | 9,252,001 | 8,721,688 | 8,659,270 | 9,467,753 | 14,684,670 | 10,367,494 |
| Revenue from Federal Government | 470,657 | 341,972 | 303,869 | 171,753 | 2,249,339 | 1,583,742 | 1,419,051 | 3,301,644 | 26,878,483 | 1,925,893 |
| Revenue from Other Governments and Citizens Groups | 1,948,066 | 1,745,770 | 2,513,696 | 2,500,331 | 804,423 | 635,210 | 791,248 | 669,981 | 1,673,344 | 1,102,520 |
| Total Revenues | \$ 55,523,550 | \$ 56,836,429 | \$ 57,665,795 | \$ 68,269,180 | \$ 72,432,844 | \$ 72,208,387 | \$ 73,436,779 | \$ 76,470,991 | \$ 106,750,683 | \$ 80,841,566 |
| EXPENDITURES | | | | | | | | | | |
| General Government | \$ 6,298,439 | \$ 5,612,354 | \$ 5,221,002 | \$ 5,547,677 | \$ 5,492,641 | \$ 4,977,932 | \$ 4,926,800 | \$ 4,841,127 | \$ 5,216,707 | \$ 5,939,949 |
| Finance | 2,560,244 | 2,548,805 | 2,454,224 | 2,624,617 | 2,767,012 | 3,024,853 | 3,029,713 | 3,131,094 | 3,343,850 | 3,619,086 |
| Administration of Justice | 3,842,678 | 3,904,067 | 4,146,682 | 4,245,712 | 4,589,459 | 4,468,299 | 4,576,440 | 4,655,640 | 4,734,620 | 5,095,312 |
| Public Safety | 17,414,401 | 17,890,607 | 17,636,191 | 18,707,023 | 19,296,038 | 20,600,821 | 20,531,389 | 21,560,491 | 22,742,274 | 26,512,601 |
| Highways | 8,912,894 | 7,665,764 | 8,273,057 | 7,683,480 | 7,772,741 | 8,991,236 | 5,594,839 | 8,676,154 | 10,370,957 | 9,392,335 |
| Public Health and Welfare | 5,375,408 | 5,139,684 | 5,153,849 | 5,161,713 | 5,355,305 | 5,605,517 | 1,041,938 | 5,439,050 | 5,628,187 | 9,798,699 |
| Social, Cultural and Recreational | 839,846 | 1,317,274 | 825,957 | 946,232 | 888,678 | 1,021,334 | 568,847 | 1,062,067 | 1,091,842 | 1,134,634 |
| Agriculture and Natural Resources | 417,339 | 400,909 | 436,966 | 432,196 | 488,555 | 507,471 | 1,588,404 | 577,190 | 673,755 | 729,688 |
| Other Operations | 747,336 | 1,717,722 | 2,427,087 | 871,728 | 866,134 | 1,415,171 | 9,049,447 | 2,889,863 | 2,500,429 | 8,035,564 |
| Debt Service: | | | | | | | | | | |
| Principal | 2,930,000 | 4,790,000 | 5,335,000 | 5,861,966 | 6,634,383 | 6,755,000 | 7,750,000 | 7,852,039 | 10,630,116 | 7,936,454 |
| Interest and Fiscal Fees | 6,697,412 | 6,809,881 | 6,648,993 | 4,694,417 | 6,115,207 | 6,018,180 | 5,733,949 | 5,467,741 | 5,195,133 | 4,838,362 |
| Trustee's Commission | 200,037 | 202,818 | 201,628 | - | - | - | - | - | - | - |
| Other Charges | 8,232,385 | - | 8,317 | 954,408 | 211,991 | 272,093 | 264,608 | 274,156 | 275,974 | 279,004 |
| Education | 4,030,270 | 2,370,917 | 2,430,400 | 1,259,751 | 1,229,368 | 727,588 | 813,696 | 746,002 | 722,396 | 1,720,203 |
| Capital Outlay | - | - | - | 17,711,225 | 16,704,128 | 18,798,977 | 5,832,479 | 5,293,447 | 7,862,875 | 6,135,948 * |
| Total Expenditures | \$ 68,498,689 | \$ 60,370,802 | \$ 61,199,353 | \$ 76,702,145 | \$ 78,411,640 | \$ 83,184,472 | \$ 71,302,549 | \$ 72,466,061 | \$ 80,989,115 | \$ 91,167,839 |

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

| | Fiscal Year | | | | | | | | | | Table 4 |
|---|-----------------|----------------|----------------|----------------|----------------|-----------------|--------------|--------------|---------------|-----------------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (12,975,139) | \$ (3,534,373) | \$ (3,533,558) | \$ (8,432,965) | \$ (5,978,796) | \$ (10,976,085) | \$ 2,134,230 | \$ 4,004,930 | \$ 25,761,568 | \$ (10,326,273) | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Bond Proceeds | \$ 4,015,000 | \$ - | \$ - | \$ 31,950,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Note Proceeds | 5,520,000 | - | - | - | - | - | - | - | - | - | |
| Leases Issued | 673,166 | - | - | - | - | - | - | 644,866 | - | - | |
| Other Loans Issued | - | - | - | - | - | - | - | - | 2,331,726 | - | |
| Refunding Bond Issued | 7,785,000 | - | - | 120,510,000 | - | - | - | - | - | - | |
| Premium on Bonds Issued | 788,090 | - | - | 17,682,616 | - | - | - | - | - | - | |
| Payment to Refund Bond Escrow Agent | - | - | - | (134,396,558) | - | - | - | - | - | - | |
| Contribution to Johnson City Schools | (819,247) | - | - | - | - | - | - | - | - | - | |
| Insurance Recovery | - | - | - | 59,624 | 59,734 | 21,501 | 14,810 | 20,635 | 24,609 | 109,171 | |
| Transfers Out | (7,804,005) | (6,789,278) | (8,304,848) | (958,798) | (311,981) | (188,347) | (81,000) | (2,248,400) | (257,620) | (11,007,228) | |
| Transfers In | 7,804,005 | 6,789,278 | 8,304,848 | 316,153 | 311,981 | 188,347 | 81,000 | 2,248,400 | 257,620 | 11,007,228 | |
| Total Other Financing Sources (Uses) | \$ 17,962,009 | \$ - | \$ - | \$ 35,163,037 | \$ 59,734 | \$ 21,501 | \$ 14,810 | \$ 665,501 | \$ 2,356,335 | \$ 109,171 | |
| Net Change in Fund Balances | \$ 4,986,870 | \$ (3,534,373) | \$ (3,533,558) | \$ 26,730,072 | \$ (5,919,062) | \$ (10,954,584) | \$ 2,149,040 | \$ 4,670,431 | \$ 28,117,903 | \$ (10,217,102) | |
| Debt Service as a Percentage of Noncapital Expenditures | 15.43% | 20.03% | 20.85% | 14.89% | 20.91% | 20.33% | 21.61% | 21.08% | 22.83% | 16.33% | |
| Capital Expenditures | 6,092,165 | 2,444,091 | 3,711,391 | 5,807,547 | 17,445,843 | 20,351,770 | 8,905,180 | 9,282,536 | 11,672,496 | 12,953,515 | |

* During fiscal years 2011-2016, capital outlay was reported in the area for which it was expended.

