

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 20, 2026
BONDS TO BE SOLD TUESDAY, APRIL 28, 2026, AT 10:30 A.M. E.T.**

New Issue
Book-Entry Only

Rating: Moody's "Aa2"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "Tax Matters" herein).

\$77,405,000*

**SULLIVAN COUNTY, TENNESSEE
GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026 (ULT)**

Dated: Date of Issuance

Due: May 1, as shown below

Sullivan County, Tennessee (the "County") will issue its \$77,405,000* General Obligation School Refunding Bonds, Series 2026 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2026*, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the designated trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds shall be subject to redemption prior to maturity, at the option of the County, at any time on or after May 1, 2036, at a price of par plus accrued interest to the redemption date. (See "The Bonds – Optional Redemption" herein). The Bonds are payable on May 1 of each year as follows:

Maturity (May 1)*	Principal*	Interest Rate	Price or Yield	CUSIP Number	Maturity (May 1)*	Principal*	Interest Rate	Price or Yield	CUSIP Number
2027	\$3,850,000				2035	\$4,820,000			
2028	4,005,000				2036	4,970,000			
2029	4,110,000				2037	5,115,000			
2030	4,215,000				2038	5,285,000			
2031	4,330,000				2039	5,460,000			
2032	4,440,000				2040	5,640,000			
2033	4,565,000				2041	5,845,000			
2034	4,690,000				2042	6,065,000			

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. (See "The Bonds – Security and Sources of Payment" and "Levy of Tax" herein)

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Daniel P. Street, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about May 21, 2026.*

_____, 2026

* Preliminary and Subject to Change

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by Sullivan County, Tennessee (the “County”), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

CUSIP data herein is subject to copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of The American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds.

Neither the County nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Bonds.

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**Sullivan County, Tennessee
155 School Avenue
Blountville, Tennessee 37617**

Officials

County Mayor

Richard S. Venable

Board of Commissioners

David Hayes
David Akard, III
Cheryl S. Harvey
Barry Hopper
Andrew K. Cross
Michael B. Cole
Joyce Neal Crosswhite
Tony Leonard

Hershel Glover
Dwight D. King
Daniel Horne
Jessica Means
Zane Vanover
Sam Jones
Travis Ward
Darlene Calton

Mark Ireson
Joe Carr
Joe McMurray
Larry Crawford
Gary Stidham
John Gardner
Hunter Locke
Archie Pierce

County Officials

Director of Finance
County Clerk
Trustee

Larry G. Bailey
Teresa Jacobs
Angela Taylor

Counsel for the County

Daniel P. Street, Esq., County Attorney
Blountville, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration, Paying and Escrow Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Municipal Advisor

Stephens Inc.
Nashville, Tennessee

Underwriter

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NOTICE OF SALE

SULLIVAN COUNTY, TENNESSEE

GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026 (ULT)

Notice is hereby given that the County Mayor of Sullivan County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's **\$77,405,000*** **GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026** (the "Bonds") until:

10:30 A.M. E.T. on Tuesday, April 28, 2026

Written bids must be addressed and delivered to the County to the attention of the County Mayor, 155 School Avenue, Blountville, Tennessee 37617. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all or any series of the Bonds on Tuesday, April 28, 2026, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 5% per annum and shall be payable semi-annually on May 1 and November 1, commencing November 1, 2026. No bid for the Bonds will be considered for less than 99% of par nor more than 125% of par, as described in the Detailed Notice of Sale. In addition, each maturity of Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Bonds will mature on May 1 in the years 2027 through 2042, with term bonds optional, and will be awarded on the sale date by the County Mayor to the bidder whose bid results in the lowest true interest cost on the Bonds. After opening the bids, the County reserves the right to adjust the principal amount of each maturity of the Bonds as described in the Detailed Notice of Sale.

The Bonds shall be subject to redemption at the option of the County at any time on or after May 1, 2036, at a price of par plus accrued interest to the redemption date.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.

The Bonds and approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the undersigned at the Sullivan County Administration – Finance Department, 155 School Avenue, Blountville, Tennessee 37617 or from Stephens Inc. Attention: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334; Fax: (615) 279-4351.

Richard Venable
County Mayor

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DETAILED NOTICE OF SALE

SULLIVAN COUNTY, TENNESSEE

**\$77,405,000* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026
(ULT)**

Time and Place of Sale

Notice is hereby given that the County Mayor of Sullivan County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the **\$77,405,000* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026** (the "Bonds") until:

10:30 A.M. E.T. on Tuesday, April 28, 2026

The written bids must be addressed and delivered to the County to the attention of the County Mayor, 155 School Avenue, Blountville, Tennessee 37617. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. *The sale of all or any series of the Bonds on Tuesday, April 28, 2026, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours' notice.* The Bonds will be awarded on such date by the County Mayor of the County.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on May 1 of each year as follows:

<u>Year (May 1)*</u>	<u>Bonds*</u>	<u>Year (May 1)*</u>	<u>Bonds*</u>
2027	\$3,850,000	2035	\$4,820,000
2028	4,005,000	2036	4,970,000
2029	4,110,000	2037	5,115,000
2030	4,215,000	2038	5,285,000
2031	4,330,000	2039	5,460,000
2032	4,440,000	2040	5,640,000
2033	4,565,000	2041	5,845,000
2034	4,690,000	2042	6,065,000

Purpose and Authority of Bonds

The Bonds are being issued for the purpose of providing funds to (i) refund the County's outstanding General Obligation School Bonds, Series 2017, dated March 30, 2017, and maturing May 1, 2027, through May 1, 2042, inclusive (the "Outstanding Bonds"), and (ii) pay issuance costs. The Bonds are being issued under the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on March 19, 2026.

Registration and Depository Participation

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to the Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on May 1 and November 1, beginning November 1, 2026, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. In addition, if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully registered form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its principal corporate office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Optional Redemption

The Bonds shall be subject to redemption at the option of the County at any time on or after May 1, 2036, at a price of par plus accrued interest to the redemption date.