WASHINGTON COUNTY, TENNESSEE
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
Last Ten Fiscal Years

Table 5

| Fiscal Year Ended June 30 | Tax Year | Direct Tax Rate | Real Property | | | Personal Property | | Public Utility Property | | Total | | Ratio of Total Assessed Value To Total Estimated Actual Value | | | | | | | |
|---------------------------------|-------------|-----------------------|--------------------------------|--|-----------------|-------------------|---------------|-------------------------|--------------|------------------|-----------------|--|--|--|--|--|--|--|--|
| | | | Estimated | | | Assessed | Assessed | Estimated | Assessed | Estimated | Assessed | | | | | | | | |
| | | | Residential & Farm Property | Industrial & Commercial Property | Assessed | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 2014 | 2013 | \$1.91 | \$7,646,315,900 | \$2,133,073,500 | \$2,764,808,375 | \$480,097,327 | \$144,033,330 | \$180,106,144 | \$99,058,379 | \$10,439,592,871 | \$3,007,900,084 | 28.81% | | | | | | | |
| 2015 | 2014 | 1.98 | 7,324,231,300 | 2,164,747,300 | 2,696,956,745 | 484,019,595 | 145,210,621 | 177,226,213 | 97,474,417 | 10,150,224,408 | 2,939,641,783 | 28.96% | | | | | | | |
| 2016 | 2015 | 1.98 | 7,395,751,800 | 2,187,785,400 | 2,724,052,110 | 511,930,203 | 153,584,251 | 176,768,458 | 97,222,652 | 10,272,235,861 | 2,974,859,013 | 28.96% | | | | | | | |
| 2017 | 2016 | 2.38 | 7,652,825,887 | 2,292,132,394 | 2,759,307,990 | 568,747,797 | 167,254,286 | 180,733,095 | 99,403,202 | 10,694,439,173 | 3,025,965,478 | 28.29% | | | | | | | |
| 2018 | 2017 | 2.38 | 7,478,659,900 | 2,322,236,600 | 2,798,559,615 | 547,813,572 | 161,162,136 | 131,404,713 | 72,272,592 | 10,480,114,785 | 3,031,994,343 | 28.93% | | | | | | | |
| 2019 | 2018 | 2.38 | 7,591,898,100 | 2,335,781,100 | 2,832,286,965 | 535,518,282 | 152,706,327 | 127,812,460 | 70,296,853 | 10,591,009,942 | 3,055,290,145 | 28.85% | | | | | | | |
| 2020 | 2019 | 2.15 | 8,430,649,175 | 2,598,113,125 | 3,146,649,375 | 568,354,415 | 170,506,519 | 135,472,195 | 74,509,707 | 11,732,588,910 | 3,391,665,601 | 28.91% | | | | | | | |
| 2021 | 2020 | 2.15 | 8,562,105,800 | 2,611,557,275 | 3,185,149,360 | 598,142,558 | 179,442,954 | 145,019,329 | 79,760,631 | 11,916,824,962 | 3,444,352,945 | 28.90% | | | | | | | |
| 2022 | 2021 | 2.15 | 8,745,307,200 | 2,641,552,213 | 3,243,033,335 | 541,463,830 | 162,439,149 | 132,503,638 | 72,877,001 | 12,060,826,881 | 3,478,349,485 | 28.84% | | | | | | | |
| 2023 | 2022 | 2.15 | 8,956,869,440 | 2,712,287,863 | 3,324,218,155 | 561,833,740 | 168,550,139 | 140,806,200 | 77,443,409 | 12,371,797,243 | 3,570,211,703 | 28.86% | | | | | | | |

Source: Tennessee Comptroller of the Treasury Division of Property Assessments

WASHINGTON COUNTY, TENNESSEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
Last Ten Fiscal Years
(Rate per \$100 of Assessed Value)

Table 6

| | Fiscal Year | | | | | | | | | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| County Direct Rates | | | | | | | | | | |
| General | \$ 0.65 | \$ 0.68 | \$ 0.68 | \$ 0.73 | \$ 0.74 | \$ 0.74 | \$ 0.67 | \$ 0.67 | \$ 0.67 | \$ 0.67 |
| Upkeep (Highway) | 0.15 | 0.15 | 0.15 | 0.15 | 0.16 | 0.16 | 0.14 | 0.14 | 0.14 | 0.14 |
| General Purpose School | 0.77 | 0.80 | 0.80 | 0.83 | 0.83 | 0.83 | 0.74 | 0.74 | 0.74 | 0.74 |
| Debt Service | 0.31 | 0.32 | 0.32 | 0.32 | 0.32 | 0.41 | 0.37 | 0.37 | 0.37 | 0.37 |
| Solid Waste/Sanitation | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 |
| Capital Projects | - | - | - | 0.32 | 0.31 | 0.21 | 0.20 | 0.03 | 0.03 | 0.03 |
| Education Capital Projects | - | - | - | - | - | - | - | 0.17 | 0.17 | 0.17 |
| Total Direct Rate | <u>\$ 1.91</u> | <u>\$ 1.98</u> | <u>\$ 1.98</u> | <u>\$ 2.38</u> | <u>\$ 2.38</u> | <u>\$ 2.38</u> | <u>\$ 2.15</u> | <u>\$ 2.15</u> | <u>\$ 2.15</u> | <u>\$ 2.15</u> |
| City Rates | | | | | | | | | | |
| City of Johnson City | \$ 1.58 | \$ 1.62 | \$ 1.87 | \$ 1.89 | \$ 1.89 | \$ 1.89 | \$ 1.71 | \$ 1.71 | \$ 1.73 | \$ 1.98 |
| Town Rates | | | | | | | | | | |
| Town of Jonesborough | \$ 1.28 | \$ 1.31 | \$ 1.31 | \$ 1.31 | \$ 1.31 | \$ 1.31 | \$ 1.20 | \$ 1.20 | \$ 1.20 | \$ 1.45 |

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

| <u>Taxpayer</u> | 2023 | | | 2014 | | | Table 7 |
|-------------------------------------|----------------------------------|------|---|----------------------------------|------|---|---------|
| | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | |
| | | | | | | | |
| Glimcher, MJC, LLC | \$ 21,294,200 | 1 | 0.60% | \$ 23,605,915 | 2 | 0.78% | |
| Wal-Mart/Sam's Club | 18,649,193 | 2 | 0.52% | 21,633,665 | 3 | 0.72% | |
| Atmos Energy Corporation | 14,557,057 | 3 | 0.41% | 11,942,020 | 6 | 0.40% | |
| American Water Heater | 14,142,710 | 4 | 0.40% | 15,278,942 | 4 | 0.51% | |
| Wolfe Rentals GP/Wolfe Development | 11,719,390 | 5 | 0.33% | - | | - | |
| Knob Creek Apts LLC | 11,301,440 | 6 | 0.32% | 10,441,720 | 7 | 0.35% | |
| Reserve Johnson City LLC | 10,334,920 | 7 | 0.29% | - | | - | |
| The Villas at Mockingbird Lane LLC | 10,212,400 | 8 | 0.29% | - | | - | |
| RAF Johnson City LLC (The Crossing) | 9,811,320 | 9 | 0.27% | 12,897,535 | 5 | 0.43% | |
| Appalachian Power Company | 9,528,515 | 10 | 0.27% | - | | - | |
| United Telephone Southeast, LLC | - | | - | 24,214,062 | 1 | 0.81% | |
| SOFHA Real Estate Partners, LLC | - | | - | 9,873,080 | 8 | 0.33% | |
| Lowes Home Center Inc. | - | | - | 8,895,711 | 9 | 0.30% | |
| Bank of Tennessee | - | | - | 8,129,199 | 10 | 0.27% | |
| | <u>\$ 131,551,145</u> | | <u>3.68%</u> | <u>\$ 146,911,849</u> | | <u>4.88%</u> | |

WASHINGTON COUNTY, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
Last Ten Fiscal Years

Table 8

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Subsequent Tax Levy Adjustments | Adjusted Tax Levy | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|--------------------------------------|---------------------------------------|----------------------|---|--------------------------------|---------------------------------------|---------------------------|--------------------------------|
| | | | | Amount | Percentage of Original Levy | | Amount | Percentage of Adjusted Levy |
| 2014 | \$57,178,382 | \$82,443 | \$57,260,825 | \$54,283,260 | 94.9% | \$2,194,521 | \$56,477,781 | 98.6% |
| 2015 | 57,800,792 | 95,427 | 57,896,219 | 55,149,235 | 95.4% | 2,004,864 | 57,154,099 | 98.7% |
| 2016 | 58,640,267 | 13,124 | 58,653,391 | 55,944,552 | 95.4% | 1,949,873 | 57,894,425 | 98.7% |
| 2017 | 71,523,756 | (85,851) | 71,437,906 | 69,122,805 | 96.6% | 1,324,586 | 70,447,391 | 98.6% |
| 2018 | 72,155,872 | (60,160) | 72,095,712 | 69,250,413 | 96.0% | 1,893,742 | 71,144,155 | 98.7% |
| 2019 | 72,709,799 | 63,572 | 72,773,371 | 69,597,860 | 95.7% | 2,308,926 | 71,906,786 | 98.8% |
| 2020 | 72,921,419 | 7,407 | 72,928,826 | 69,875,815 | 95.8% | 2,366,676 | 72,242,491 | 99.1% |
| 2021 | 73,995,012 | 120,686 | 74,115,698 | 72,086,740 | 97.4% | 1,217,325 | 73,304,065 | 98.9% |
| 2022 | 74,784,917 | 418,708 | 75,203,625 | 73,621,672 | 98.4% | 695,576 | 74,317,248 | 98.8% |
| 2023 | 76,502,573 | 511,301 | 77,013,874 | 75,377,674 | 98.5% | - | 75,377,674 | 97.9% |

WASHINGTON COUNTY, TENNESSEE
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
Last Ten Fiscal Years

Table 9

| Fiscal Year | General Obligation Bonds | Capital Outlay Notes | Non Exchange Financial Guarantee | Other Loans | Total | Percentage of Personal Income ¹ | Per Capita ¹ |
|----------------|--------------------------------|----------------------------|--|----------------|----------------|--|----------------------------|
| 2014 | \$ 154,439,718 | \$ 5,520,000 | \$ - | \$ 554,117 | \$ 160,513,835 | 3.36% | \$1,264.02 |
| 2015 | 149,757,363 | 4,930,000 | - | 422,051 | 155,109,414 | 3.09% | 1,211.90 |
| 2016 | 144,535,008 | 4,335,000 | - | 287,655 | 149,157,663 | 2.90% | 1,156.34 |
| 2017 | 185,321,707 | 3,730,000 | - | 139,383 | 189,191,090 | 3.57% | 1,455.39 |
| 2018 | 177,823,087 | 3,125,000 | - | - | 180,948,087 | 3.25% | 1,381.34 |
| 2019 | 170,104,489 | 2,560,000 | 1,408,878 | - | 174,073,367 | 3.10% | 1,318.77 |
| 2020 | 161,298,398 | 2,110,000 | 839,628 | - | 164,248,026 | 2.92% | 1,234.94 |
| 2021 | 152,594,186 | 1,650,000 | 367,580 | 517,827 | 155,129,593 | 2.67% | 1,157.66 |
| 2022 | 142,416,998 | 2,331,726 | - | 390,788 | 145,139,512 | 2.26% | 1,075.07 |
| 2023 | 133,730,065 | 2,031,008 | 41,260 | 263,750 | 136,066,083 | 1.92% | 1,000.43 |

¹ Population and personal income data can be found in Table 13.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

WASHINGTON COUNTY, TENNESSEE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)
Last Ten Fiscal Years

Table 10

| Fiscal Year | General Obligation Bonds | Less Amounts Available in Debt Service Fund ¹ | Total | Percentage of Personal Income ² | Percentage of Assessed Value ³ of Taxable Property | Per Capita ² |
|-------------|--------------------------|--|---------------|--|---|-------------------------|
| 2014 | \$154,439,718 | \$7,470,558 | \$146,969,160 | 3.08% | 4.89% | \$1,157 |
| 2015 | 149,757,363 | 7,342,205 | 142,415,158 | 2.84% | 4.84% | 1,113 |
| 2016 | 144,535,008 | 6,133,622 | 138,401,386 | 2.69% | 4.65% | 1,073 |
| 2017 | 185,321,707 | 6,595,117 | 178,726,590 | 3.37% | 5.91% | 1,375 |
| 2018 | 177,823,087 | 5,422,692 | 172,400,395 | 3.10% | 5.69% | 1,316 |
| 2019 | 170,104,489 | 6,624,510 | 163,479,979 | 2.91% | 5.35% | 1,239 |
| 2020 | 161,298,398 | 6,994,880 | 154,303,518 | 2.75% | 4.55% | 1,160 |
| 2021 | 152,594,186 | 6,779,534 | 145,814,652 | 2.51% | 4.23% | 1,088 |
| 2022 | 142,416,998 | 5,960,263 | 136,456,735 | 2.12% | 3.92% | 1,011 |
| 2023 | 133,730,065 | 5,679,134 | 128,050,931 | 1.81% | 3.59% | 942 |

¹ Funds available in Debt Service reflect government wide adjustments for the effect of deferred revenues for delinquent taxes and the effect of accrued interest on debt on restricted fund balance for Debt Service.