Designation of Term Bonds

The successful bidder for the Bonds shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for

redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the Resolution authorizing the Bonds.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading "**Time and Place of Sale**", set forth above.

A written bid for the Bonds must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds," and addressed and delivered to the following address:

Sullivan County Administration – Finance Department
155 School Avenue
Blountville, Tennessee 37617

Written bids must be submitted on the applicable Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids for the Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the Sullivan County Administration – Finance Department and/or BiDCOMP/PARITY®, respectively, before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Bonds must be for not less than all of the Bonds. Bidders must bid not less than 99% of par nor greater than 125% of par for the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-hundredth (1/100th) or one-eighth (1/8th) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. In addition, each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity.

Revised Maturity Schedule and/or Bid Parameters

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of the Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., E.T. ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale, and the bid parameters shall remain as set for the herein. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts and bid parameters by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the County, at (615) 279-4351 by 12:00 Noon, E.T., at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amounts of the Bonds after determination of the winning bidder. The County may increase or decrease the Revised Annual Principal Amount of each maturity of the Bonds without limitation. Such changes, if any, will determine the final annual principal amounts of Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The Final Aggregate Principal Amount of the Bonds will not exceed \$77,405,000. Any changes beyond those described above will only be made with the consent of the winning bidder.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW THEIR BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of the Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON

RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County as determined by reference to the Revised Aggregate Principal Amounts, prior to post-sale adjustments, as discussed in the paragraph above. The lowest true interest cost of the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a value equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Bonds will be made by the County Mayor on the sale date.

Good Faith Deposit

The successful bidder is required to submit, in the manner described below, a good faith deposit (the "Deposit") in the amount of \$774,050 to secure the faithful performance of the terms of the bid to purchase a series of the Bonds. The Deposit will be delivered to the County by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 2:00 p.m. E.T. on the day of the sale provided the County awards the bid by 12:00 noon E.T. otherwise the wire shall be received not later than 11:00 a.m. E.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the County Mayor, and the County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the County and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon the award of the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

CUSIP

The County's municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The winning bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

Establishment of Issue Price

General. The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

County Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of the Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters

participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The County acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the

public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing.

Provision of Information for the Official Statement

The successful bidders must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the County.

Official Statement

The County will provide or cause to be provided to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven business days after the sale, or, if the County, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County not later than twelve months after each of the County's fiscal years (the "Annual Report"), (ii) provide timely notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to timely provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's official statement to be prepared and distributed in connection with the sale of the Bonds.

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the County dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that interest on the Bonds will be (i) excluded from gross income for federal income tax purposes as it relates to the Bonds; and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the forms of opinions contained therein.

Delivery and Payment

The Bonds are expected to be ready for delivery within 28 days after the sale thereof, in book-entry form. At least five days' notice will be given to the successful bidder(s). Delivery will be made through the Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the Sullivan County Administration – Finance Department, 155 School Avenue, Blountville, Tennessee 37617, or from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351.

Richard Venable,
County Mayor

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SULLIVAN COUNTY, TENNESSEE

\$77,405,000* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026

OFFICIAL BID FORM

The Honorable Richard Venable
 County Mayor
 3411 Highway 126, Suite 206
 Blountville, TN 37617

_____, 2026

For your legally issued, properly executed Sullivan County, Tennessee (the "County") \$77,405,000* General Obligation School Refunding Bonds, Series 2026 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$_____.

The Bonds will be dated the date of issuance, will mature on May 1 as shown below, and shall bear interest at the following rates:

<u>Maturity (May 1)*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Reoffering Price</u>	<u>Maturity (May 1)*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Reoffering Price</u>
2027	\$3,850,000	_____%	_____%	2035	\$4,820,000	_____%	_____%
2028	4,005,000	_____	_____	2036	4,970,000	_____	_____
2029	4,110,000	_____	_____	2037	5,115,000	_____	_____
2030	4,215,000	_____	_____	2038	5,285,000	_____	_____
2031	4,330,000	_____	_____	2039	5,460,000	_____	_____
2032	4,440,000	_____	_____	2040	5,640,000	_____	_____
2033	4,565,000	_____	_____	2041	5,845,000	_____	_____
2034	4,690,000	_____	_____	2042	6,065,000	_____	_____

Principal of and interest on the Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee.

This bid is made with the understanding that the County will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Bonds. We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

<p align="center">Term Bond 1, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____.</p> <p align="center">Term Bond 2, due May 1, _____ includes the following maturities: From May 1, _____ to May 1, _____.</p>

Firm Name	
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In accordance with the terms of the Detailed Notice of Sale, we have or will make a good faith deposit for \$774,050 as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County’s Municipal Advisor by the successful bidder by 2:00 p.m. E.T. on the day of the sale provided the County awards the bid by 12:00 noon E.T. otherwise the wire shall be received not later than 11:00 a.m. E.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

2. **Certified Check.** A bank certified check, bank cashier’s check or a treasurer’s check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder’s Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds. The County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Bonds at closing. In the event the County Mayor fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this ____ day of _____, 2026

Respectfully submitted,

County Mayor

Firm Name

Signature

Title

Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Sullivan County, Tennessee (the "County").
ISSUES	\$77,405,000* General Obligation School Refunding Bonds, Series 2026 (the "Bonds").
PURPOSE	The Bonds are being issued for the purpose of providing funds to (i) refund the County's outstanding General Obligation School Bonds, Series 2017, dated March 30, 2017, and maturing May 1, 2027, through May 1, 2042, inclusive (the "Outstanding Bonds"), and (ii) pay issuance costs.
SECURITY	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.
DATED DATE	Settlement Date.
INTEREST DUE	Each May 1 and November 1, commencing November 1, 2026.*
PRINCIPAL DUE	May 1, 2027* through May 1, 2042*.
SETTLEMENT DATE	May 21, 2026* (use for bidding purposes).
OPTIONAL REDEMPTION	The Bonds, shall be subject to redemption at the option of the County at any time on or after May 1, 2036*, at a price of par plus accrued interest to the redemption date.
RATING	"Aa2" by Moody's Investor Services Inc. ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's and neither the County, the Municipal Advisor nor the Underwriter makes any representations as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from Moody's. See "Rating" herein.
TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on

individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "Tax Matters" herein).