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

³ See Table 5 for property value data.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**WASHINGTON COUNTY, TENNESSEE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

Table 11

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share Of Overlapping Debt |
|-----------------------------------|------------------------------|---------------------------------------|---|
| Debt Repaid with Property Taxes: | | | |
| Overlapping Debt: | | | |
| City of Johnson City | \$ 131,543,593 | 98.00% | \$ 128,912,721 |
| Town of Jonesborough | 58,083,431 | 100.00% | 58,083,431 |
| City of Watauga | - | 0.01% | - |
| <i>Subtotal, Overlapping Debt</i> | <u>\$ 189,627,024</u> | | <u>\$ 186,996,152</u> |
| Net Direct Debt: | | | |
| Washington County | <u>\$ 136,066,083</u> | 100.00% | <u>\$ 136,066,083</u> |
| Total Direct and Overlapping Debt | <u><u>\$ 325,693,107</u></u> | | <u><u>\$ 323,062,235</u></u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Washington County, Tennessee. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Washington County Finance Department and City and Town Governments

WASHINGTON COUNTY, TENNESSEE
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
June 30, 2023

Table 12

The State of Tennessee has not placed any restrictions on the amount of debt that may be issued by Washington County, Tennessee.

WASHINGTON COUNTY, TENNESSEE
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
Last Ten Fiscal Years

Table 13

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|----------------|------------|--------------------|----------------------------------|----------------------|
| 2014 | 126,987 | \$4,775,639,000 | \$37,607 | 7.3% |
| 2015 | 127,989 | 5,017,173,000 | 39,200 | 6.4% |
| 2016 | 128,991 | 5,139,873,000 | 39,847 | 5.7% |
| 2017 | 129,993 | 5,300,888,000 | 40,778 | 4.9% |
| 2018 | 130,995 | 5,568,591,000 | 42,510 | 4.3% |
| 2019 | 131,997 | 5,617,418,950 | 42,557 | 4.2% |
| 2020 | 133,001 | 5,617,430,236 | 42,236 | 8.6% |
| 2021 | 134,003 | 5,802,195,897 | 43,299 | 5.0% |
| 2022 | 135,005 | 6,435,283,335 | 47,667 | 4.0% |
| 2023 | 136,007 | 7,084,468,623 | 52,089 | 3.8% |

Source: World Population Review, Tennessee State Government, U. S. Bureau of Economic Analysis, and Tennessee Department of Labor & Workforce Development.

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

Table 14

| <u>EMPLOYER</u> | <u>2023</u> | | | <u>2014</u> | | |
|---|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| East Tennessee State University | 3,578 | 1 | 5.53% | 2,370 | 2 | 4.17% |
| Ballad Health Corporation, formerly Mountain States Health Alliance (JC) and Wellmont (Kingsport) | 3,300 | 2 | 5.10% | 8,610 | 1 | 15.15% |
| Veteran Health Administration | 2,188 | 3 | 3.38% | 2,188 | 3 | 3.85% |
| Advanced Call Center Technologies, LLC | 2,100 | 5 | 3.25% | 1,179 | 6 | 2.07% |
| CITI Commerce Solution | 1,900 | 4 | 2.94% | 1,700 | 4 | 2.99% |
| Washington County Board of Education | 1,220 | 6 | 1.89% | 1,200 | 5 | 2.11% |
| A. O. Smith (American Water Heater) | 1,125 | 7 | 1.74% | 1,076 | 7 | 1.89% |
| Johnson City Board of Education | 1,100 | 9 | 1.70% | 832 | 9 | 1.46% |
| Frontier Health | 1,066 | 8 | 1.65% | 1,016 | 8 | 1.79% |
| City of Johnson City | 1,080 | 10 | 1.67% | - | - | - |
| Kelly Services, Inc. | - | - | - | 650 | 10 | 1.14% |
| | <u>15,079</u> | | <u>23.31%</u> | <u>20,821</u> | | <u>36.62%</u> |

Source: U.S. Bureau of Labor Statistics, Local Agencies, Washington County Board of Education and City Government.

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

| | | | | | | | | | | Table 15 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Full-time Equivalent Employees as of June 30 | | | | | | | | | | |
| <u>FUNCTION</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| General Government | 146 | 140 | 140 | 142 | 146 | 141 | 164 | 154 | 155 | 138 |
| Public Safety | 220 | 217 | 224 | 225 | 225 | 209 | 210 | 211 | 224 | 238 |
| Highways | 83 | 82 | 83 | 82 | 80 | 83 | 82 | 81 | 83 | 76 |
| Library | 9 | 8 | 9 | 12 | 9 | 9 | 12 | 15 | 14 | 15 |
| Sanitation | 13 | 14 | 14 | 14 | 17 | 17 | 19 | 21 | 20 | 19 |
| Total | <u>471</u> | <u>461</u> | <u>470</u> | <u>475</u> | <u>477</u> | <u>459</u> | <u>487</u> | <u>482</u> | <u>496</u> | <u>486</u> |