REGISTRATION, PAYING AND ESCROW AGENT..... U.S. Bank Trust Company, National Association, Nashville, Tennessee.

MUNICIPAL ADVISOR..... Stephens Inc.

UNDERWRITER..... _____.

Official Statement

Sullivan County, Tennessee

**\$77,405,000* General Obligation School Refunding Bonds, Series 2026
(ULT)**

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Sullivan County, Tennessee (the "County") of \$77,405,000* General Obligation School Refunding Bonds, Series 2026 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of County Commissioners of the County on March 19, 2026 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive documents, including the forms of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued for the purpose of providing funds to (i) refund the County's outstanding General Obligation School Bonds, Series 2017, dated March 30, 2017, and maturing May 1, 2027, through May 1, 2042, inclusive (the "Outstanding Bonds"), and (ii) pay issuance costs.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on May 1 and November 1 of each year (herein an "Interest Payment Date"), commencing November 1, 2026*.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Registration and Payment

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.

U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records,

without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of the Bonds will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust

& Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Registration Agent, or

the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Optional Redemption*

The Bonds maturing on or before May 1, 2036 shall mature without option of prior redemption, and Bonds maturing May 1, 2037 and thereafter, shall be subject to redemption prior to maturity at the option of the County on May 1, 2036 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

Mandatory Redemption*

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on May 1, ____, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent shall elect. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity

Redemption Date

Principal Amount to be Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (other than through mandatory redemption) and cancelled by the Registration Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date, and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by mandatory redemption shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the respective Resolution.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

- (1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or
- (2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

- (a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;
- (b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);
- (c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Plan of Refunding

As provided herein, the proceeds of the Bonds (other than proceeds used to pay issuance costs) will be used to refund all of the Outstanding Bonds.

Proceeds of the Bonds not used to pay issuance costs will be used to refund all of the Outstanding Bonds. Pursuant to a Refunding Escrow Agreement (the "Escrow Agreement") between the County and U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Escrow Agent"), a portion of the proceeds of the Bonds, together with other legally available funds of the County, will either be held in cash

or used to purchase United States Treasury Obligations or such other obligations permitted under Tennessee law (the "Escrow Investments"). Said cash or Escrow Investments, as applicable, will be held in a separate fund established by the Escrow Agent with said cash or, if applicable, the principal amount of the Escrow Investments, being sufficient to pay principal of and interest on the Outstanding Bonds so refunded. None of any cash held in escrow pursuant to the Escrow Agreement or the principal of or the interest on the Escrow Investments will be available for payment of the Bonds. The County, or the Escrow Agent, as applicable, will give the paying agent for the Outstanding Bonds irrevocable directions to redeem the Outstanding Bonds so refunded within 90 days of the delivery date of the Bonds.

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$ _____
Reoffering Premium (Discount)	_____
Total Sources	\$ _____

Uses of Funds

Deposit to Escrow Fund	\$ _____
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ _____

(1) Includes all fees and expenses, including underwriter's discount and expenses

Rating

The Bonds have been assigned a rating of "Aa2" by Moody's Investor Services Inc. ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's and neither the County, the Municipal Advisor nor the Underwriter makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

Continuing Disclosure

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2026 (the "Annual Report"), (ii) provide notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

In the past five years, the County has not failed to comply in any material respect with any previous undertakings with regard to the Rule.

Investment Considerations

General

The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the County to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Bond should read this Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

Enforceability of Remedies

The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

Adverse Weather Events

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The County's location in the southern United States near various waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the County faces other threats due to changing weather patterns, including possible drought conditions

that could become more severe and frequent. The County cannot predict the timing, extent or severity of any adverse weather events and their impact on the County's operations and finances.

Cyber Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt County services and operations and subject the County to legal action. Attempted cyber security attacks against organizations or entities similar to the County are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States To mitigate against such risks, the County has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber security training and awareness for all employees. The County also maintains insurance against cyber security incidents, though such insurance may not be sufficient to cover all losses incurred by the County as a result of any cyberattack. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

Future Issues

The County has no additional debt planned or authorized for new capital projects at this time.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by William L Gouger, Esq., Counsel to the County.

Tax Matters

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the Issuer and assuming compliance by the Issuer with certain covenants, is that interest on the Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the Bonds that the Issuer must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the Issuer does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The Issuer has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Bonds

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations

contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

_____, _____, _____, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$_____, which is par, less \$_____ , plus net original issue premium of \$_____, less underwriter's discount.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

Certificate of County Mayor

I, Richard Venable, do hereby certify that I am the duly qualified and acting County Mayor of Sullivan County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated _____, 2026 issued in connection with the sale of the County's \$77,405,000* General Obligation School Refunding Bonds, Series 2026 and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of _____, 2026.

/s/ _____
County Mayor

I, Teresa Jacobs, do hereby certify that I am the duly qualified and acting County Clerk of Sullivan County, Tennessee, and as such official, I do hereby certify that Richard Venable is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Sullivan County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ _____
County Clerk

(SEAL)

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

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(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, Tennessee 37203

(Dated Closing Date)

We have acted as bond counsel to Sullivan County, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation School Refunding Bonds, Series 2026 (the "Bonds") dated the date hereof. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.
2. The resolution of the County Commission of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer.
3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Issuer have been irrevocably pledged.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.
5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Demographic and General Financial Information
Related to the County

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GENERAL INFORMATION

Sullivan County, (the “County”) is located in the eastern grand division of the State of Tennessee, in the northeast corner of the State, approximately 90 miles northeast of Knoxville. The County encompasses 413 square miles. Blountville, the county seat, is located between Kingsport and Bristol, the two largest cities in the County. Incorporated cities in the County include Bluff City, Bristol, Johnson City, and Kingsport. According to 2024 U.S Census estimates, Johnson City has an estimated population of 73,635, the City of Kingsport has an estimated population of 57,109 and the City of Bristol has an estimated population of 27,854.

The County is the geographic center of the Tri-Cities (Johnson City-Kingsport-Bristol, TN/VA) Combined Statistical Area (CSA). The Tri-Cities Combined Statistical Labor Market consists of a five-county region in Tennessee and two counties and an independent city in Virginia. The CSA includes: Carter, Hawkins, Sullivan, Unicoi, and Washington counties in Tennessee and Scott and Washington counties in Virginia as well as the City of Bristol in Virginia.

Sullivan County enjoys a strong economic base due to its central location in the Tri-Cities Combined Statistical Area market which had a 2024 estimated population of 603,336. The Tri-Cities serve a growing CSA market as well as a trade area extending into portions of Tennessee, Virginia, North Carolina, Kentucky and West Virginia and reaching an even larger regional market. With improvements to transportation networks, the region has become a unified economic base with Sullivan County as the core.

DEMOGRAPHIC DATA

Population

According to U.S. Census estimate data, Sullivan County had a population of 162,703 in 2024 making it the 9th most populated county in Tennessee.

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	127,329	3,926,018
1980 U.S. Census	143,968	4,600,252
1990 U.S. Census	143,886	4,890,626
2000 U.S. Census	152,977	5,703,719
2010 U.S. Census	156,756	6,355,518
2020 U.S. Census	158,244	6,927,904
2021 U.S. Census Estimate	159,228	6,965,740
2022 U.S. Census Estimate	160,891	7,062,217
2023 U.S. Census Estimate	162,054	7,148,304
2024 U.S. Census Estimate	162,703	7,227,750

Source: U.S. Bureau of Census

Income

In 2024, Sullivan County had a per capita personal income of \$58,128 that was 89.6% of the State per capita personal income of \$64,908.

	County	Tennessee	% of State
2015 Per Capita Personal Income	\$38,542	\$41,937	91.9%
2016 Per Capita Personal Income	\$39,355	\$42,938	91.7%
2017 Per Capita Personal Income	\$40,450	\$44,407	91.1%
2018 Per Capita Personal Income	\$42,308	\$46,449	91.1%
2019 Per Capita Personal Income	\$43,694	\$48,903	89.3%
2020 Per Capita Personal Income	\$46,803	\$51,945	90.1%
2021 Per Capita Personal Income	\$51,193	\$57,491	89.0%
2022 Per Capita Personal Income	\$51,657	\$59,099	87.4%
2023 Per Capita Personal Income	\$55,109	\$62,039	88.8%
2024 Per Capita Personal Income	\$58,128	\$64,908	89.6%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

Housing

In 2024, Sullivan County had a median housing value of \$250,000 that was 70.8% of the State median housing value of \$353,000.

Median Housing Values

	Sullivan County	Tennessee	% of State
2015 Median Housing Value	132,000	175,000	75.4%
2016 Median Housing Value	134,000	185,000	72.4%
2017 Median Housing Value	132,500	196,800	67.3%
2018 Median Housing Value	144,175	210,000	68.7%
2019 Median Housing Value	153,500	226,000	67.9%
2020 Median Housing Value	163,000	244,900	66.6%
2021 Median Housing Value	180,500	283,410	63.7%
2022 Median Housing Value	212,000	325,000	65.2%
2023 Median Housing Value	245,323	339,900	72.2%
2024 Median Housing Value	250,000	353,000	70.8%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

Economic Data

The following table shows the County's largest employers and their respective number of employees in the County, as well as the industry in which they operate.

Employer	Employees	Industry
Eastman Chemical Company	6,719	Specialty Chemicals
Holston Valley Medical Center	1,400	Healthcare Services
Sullivan County Board of Education	1,247	Education
Wellmont Health System	1,100	Healthcare Services
Kingsport City Schools	1,100	Education
Sullivan County Government	1,074	Government
Teleperformance USA	943	Call Center Services
Agero, Inc.	908	IT Services
Eastman Credit Union	805	Banking
Home Shopping Network	789	Fulfillment

Source: Tennessee Department of Economic and Community Development

Labor Force, Employment and Unemployment Data

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2015	65,445	3,956	69,401	5.7%	5.5%	5.3%
2016	66,290	3,562	69,852	5.1%	4.7%	4.9%
2017	67,135	2,797	69,932	4.0%	3.7%	4.4%
2018	67,697	2,601	70,298	3.7%	3.5%	3.9%
2019	68,273	2,550	70,823	3.6%	3.3%	3.7%
2020	64,360	4,919	69,279	7.1%	7.5%	8.1%
2021	65,796	3,028	68,824	4.4%	4.5%	5.4%
2022	66,813	2,423	69,236	3.5%	3.4%	3.7%
2023	67,324	2,297	69,621	3.3%	3.2%	3.6%
2024	67,699	2,528	70,227	3.6%	3.4%	4.0%
Dec-25	69,328	2,514	71,842	3.5%	3.6%	4.4%

Source: Bureau of Labor Statistics

Transportation

Interstates 81 and 26 cross in Sullivan County. U.S. Highways 11, 19, 23, and 421 serve as the main thoroughfares for the County.

Air Transport. The Tri-Cities Regional Airport in the midst of the Tri-Cities Combined Statistical Area (CSA) serves travelers from Northeast Tennessee, Southwest Virginia, Northwest North Carolina and Southeast Kentucky. The Airport offers three scheduled airlines serving passengers through four connecting hubs and leisure destinations. Delta provides service to Atlanta, GA; US Airways Express serves Charlotte, NC; and Allegiant offers service to Orlando, FL and St. Petersburg/Clearwater, FL.

Rail Transport. The Norfolk Southern and CSX railroads serve the County.

Health Care Services

The health care services of Sullivan County include Ballad Health and Frontier Health.