Source: Washington County Payroll Records

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

Table 16

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|---------|---------|---------|---------|---------|--------|--------|--------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| <u>Function/Program</u> | | | | | | | | | | |
| <u>Sheriff's Department</u> | | | | | | | | | | |
| Jail Bookings | 7,146 | 6,939 | 7,181 | 7,350 | 8,077 | 8,064 | 6,305 | 5,146 | 6,222 | 6,296 |
| Average Daily Population | 581 | 554 | 594 | 590 | 653 | 691 | 614 | 493 | 629 | 677 |
| Physical Arrests | 3,553 | 3,587 | 3,725 | 3,926 | 4,545 | 4,509 | 3,675 | 3,317 | 3,750 | 3,822 |
| Warrants Processed | 15,886 | 15,768 | 15,501 | 15,825 | 16,811 | 16,896 | 14,744 | 12,806 | 13,694 | 12,603 |
| Warrants Served | 11,757 | 11,341 | 11,546 | 11,586 | 12,104 | 12,224 | 9,734 | 11,988 | 10,471 | 11,585 |
| Civil Papers Processed | * | * | * | * | * | * | * | * | * | * |
| Civil Papers Served | * | * | * | * | * | * | * | * | * | * |
| <u>Highway</u> | | | | | | | | | | |
| Streets Maintained (miles) | 788.96 | 789.96 | 789.96 | 971.41 | 972.39 | 973.22 | 787.93 | 788.93 | 789.84 | 790.74 |
| Streets Resurfaced (miles) | 36.89 | 31.44 | 36.00 | 32.84 | 25.27 | 30.70 | 18.86 | 35.50 | 27.00 | 36.21 |
| <u>Library</u> | | | | | | | | | | |
| Volumes in Circulation | 167,468 | 139,918 | 135,558 | 145,546 | 127,546 | 114,147 | 90,691 | 69,742 | 48,230 | 134,217 |
| Electronic Volumes in Circulation | 17,589 | 18,701 | 20,198 | 27,798 | 36,386 | 41,269 | 48,354 | 50,229 | 45,257 | 57,966 |
| <u>Sanitation</u> | | | | | | | | | | |
| Refuse Collected (tons/day) | 35.60 | 37.82 | 45.47 | 44.64 | 44.64 | 42.36 | 44.19 | 43.05 | 42.94 | 34.26 |
| Recyclables Collected (tons/day) | 12.92 | 11.78 | 8.55 | 8.79 | 8.79 | 8.6 | 10.18 | 13.8 | 12.1 | 13.54 |

* Comparable information was not available.

Source: Various County Departments

WASHINGTON COUNTY, TENNESSEE
CAPITAL ASSET STATISTICS BY FUNCTION (UNAUDITED)
Last Ten Fiscal Years

Table 17

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| <u>Function/Program</u> | | | | | | | | | | |
| <u>Sheriff's Department</u> | | | | | | | | | | |
| Correction Facility Capacity | 578 | 620 | 620 | 620 | 620 | 620 | 620 | 620 | 620 | 620 |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Zones | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Patrol Units | 36 | 36 | 39 | 39 | 39 | 39 | 39 | 40 | 44 | 44 |
| Substations | 3 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>Highway</u> | | | | | | | | | | |
| Bridges under 20 feet | 372 | 372 | 372 | 372 | 372 | 372 | 372 | 372 | 373 | 373 |
| Bridges 20 feet and over | 115 | 115 | 115 | 115 | 115 | 115 | 116 | 116 | 115 | 115 |
| <u>Library</u> | | | | | | | | | | |
| Volumes in Collection | 90,617 | 81,529 | 76,730 | 91,292 | 73,421 | 60,186 | 58,070 | 69,571 | 71,892 | 77,234 |
| <u>Sanitation</u> | | | | | | | | | | |
| Collection Trucks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 |

Source: Various County Departments

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Washington County Emergency Communications District and the Internal School Fund of the discretely presented Washington County School Department, as described in our report on Washington County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-002, 2023-003, and 2023-004.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2023-001.

Washington County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Washington County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Washington County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2023

JEM/tg



JASON E. MUMPOWER
Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Washington County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washington County's major federal programs for the year ended June 30, 2023. Washington County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Washington County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Washington County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Washington County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Washington County's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Washington County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Washington County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washington County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements. We issued our report thereon dated November 30, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2023

JEM/tg

Washington County, Tennessee, and the Washington County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9)
For the Year-Ended June 30, 2023

| Federal/Pass-Through Agency/State Grantor Program Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Expenditures |
|--|--|---|---------------------|
| U.S. Department of Agriculture: | | | |
| Direct Award: | | | |
| Forest Service Schools and Roads Cluster: (5) | | | |
| Schools and Roads - Grants to States | 10.665 | N/A | \$ 16,107 |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: (5) | | | |
| School Breakfast Program | 10.553 | N/A | 651,373 |
| National School Lunch Program | 10.555 | N/A | 2,613,389 (6) |
| National School Lunch Program (Supply Chain Assistance Fund) | 10.555 | N/A | 237,889 (6) |
| COVID 19 - Pandemic EBT Administrative Costs | 10.649 | N/A | 3,135 |
| Passed-through State Department of Agriculture: | | | |
| Child Nutrition Cluster: (5) | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 241,026 (6) |
| Passed-through State Department of Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | GG-23-75751-00 | 175,675 (8) |
| Total U.S. Department of Agriculture | | | <u>\$ 3,938,594</u> |
| U.S. Department of Military: | | | |
| Passed-through State Department of General Services: | | | |
| Section 1033 Excess Property Program (Noncash Assistance) | 12.U01 | N/A | \$ 1,866 (7) |
| Total U.S. Department of Military | | | <u>\$ 1,866</u> |
| U.S. Department of Interior: | | | |
| Direct Award: | | | |
| Payments in Lieu of Taxes | 15.226 | N/A | \$ 37,446 |
| Total U.S. Department of Interior | | | <u>\$ 37,446</u> |
| U.S. Department of Justice: | | | |
| Direct Awards: | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | \$ 7,324 |
| Equitable Sharing Program | 16.922 | N/A | 34,172 |
| Passed-through State Office of Criminal Justice Programs: | | | |
| COVID 19 - Coronavirus Emergency Supplemental Funding Program | 16.034 | (4) | 32,867 |
| Passed-through State Department of Finance and Administration: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | (4) | 32,494 |
| Total U.S. Department of Justice | | | <u>\$ 106,857</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703 | (4) | \$ 20,135 |
| Total U.S. Department of Transportation | | | <u>\$ 20,135</u> |
| U.S. Institute of Museum and Library Services: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Grants to States | 45.310 | (4) | \$ 832 |
| Total U.S. Institute of Museum and Library Services | | | <u>\$ 832</u> |
| U.S. Environmental Protection Agency: | | | |
| Passed-through East Tennessee Clean Fuels Coalition: | | | |
| Diesel Emissions Reduction Act (DERA) State Grants | 66.040 | 2021-RDE4HT-172 | \$ 76,000 |
| Total U.S. Environmental Protection Agency | | | <u>\$ 76,000</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Human Services: | | | |
| Rehabilitation Services Vocational Rehabilitation Grants to States | 84.126 | (4) | \$ 253,935 |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 1,867,741 |
| Special Education Cluster: (5) | | | |
| Special Education - Grants to States | 84.027 | N/A | 2,034,838 (6) |
| COVID 19 - Special Education - Grants to State (ARP) | 84.027 | 84.027X | 313,705 (6) |
| Special Education - Preschool Grants | 84.173 | N/A | 38,053 (6) |
| COVID 19 - Preschool Grants (ARP) | 84.173 | 84.173X | 29,236 (6) |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 143,692 |
| Supporting Effective Instruction - State Grants | 84.367 | N/A | 219,980 |
| Comprehensive Literacy Development | 84.371C | N/A | 72,800 |
| Student Support and Academic Enrichment Program | 84.424 | N/A | 128,249 |