Ballad Health is an integrated healthcare system serving 29 counties of Northeast Tennessee, Southwest Virginia, Northwest North Carolina and Southeast Kentucky. It operates a family of 21 hospitals, including three tertiary medical centers, a dedicated children's hospital, community hospitals, three critical access hospitals, a behavioral health hospital, an addiction treatment facility, long-term care facilities, home care and hospice services, retail pharmacies, outpatient services and a comprehensive medical management corporation. Ballad Health was formed in 2018 by the merger of two regional health systems, Mountain State Health Alliance and Wellmont Health System. Ballad's Holston Valley Medical Center is located in Kingsport, TN.

Founded in 1957, Frontier Health is one of the region's leading providers of behavioral health services. Headquartered in Johnson City, TN, Frontier Health maintains 64 professionally staffed facilities in 12 counties throughout Northeast Tennessee and Southwest Virginia.

Higher Education

East Tennessee State University and Quillen College of Medicine. East Tennessee State University (ETSU) is a state-supported regional university founded in 1911. ETSU's main campus is located on 340 acres in Johnson City, Tennessee, in the mountain and lake country of the Tri-Cities Tennessee/Virginia region. Off-campus centers include ETSU/UT at Kingsport, the Nave Center in Elizabethton, and additional campuses in Bristol, Greeneville, and Sevierville. Approximately 15,000 students are enrolled in over 125 degree programs, including the M.D. degree through the Quillen College of Medicine.

King University. King University is a private four-year liberal arts university located in Bristol, TN. More than 1,900 students are enrolled in King University's seven academic schools of learning: College of Arts and Sciences, School of Business, School of Education, School of Nursing, Peeke School of Christian Mission, School of Behavioral and Health Sciences, and School of Applied Science and Technology.

Northeast State Community College. Northeast State Community College, a comprehensive two-year community college governed by the Tennessee Board of Regents, is located in Blountville, TN. More than 5,800 students are enrolled in Northeast State's various technical and transfer associate degree

and certificate programs, comprehensive economic development programs, quality management programs, and business and industry training programs.

Public Education

The public school system for areas in the County outside the cities of Bristol, Johnson City, and Kingsport is operated by the County's Department of Education, which is administered by a Director of Schools under the policy-making authority of the local Board of Education. The County's average daily membership for the 2024-2025 school year was 7,647. The Cities of Bristol, Johnson City and Kingsport operate their own public school systems. A small portion of students that attend Kingsport City Schools reside in Hawkins County and a small portion of students that attend Johnson City Schools reside in the portion of Johnson City that lies within Sullivan County.

Accounting and Financial Reporting for Retirement Commitments

See page 71, Note F of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2025.

Accounting and Financial Reporting for Other Postemployment Benefits

See page 84, Note G of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2025.

SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Special Revenue Funds, the General Service Fund, Capital Projects Funds, Internal Service Funds and Trust and Agency Funds. For additional information regarding the component units, see Notes to the General Purpose Financial Statements contained in APPENDIX C hereto.

Revenues applicable to the payment of the principal of and interest on the Obligations are accounted for in the Debt Service Fund. Revenues securing the payment of principal of and interest on the Obligations are derived from the collection of ad valorem taxes levied on all taxable property within the boundaries of the County. Such tax collections for the Obligations will be used exclusively to pay the principal of and interest on the Obligations. Included as APPENDIX C to this Official Statement are the General Purpose Financial Statements and notes thereto for the fiscal year ended June 30, 2022. Potential purchasers should read APPENDIX C in its entirety for more complete information concerning the County's financial position.

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

The primary revenue susceptible to accrual are revenues received from the State of Tennessee. Sales tax collected and held by the State at year end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

For additional information regarding these funds, see Notes to the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2025, in APPENDIX C hereto.

**SULLIVAN COUNTY
GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT ⁽¹⁾**

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding June 30, 2025
Self-supporting debt service paid by the Tri-Cities Regional Airport Authority⁽²⁾					
\$8,500,000	Aerospace Park Bonds, Series 2018 (Taxable)	03/19/18	05/01/38	3.00% - 4.00%	\$1,680,000
Total Self-Supporting Airport Revenue and Tax Bonds					\$1,680,000
Sullivan County Summary of Outstanding General Debt as of June 30, 2025					
Bonds					
24,870,000	GO Refunding Bonds, Series 2015A	03/30/15	04/01/26	1.99%	1,030,000
6,265,000	GO Refunding Bonds, Series 2015C	03/30/15	04/01/28	2.84%	1,800,000
135,740,000	GO School Bonds, Series 2017	03/30/17	05/01/47	3.625% - 5.00%	38,700,000 ⁽³⁾
3,745,000	GO Bonds, Series 2019	12/05/19	06/01/39	2.25% - 5.00%	2,910,000
76,190,000	GO Bonds, Series 2020	10/28/20	05/01/41	2.00% - 5.00%	65,270,000
4,000,000	GO Bonds, Series 2021	12/22/21	05/01/41	1.85% - 2.65%	3,375,000
15,675,000	GO Bonds, Series 2024	01/10/24	05/01/43	4.00% - 5.00%	14,245,000
30,000,000	GO Bonds, Series 2024A	12/05/24	02/01/45	4.00% - 5.00%	30,000,000
77,405,000	Proposed GO Refunding Bonds, Series 2026	TBD	05/01/42	TBD	77,405,000 ⁽⁴⁾
Total Bonds					<u>\$234,735,000</u>
Notes					
\$1,550,000	Sheriff Vehicles	01/24/23	01/24/27	3.10%	799,025
\$1,522,000	GO Capital Outlay Notes, Series 2026	03/19/26	06/01/29	2.85%	1,522,000
Total Notes					<u>\$2,321,025</u>
Loans					
\$15,480,000	Qualified School Construction Bonds, Series 2009	12/17/09	07/01/26	1.515%	\$1,152,071
5,073,000	Qualified School Construction Bonds, Series 2010	10/07/10	08/01/27	0.00%	694,097
5,054,635	Energy Efficient Schools Initiative	05/16/11	04/16/20	0.00%	219,805
Total Loans					<u>\$2,065,973</u>
Total Sullivan County Outstanding General Debt					<u>\$239,121,998</u>

(1) As of 6/30/2025 and adjusted for GO Capital Outlay Notes, Series 2026 and Proposed GO Refunding Bonds, Series 2026.

(2) The County has a contingent liability relating to the funding of the regional airport as described in the Notes section of its Annual Financial Report June 30, 2025.

(3) Excludes bonds being refunded.

(4) Preliminary, Subject to change.

Sources: Annual Financial Reports as prepared by the Comptroller of the Treasury, Division of County Audit for the year ending June 30, 2025, information from various cities, and County Officials.

**SULLIVAN COUNTY
GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT
Debt Statement as of June 30, 2025⁽¹⁾**

Outstanding Debt	
Total Current Outstanding Debt	\$239,121,998
Gross Direct Debt	
Less: Debt Service Fund Balance	(12,930,096)
Net Direct Debt	\$226,191,902
Net Overlapping Debt as of June 30, 2025	
City of Bluff City	\$0
City of Bristol	40,525,000
City of Johnson City (that portion in Sullivan Co. 1.04%)	1,178,083
City of Kingsport (that portion in Sullivan Co. 95.44%)	99,515,867
County District of Sullivan County ⁽²⁾	0
Total Net Overlapping Debt	\$141,218,950
Overall Net Debt	\$367,410,852

DEBT RECORD

There is no record of a default of paying principal and interest on any debt from information available.

(1) As of 6/30/2025 and adjusted for GO Capital Outlay Notes, Series 2026 and Proposed GO Refunding Bonds, Series 2026.

(2) Payable by Ad Valorem tax on property inside the County and outside the cities of Bristol, Johnson City and Kingsport.

Sources: Annual Financial Reports as prepared by the Comptroller of the Treasury, Division of County Audit for the year ending June 30, 2025 information from various cities, and County Officials.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	127,329	3,926,018
1980 U.S. Census	143,968	4,600,252
1990 U.S. Census	143,886	4,890,626
2000 U.S. Census	152,977	5,703,719
2010 U.S. Census	156,756	6,355,518
2020 U.S. Census	158,244	6,927,904
2021 U.S. Census Estimate	159,228	6,965,740
2022 U.S. Census Estimate	160,891	7,062,217
2023 U.S. Census Estimate	162,054	7,148,304
2024 U.S. Census Estimate	162,703	7,227,750

Source: U.S. Bureau of Census

PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,469.68
Gross Direct Debt	\$1,469.68
Net Direct Debt	\$1,390.21
Total Net Overlapping Debt	\$867.96
Overall Net Debt	\$2,258.17

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 4,500,788,761	\$ 22,897,643,719
Total Current Outstanding Debt to	5.31%	1.04%
Gross Direct Debt to	5.31%	1.04%
Net Direct Debt to	5.03%	0.99%
Total Net Overlapping Debt to	3.14%	0.62%
Overall Net Debt to	8.16%	1.60%

DEBT TREND ⁽¹⁾

	<u>06/30/25</u>	<u>06/30/24</u>	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>
Outstanding Obligations					
County-Wide Bonds	\$234,375,000	\$213,520,000	\$209,025,000	\$218,730,000	\$223,895,000
Notes	799,025	1,180,272	1,706,659	321,007	481,063
Loans	2,065,973	3,785,608	5,501,979	7,215,110	8,925,025
Capitalized Leases	0	185,095	415,659	725,419	734,585
Total Debt	\$237,239,998	\$218,670,975	\$216,649,297	\$226,991,536	\$234,035,673

(1) The County has a contingent liability relating to the funding of the regional airport as described in the Notes section of the Annual Financial Report as of June 30, 2025.

Sources: Annual Financial Reports for the years ending June 30, 2021 - 2025 prepared by the Comptroller of the Treasury, Department of the Audit, Division of County Audit and County Officials.

SULLIVAN COUNTY GENERAL DEBT SERVICE REQUIREMENTS

(as of June 30, 2025)⁽¹⁾

Principal						Interest					Total Debt Service
Year No.	Year Ended June 30	Outstanding Bonds, Notes and Loans ⁽²⁾	Plus: GO Capital Outlay Notes, Series 2026	Plus: GO Refunding Bonds, Series 2026 ⁽³⁾	Total Principal	Percent Principal Retired	Outstanding Bonds, Notes and Loans	Plus: GO Capital Outlay Notes, Series 2026	Plus: GO Refunding Bonds, Series 2026 ⁽³⁾	Total Interest	
1	2026	11,740,695	381,000		12,121,695		7,782,654	8,675		7,791,329	19,913,024
2	2027	6,549,462	381,000	3,850,000	10,780,462		5,446,324	32,519	2,451,746	7,930,588	18,711,050
3	2028	5,994,841	380,000	4,005,000	10,379,841		4,925,162	21,660	2,293,002	7,239,824	17,619,665
4	2029	5,610,000	380,000	4,110,000	10,100,000		4,620,223	10,830	2,189,673	6,820,726	16,920,726
5	2030	5,890,000		4,215,000	10,105,000	22.37%	4,347,608		2,083,224	6,430,832	16,535,832
6	2031	6,165,000		4,330,000	10,495,000		4,064,750		1,973,213	6,037,963	16,532,963
7	2032	6,390,000		4,440,000	10,830,000		3,846,900		1,858,901	5,705,801	16,535,801
8	2033	6,575,000		4,565,000	11,140,000		3,660,688		1,738,577	5,399,265	16,539,265
9	2034	6,765,000		4,690,000	11,455,000		3,467,762		1,610,757	5,078,519	16,533,519
10	2035	6,965,000		4,820,000	11,785,000	45.66%	3,267,494		1,476,623	4,744,117	16,529,117
11	2036	7,170,000		4,970,000	12,140,000		3,060,050		1,333,951	4,394,000	16,534,000
12	2037	7,390,000		5,115,000	12,505,000		2,844,625		1,182,366	4,026,991	16,531,991
13	2038	7,615,000		5,285,000	12,900,000		2,621,163		1,019,197	3,640,360	16,540,360
14	2039	7,830,000		5,460,000	13,290,000		2,405,663		844,264	3,249,926	16,539,926
15	2040	7,785,000		5,640,000	13,425,000	72.54%	2,192,663		656,986	2,849,648	16,274,648
16	2041	8,005,000		5,845,000	13,850,000		1,979,363		454,510	2,433,872	16,283,872
17	2042	3,035,000		6,065,000	9,100,000		1,759,300		235,322	1,994,622	11,094,622
18	2043	9,690,000			9,690,000		1,637,900			1,637,900	11,327,900
19	2044	8,885,000			8,885,000		1,274,788			1,274,788	10,159,788
20	2045	9,240,000			9,240,000	93.77%	919,387			919,387	10,159,387
21	2046	7,320,000			7,320,000		549,788			549,788	7,869,788
22	2047	7,585,000			7,585,000	100.00%	284,438			284,438	7,869,438
		\$160,194,998	\$1,522,000	\$77,405,000	\$239,121,998		\$66,958,689	\$73,684	\$23,402,307	\$90,434,679	\$329,556,677