(Continued)

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

| Federal/Pass-Through Agency/State Grantor Program Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Expenditures |
|--|--|---|----------------------|
| U.S. Department of Education (Cont.): | | | |
| Passed-through State Department of Education (Cont.): | | | |
| COVID 19 - Education Stabilization Fund Program - Governors Emergency Education Relief Fund (Early Literacy Network) | 84.425 | N/A | \$ 40,000 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Best for All Districts) | 84.425D | N/A | 208,025 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Tennessee ALL Corps) | 84.425D | N/A | 162,911 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Math Implementation) | 84.425D | N/A | 66,500 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I) | 84.425D | N/A | 66,000 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Planning (ESSER II) | 84.425D | N/A | 60,000 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II) | 84.425D | N/A | 1,512,045 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Support (ESSER ARP) | 84.425D | N/A | 22,050 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP) | 84.425U | N/A | 5,666,740 (6) |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth - (ESSER ARP) | 84.425W | N/A | 3,372 (6) |
| Total U.S. Department of Education | | | <u>\$ 12,909,872</u> |
| U.S. Election Assistance Commission: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| COVID 19 - HAVA Election Security Grants | 90.404 | (4) | \$ 20,693 |
| Total U.S. Election Assistance Commission | | | <u>\$ 20,693</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136 | GG-23-75751-00 | \$ 5,535 (8) |
| COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | N/A | 886,887 |
| The National Cardiovascular Health Program | 93.426 | GG-20-62452-00 | 22,196 |
| Medicaid Cluster: (5) | | | |
| Medical Assistance Program | 93.778 | GG-23-75751-00 | 38,251 (8) |
| Maternal and Child Health Services Block Grant to the States | 93.994 | GG-23-75751-00 | 27,033 (8) |
| Passed-through State Department of Education: | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | (4) | 135,757 |
| Temporary Assistance for Needy Families | 93.558 | (4) | 115,933 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 1,231,592</u> |
| Executive Office of the President: | | | |
| Passed-through Laurel County, Kentucky Fiscal Court: | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | (4) | \$ 139 |
| Total Executive Office of the President | | | <u>\$ 139</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Homeland Security Grant Program | 97.067 | 34101-10418 | \$ 134,443 |
| Total U.S. Department of Homeland Security | | | <u>\$ 134,443</u> |
| Total Expenditures of Federal Grants | | | <u>\$ 18,478,469</u> |

(Continued)

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

| State Grants | Federal Assistance Listing Number | Contract Number | Expenditures |
|---|-----------------------------------|-----------------|---------------------|
| | | | |
| Juvenile Service Program - State Commission on Children and Youth | N/A | 35910-20407 | \$ 13,500 |
| Early Childhood Development - State Department of Education | N/A | (4) | 162,644 |
| Coordinated School Health - State Department of Education | N/A | (4) | 100,000 |
| Family Resource Center Grant - State Department of Education | N/A | (4) | 31,362 |
| Highway Safety Office Saturation Grant - State Department of Transportation | N/A | (4) | 35,028 |
| Jail Training Equipment Grant - State Department of Safety | N/A | (4) | 9,974 |
| Drivers Education - State Department of Education | N/A | (4) | 33,436 |
| Litter Program - State Department of Transportation | N/A | Z-23-LIT-090 | 66,186 |
| Site Development Grant - State Department of Environment and Conservation | N/A | 13568 | 328,457 |
| State Bridge Program - State Department of Transportation | N/A | (4) | 852,644 |
| CTE Major Clarity Grant - State Department of Education | N/A | (4) | 98,158 |
| CTE Career Exploration Grant - State Department of Education | N/A | (4) | 6,500 |
| Governor's Early Literacy Foundation - State Department of Education | N/A | (4) | 243 |
| Lottery for Education After School Program - State Department of Education | N/A | (4) | 59,457 |
| Local Health Center - State Department of Health | N/A | GG-23-75751-00 | 429,971 (8) |
| Summer Learning Camps - State Department of Education | N/A | (4) | 418,265 |
| Recovery Court Grant - Administrative Office of the Courts | N/A | (4) | 96,126 |
| Evidence-Based Programming Grant - Department of Finance and Administration | N/A | (4) | 82,478 |
| Voter-Verifiable Paper Trail Audit Grant - Secretary of State of Tennessee | N/A | (4) | 726,250 |
| Total State Grants | | | <u>\$ 3,550,679</u> |

FAL = Federal Assistance Listing

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Washington County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Information not available.

(5) Forest Service Schools and Roads Cluster total \$16,107; Child Nutrition Cluster total \$3,743,677;

Special Education Cluster total \$2,415,832; and Medicaid Cluster total \$38,251.

(6) Total for FAL No. 10.555, \$3,092,304; Total FAL No. 84.027, \$2,348,543;

Total FAL No. 84.173, \$67,289; Total FAL No. 84.425, \$7,807,643.

(7) During the year ended June 30, 2023, Washington County received excess military equipment from the U.S. Department of Defense valued at \$1,866.

(8) Total for federal GG-23-75751-00 is \$246,494. Total state and federal is \$676,465.

(9) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

| Program Title | FAL Number | Amount Provided to Consolidated Administration |
|--|------------|--|
| Title I Grants to Local Educational Agencies | 84.010 | \$ 203,926 |
| Supporting Effective Instruction - State Grants | 84.367 | 25,000 |
| Student Support and Academic Enrichment Program | 84.424 | 1,889 |
| Total amounts consolidated for administration purposes | | <u>\$ 230,815</u> |

Washington County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Comprehensive Financial Report for Washington County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

| Fiscal Year | Page Number | Finding Number | Title of Finding | FAL Number | Current Status |
|-------------|-------------|----------------|------------------|------------|----------------|
|-------------|-------------|----------------|------------------|------------|----------------|

OFFICE OF COUNTY MAYOR

| | | | | | |
|------|-----|----------|---|-----|-----------|
| 2022 | 297 | 2022-001 | The library did not deposit some funds within three days of collection. | N/A | Corrected |
|------|-----|----------|---|-----|-----------|

WASHINGTON COUNTY

| | | | | | |
|------|-----|----------|---|-----|---|
| 2022 | 298 | 2022-002 | Unassigned fund balance for the General Fund did not meet criteria established in the county's minimum fund balance policy. | N/A | Not Corrected - See Explanation on Corrective Action Plan |
|------|-----|----------|---|-----|---|

OFFICE OF SUPERINTENDENT OF HIGHWAYS

| | | | | | |
|------|-----|----------|--|-----|-----------|
| 2022 | 298 | 2022-003 | The office had deficiencies related to time records. | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