(1) As of 6/30/2025 and adjusted for GO Capital Outlay Notes, Series 2026 and Proposed GO Refunding Bonds, Series 2026.

(2) Excludes Bonds being Refunded.

(3) Preliminary, subject to change.

Source: Annual Financial Report as prepared by the Comptroller of the Treasury, Division of County Audit for the year ending June 30, 2025 and County Officials.

TRI-CITIES REGIONAL AIRPORT DEBT SERVICE REQUIREMENTS
(as of June 30, 2025)

Year No.	Year Ended June 30	Total Principal	Percent Principal Retired	Total Interest	Total Debt Service
1	2026	105,000		56,725	161,725
2	2027	110,000		53,575	163,575
3	2028	115,000		50,138	165,138
4	2029	115,000		46,400	161,400
5	2030	120,000	33.63%	42,663	162,663
6	2031	125,000		38,763	163,763
7	2032	130,000		34,700	164,700
8	2033	135,000		30,312	165,312
9	2034	135,000		25,756	160,756
10	2035	140,000	73.21%	21,031	161,031
11	2036	145,000		16,131	161,131
12	2037	150,000		11,056	161,056
13	2038	155,000	100.00%	5,619	160,619
		<u>\$1,680,000</u>		<u>\$432,869</u>	<u>\$2,112,869</u>

Source: Annual Financial Report as prepared by the Comptroller of the Treasury, Division of County Audit for the year ending June 30, 2025 and County Officials.

Real Property Assessment, Tax Levy and Collection Procedures

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “General Assembly”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the Tennessee Code Annotated.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four subclassifications and assessed at the rates as follows:

(a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;

(b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;

(c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and

(d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three subclassifications and assessed at the rates as follows:

(a) Public Utility Property, to be assessed at 55% of its value;

(b) Industrial and Commercial Property, to be assessed at 30% of its value; and

(c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into subclassifications and

to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

Valuation for Property Tax Purposes

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into

account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

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PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Tax Year	2024	2023	2022	2021	2020
ESTIMATED ACTUAL VALUES					
Residential & Farm	\$15,006,633,042	\$14,744,292,105	\$9,695,684,900	\$9,553,571,400	\$9,795,888,875
Commercial & Industrial	4,824,967,663	4,751,710,571	3,129,672,800	3,166,131,100	3,406,541,667
Personal Property	2,769,305,362	2,626,351,424	2,218,721,879	2,163,287,325	1,932,252,629
Public Utilities	296,737,652	274,541,778	368,944,776	355,985,725	298,514,784
Total Estimated Actual Values	\$22,897,643,719	\$22,396,895,878	\$15,413,024,355	\$15,238,975,550	\$15,433,197,955
Annual Percentage Change	2.24%	45.31%	1.14%	-1.26%	0.84%
Estimated Per Capita Amount	\$140,733	\$138,206	\$95,798	\$95,705	\$97,528
COUNTY-WIDE ASSESSED VALUES					
Residential & Farm (at 25%)	\$2,502,738,310	\$2,458,986,410	\$2,423,928,335	\$2,388,399,960	\$2,150,932,250
Commercial & Industrial (at 40%)	1,287,494,360	1,267,946,440	1,251,869,120	1,266,452,440	1,196,786,200
Personal Property (at 30%)	581,030,106	547,056,505	665,616,782	649,014,168	513,902,903
Public Utilities (at 30% -55%)	129,525,985	119,837,486	161,400,013	155,743,387	130,301,703
Total Assessed Values	\$4,500,788,761	\$4,393,826,841	\$4,502,814,250	\$4,459,609,955	\$3,991,923,056
Annual Percentage Change	2.43%	-2.42%	0.97%	11.72%	1.01%
Estimated Per Capita Amount	\$27,663	\$27,113	\$27,987	\$28,008	\$25,226
Appraisal Ratio	66.71%	66.71%	100.00%	100.00%	87.83%
Assessed Values to Actual Values	19.66%	19.62%	29.21%	29.26%	25.87%
Property Tax Rate					
General Fund	\$0.94985	\$0.90985	\$0.72880	\$0.72880	\$0.81000
Capital Projects	\$0.08370	\$0.08370	\$0.08370	\$0.08370	\$0.09300
General Debt Service Fund	\$0.33690	\$0.33690	\$0.33690	\$0.33690	\$0.22000
General Purpose School Fund	\$0.98055	\$0.97055	\$1.17160	\$1.17160	\$1.35300
Highway/Public Works	\$0.08750	\$0.06750	\$0.06750	\$0.06750	\$0.07500
Solid Waste/Sanitation	\$0.05770	\$0.03770	\$0.01770	\$0.01770	\$0.01900
Total Property Tax Rates	\$2.49620	\$2.40620	\$2.40620	\$2.40620	\$2.57000
Taxes Levied	\$112,348,689	\$105,724,261	\$108,346,716	\$107,307,135	\$102,592,423
Collections					
Current Fiscal Year	\$108,224,366	\$102,964,678	\$103,277,088	\$101,099,703	\$97,436,023
Percent Collected Current FY	96.33%	97.39%	95.32%	94.22%	94.97%

Sources: State Board of Equalization, 2020 - 2024 Tax Aggregate Reports of Tennessee, the Annual Financial Reports for the years ending June 30, 2021 - 2025 as prepared by the Comptroller of the Treasury and County Officials.