OFFICES OF DIRECTOR OF SCHOOLS AND COUNTY TRUSTEE

| | | | | | |
|------|-----|----------|--|-----|-----------|
| 2022 | 300 | 2022-004 | The School Federal Projects Fund had a cash overdraft at June 30, 2022, and the trustee paid checks from the School Federal Projects Fund that exceeded available funds. | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

OFFICE OF DIRECTOR OF SCHOOLS

| | | | | | |
|------|-----|----------|--|-----|---|
| 2022 | 301 | 2022-005 | Amounts withheld from contractor payments were not deposited into escrow accounts. | N/A | Corrected |
| 2022 | 301 | 2022-006 | Payroll liability accounts were not reconciled accurately and timely. | N/A | Not Corrected - See Explanation on Corrective Action Plan |

Prior-year Federal Awards Findings

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

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Washington County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * Assistance Listing Number: 84.010 Title I Grants to Local Education Agencies
 - * Assistance Listing Numbers: 84.027 Special Education Cluster: Special Education -
and 84.173 Grants to States, Special Education -
Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
 - * Assistance Listing Number: 93.323 COVID 19 - Epidemiology and Laboratory
Capacity for Infectious Diseases (ELC)
8. Dollar threshold used to distinguish between type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

WASHINGTON COUNTY

FINDING 2023-001

UNRESTRICTED FUND BALANCE FOR THE GENERAL FUND DID NOT MEET CRITERIA ESTABLISHED IN THE COUNTY'S MINIMUM FUND BALANCE POLICY (Noncompliance – Under *Government Auditing Standards*)

The minimum fund balance policy previously adopted by the county commission was amended in February 2023. The updated policy states "It shall be the policy of the County to begin each fiscal year with a minimum unrestricted fund balance in the General Fund of four months budgeted average expenses for that year." The General Fund ended the fiscal year with an unrestricted fund balance of \$14,068,117 at June 30, 2023. This unrestricted fund balance will be the beginning fund balance on July 1, 2023. The budgeted expenditures reflected in the fiscal year end June 30, 2024, budget totaled \$55,023,597, four months of which amount to \$18,341,199. Therefore, the beginning fund balance on July 1, 2023, is \$4,273,082 less than appropriations for four months budgeted average expenditures for the fiscal year end June 30, 2024 and Washington County did not meet criteria established for the General Fund in its minimum fund balance policy.

RECOMMENDATION

County officials should comply with the county's current fund balance policy as written or take appropriate measures to amend the policy.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGET

While not required to do so by Tennessee statutes, the County Commission chose to adopt a General Fund Balance policy in 2013 to help it maintain strong reserves. We were both directly involved with the original drafting of the original policy and have been instrumental in applying it. We believe that the Comptroller has interpreted the policy differently than what the drafters intended.

Since inception of the Fund Balance policy in 2013, county management, the budget committee and the commission have consistently evaluated the fund balance reserve against the current year, not the upcoming year. Additionally, the last sentence of the General Fund Balance policy paragraph ("Fund Balances in excess of the minimum may only be appropriated for expenditure by an affirmative vote of a majority of the County

Commission.”) has been understood by management, the budget committee and the commission that any use of fund balance below the minimum requires approval of a majority of the commission. Since the commission has to approve any use of fund balance, including this wording in the policy is unnecessary unless it was to allow the commission to comply with its policy in this situation.

As you will see in the corrective action plan, we do intend to recommend policy language revisions to clarify the commission’s intent.

OFFICES OF DIRECTOR OF SCHOOLS

FINDING 2023-002

THE SCHOOL DEPARTMENT FAILED TO REQUEST REIMBURSEMENTS FOR GRANT EXPENDITURES ON A TIMELY BASIS RESULTING IN A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2023

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

School department personnel failed to request reimbursements for grant expenditures related to state and federal programs on a timely basis. Receivables resulting from reimbursement requests totaling \$504,972 in the General Purpose School Fund, and \$131,022 in the School Federal Projects Fund, have been deferred. These receivables are not reflected as revenues in the fund financial statements since they were not received within the department’s 60-day availability period. The corresponding expenditures were incurred prior to June 30, 2023, but reimbursements were not requested from the Tennessee Department of Education until September 19, 2023, for the General Purpose School Fund and September 9, 2023, for the School Federal Projects Fund, over 9 weeks after the end of the fiscal year. Sound business practices dictate that requests for grant reimbursements be made on a current basis.

The failure to submit requests for reimbursements on a timely basis in the General Purpose School Fund limited its operating funds by relying on existing cash and fund balances to cover expenditures that the state or federal programs would otherwise reimburse. The failure to submit requests for reimbursements on a timely basis in the School Federal Projects Fund resulted in the fund having a deficit in the unassigned fund balance of \$131,022 at June 30, 2023. As noted above, grant funds were requested and received subsequent to June 30, 2023, liquidating the deficit.

RECOMMENDATION

Requests for reimbursements from grant funds should be made on a timely basis.

MANAGEMENT’S RESPONSE

No formal management’s response was submitted. However, explanation to the findings is included in the Corrective Action Plan

FINDING 2023-003

PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED ACCURATELY AND TIMELY

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

Our audit revealed the following deficiencies related to the administration and maintenance of the accounting and reporting systems.

- A. From our review of accounting records, it was noted that a debit (negative) balance was maintained in the Medical Insurance Contribution payroll liability account in the General Purpose School Fund for six of 12 months, with the highest debit balance totaling \$788,915 for the month ending August 31, 2022. Bank clearing account reconciliations with the general ledger, subsidiary records, monthly billings, receipts, and payments were performed to identify the balance in this payroll liability account in the current year; however, accounting department staff expensed \$1,001,807 in June 2023 to correct the amount in the liability account at year end.
- B. It should also be noted that an unidentified balance existed in the Retirement Contribution payroll liability account in the General Purpose School Fund. Accounting department staff posted a negative expenditure of \$133,410 in June 2023 to correct the amount in the liability account at year end.

Sound business practices dictate that financial records should be reviewed for accuracy and completeness, and all general ledger accounts should be reconciled monthly. The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner. These deficiencies can be attributed to lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

All payroll deductions, general ledger payroll liability accounts, and payroll clearing accounts should be reconciled accurately monthly with subsidiary records, monthly billings, receipts and payments, and any identified errors corrected promptly. The school department should maintain accounting records on a current basis, review the financial statements for accuracy and completeness, and provide the school board with accurate financial reports each month.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan

FINDING 2023-004

**THE ACCOUNTING RECORDS FOR VARIOUS FUNDS
HAD NOT BEEN MAINTAINED PROPERLY**

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

Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records. These deficiencies are the result of a lack of management oversight.

- A. It appears that bank statement reconciliations were performed; however, there were outstanding reconciling items that have carried over from the prior fiscal year totaling \$156,955 and \$3,670 in the General Purpose School Fund and School Federal Projects fund, respectively. Similarly, Cash with Trustee reconciling items from the prior year were not investigated timely resulting in a carryover balance of \$98,679 and \$10,942 in the General Purpose School Fund and School Federal Projects Fund, respectively.
- B. Accounts receivable balance in the General Purpose School Fund were not reconciled adequately. The client provided a detailed listing of accounts receivable at June 30, 2023; however, an unknown variance of \$60,498 existed between the listing and general ledger. Additionally, per record amounts reflected on the financial statements were not accurate and resulted in adjustments totaling \$135,253. These records should be maintained timely with any variances investigated.

Sound business practices dictate that financial records and accounts should be reviewed for accuracy and completeness, and all general ledger accounts should be reconciled timely. The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner. We provided management with audit adjustments, which they approved and agreed to post to correct the errors we identified to properly present the financial statements in this report.

RECOMMENDATION

Management should post accounting entries on a current basis and any unusual activity should be investigated. All general ledger accounts should be reconciled accurately with subsidiary records. Accounting records should be maintained on a current basis, and financial statements should be reviewed for accuracy and completeness.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2023.

Washington County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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

| Finding Number | Title of Finding | Corrective Action Plan Page Number |
|-------------------|------------------|---------------------------------------|
|-------------------|------------------|---------------------------------------|

**WASHINGTON COUNTY - COUNTY MAYOR AND DIRECTOR OF
ACCOUNTS AND BUDGETS**

| | | |
|----------|---|-----|
| 2023-001 | Unrestricted fund balance for the General Fund did not meet criteria established in the county's minimum fund balance policy. | 296 |
|----------|---|-----|

OFFICE OF DIRECTOR OF SCHOOLS - SCHOOL'S CHIEF FINANCIAL OFFICER

| | | |
|----------|---|-----|
| 2023-002 | The school department failed to request reimbursements for grant expenditures on a timely basis resulting in a deficit in unassigned fund balance at June 30, 2023. | 297 |
| 2023-003 | Payroll liability accounts were not reconciled accurately and timely. | 298 |
| 2023-004 | The accounting records for various funds had not been maintained properly. | 299 |



Washington County, Tennessee

P.O. Box 219
Jonesborough, Tennessee 37659-0219

Corrective Action Plans

FINDING

**UNRESTRICTED FUND BALANCE FOR THE GENERAL FUND
DID NOT MEET CRITERIA ESTABLISHED IN THE COUNTY'S
MINIMUM FUND BALANCE POLICY**

Response and Corrective Action Plan Prepared by:

Mitch Meredith, CPA (retired), Director of Accounts & Budget

Person Responsible for Implementing the Corrective Action:

William J. Grandy, Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2024

Repeat Finding:

Yes

Planned Corrective Action:

Management will recommend that the commission revise the Fund Balance Policy to clearly indicate that 1) the determination of minimum fund balance is based on the current fiscal year appropriations and not the following year appropriations and 2) that the policy is to be considered as a guide for the county commission and not a mandatory amount certain.

Mitch Meredith

Mitchell G. Meredith, CPA (retired)
Director of Accounts & Budget

Joe Grandy

William J. Grandy
Mayor

Corrective Action Plan

FINDING: THE SCHOOL DEPARTMENT FAILED TO REQUEST REIMBURSEMENTS FOR GRANT EXPENDITURES ON A TIMELY BASIS RESULTING IN A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2023

Response and Corrective Action Plan Prepared by:

W. Brad Hale, CFO

Person Responsible for Implementing the Corrective Action:

W. Brad Hale, CFO

Anticipated Completion Date of Corrective Action:

Immediate

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

This finding is referring to four individual grants not receiving reimbursements from the State within 60-days of FY23 year-end closing of the books. The overall 142-Federal Fund was not overdrawn as a whole. These grants were originally closed through the FER process, but reopened by the state to make changes. This held up the reimbursements causing them to arrive until after the 60-day mark from year end closing. Going forward additional focus will be placed on working with the state at year end with a greater emphasis on meeting the 60-day reimbursement threshold after year-end closing.

Board of Directors

Annette Buchanan
Mary Beth Dellinger
Keith Ervin

Chad Fleenor
David Hammond
Gregg Huddleston

Mike Masters
Whitney Riddle
Vince Walters



Mr. Jerry S. Boyd
Superintendent

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

FINDING: PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED ACCURATELY AND TIMELY

Response and Corrective Action Plan Prepared by:

W. Brad Hale, CFO

Person Responsible for Implementing the Corrective Action:

W. Brad Hale, CFO

Anticipated Completion Date of Corrective Action:

Immediate

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Corrective action was taken as issues were found in the Financial Software System that were corrected. As disclosed at the end of the FY22 Audit, we believe FY23 will be the last year of an adjustment of this type to catch the Medical Insurance Liability Account up from prior years. We decided not to do this final adjustment last year because we wanted to monitor the accounts for a full year to make sure Medical Insurance Expenses were balancing. We now believe this is corrected.

Planned Corrective Action:

Management believes this item has now been corrected per the prior response.

Board of Directors

Annette Buchanan
Mary Beth Dellinger
Keith Ervin

Chad Fleenor
David Hammond
Gregg Huddleston

Mike Masters
Whitney Riddle
Vince Walters



Mr. Jerry S. Boyd
Superintendent

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

FINDING: THE ACCOUNTING RECORDS FOR VARIOUS FUNDS HAD NOT BEEN MAINTAINED PROPERLY

Response and Corrective Action Plan Prepared by:

W. Brad Hale, CFO

Person Responsible for Implementing the Corrective Action:

W. Brad Hale, CFO

Anticipated Completion Date of Corrective Action:

FY24

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Staffing duties have been reassigned to address older outstanding items within the monthly bank reconciliation. We believe these items will be cleared out during the FY24 fiscal year as we are working with the County Trustees office to address the items in question. The Accounts Receivable items mentioned are believed to have been caused by an error when year-end closing was being processed in the Skyward Financial System.

Signature:

W. Brad Hale, CFO

Board of Directors

Annette Buchanan
Mary Beth Dellinger
Keith Ervin

Chad Fleenor
David Hammond
Gregg Huddleston

Mike Masters
Whitney Riddle
Vince Walters

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Washington County.

WASHINGTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING THAT INCLUDES THE DISCRETELY PRESENTED WASHINGTON COUNTY SCHOOL DEPARTMENT

Washington County does not have a central system of accounting, budgeting, and purchasing that includes the discretely presented Washington County School Department. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Washington County. Therefore, we recommend the adoption of a centralized system of accounting, budgeting, and purchasing as authorized in the *County Financial Management System of 1981* or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.