TOP COUNTY-WIDE TAXPAYERS

<u>Taxpayer</u>	<u>Type Product/Service</u>	<u>Tax Year 2024</u>	<u>Assessed Value as a</u>
		<u>Assessed Value</u>	<u>% of Tax Year 2024</u>
Eastman Chemical Company	Manufacturer	\$ 468,782,641	10.42%
Bristol Motor Speedway	Sports/Entertainment	41,788,073	0.93%
Kingsport Power Company	Public Utility	32,723,303	0.73%
Groseclose Thelma Q Etal	Real Estate	26,205,720	0.58%
Pinnacle North II LLC	Retail Development	24,616,720	0.55%
Air Products & Chemicals	Industry	22,888,074	0.51%
Eastman Credit Union	Banking	18,852,694	0.42%
Wal Mart	Retail Development	14,826,800	0.33%
East Tennessee Natural Gas	Public Utility	12,649,270	0.28%
KRG Kingsport East Stone LLC	Retail Development	11,992,320	0.27%

Source: Sullivan County Property Assessor.

FUND BALANCES

	<u>06/30/25</u>	<u>06/30/24</u>	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>
GOVERNMENTAL FUNDS					
General Government Fund	\$31,780,478	\$28,517,867	\$22,953,623	\$22,612,988	\$19,165,355
ARPA Fund	\$5,199,789	\$19,049,703	(\$1,001,561)	\$0	\$0
Highway/Public Works Fund	4,242,723	4,884,527	7,251,604	8,158,509	8,178,741
General Debt Service Fund	12,930,096	9,651,514	7,743,787	4,375,726	3,445,739
Special Revenue Funds	7,263,521	4,320,508	3,394,555	3,756,220	3,522,124
Capital Projects Funds	29,714,531	16,610,210	35,137,856	79,612,053	83,125,838
	<u>\$91,131,138</u>	<u>\$83,034,329</u>	<u>\$75,479,864</u>	<u>\$118,515,496</u>	<u>\$117,437,797</u>
DISCRETELY PRESENTED					
SCHOOL DEPARTMENT					
General Purpose School Funds	\$29,447,531	\$31,963,571	\$27,710,903	\$22,541,660	\$20,699,250
Special Revenue Funds	8,568,271	8,146,351	8,929,680	8,119,933	2,947,791
Capital Projects Funds	0	0	0	0	2,078,654
	<u>\$38,015,802</u>	<u>\$40,109,922</u>	<u>\$36,640,583</u>	<u>\$30,661,593</u>	<u>\$25,725,695</u>
TOTAL ALL FUNDS	<u>\$129,146,940</u>	<u>\$123,144,251</u>	<u>\$112,120,447</u>	<u>\$149,177,089</u>	<u>\$143,163,492</u>

Sources: Annual Financial Reports for the years ending June 30, 2021 - 2025 as prepared by the Comptroller of the Treasury, Department of the Audit, Division of County Audit and County Officials.

LOCAL SALES TAX

	<u>FY2024-2025</u>	<u>FY2023-2024</u>	<u>FY2022-2023</u>	<u>FY2021-2022</u>	<u>FY2020-2021</u>
Rate (Percent of retail sales)	2.25%	2.25%	2.25%	2.25%	2.25%
Distribution					
General Fund	\$4,353,877	\$4,058,425	\$4,049,159	\$3,310,790	\$2,592,594
General Purpose School	17,224,898	16,415,470	16,605,598	15,601,794	14,430,876
Highway/Public Works	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Amount Collected	<u>\$24,078,775</u>	<u>\$22,973,895</u>	<u>\$23,154,757</u>	<u>\$21,412,584</u>	<u>\$19,523,470</u>
% of Increase	4.81%	-0.78%	8.14%	9.68%	12.99%

Note - As of 6/30/2023, this chart does not include the sales tax collected on behalf of and remitted to Cities and City School Districts within the County.

Sources: Annual Financial Reports for the years ending June 30, 2021 - 2025 as prepared by the Comptroller of the Treasury, Department of the Audit, Division of County Audit and County Officials.

APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2025

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ANNUAL FINANCIAL REPORT

Sullivan County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
SULLIVAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2025

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

ROBERT J. ANDERSON, CPA, CGFM
Audit Manager

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

SULLIVAN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Sullivan County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of Sullivan County as of and for the year ended June 30, 2025.

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Sullivan County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

SULLIVAN COUNTY

- ◆ The county's audit committee is not a functioning committee.



INTRODUCTORY SECTION

SULLIVAN COUNTY OFFICIALS

June 30, 2025

Officials

Richard Venable, County Mayor
Scott Murray, Highway Commissioner
Chuck Carter, Director of Schools
Angela Taylor, Trustee
Kristinia Davis, Purchasing Agent
Larry Bailey, Finance Director
Donna Whitaker, Assessor of Property
Teresa Jacobs, County Clerk
Bobby Russell, Circuit, General Sessions, and Law Courts Clerk
Katharine Jennelle, Clerk and Master
Sheena Tinsley, Register of Deeds
Jeff Cassidy, Sheriff

Board of County Commissioners

John Gardner, Chairman	Mark Ireson
David Akard	Sam Jones
Darelene Calton	Dwight King
Joe Carr	Tony Leonard
Michael Cole	Hunter Locke
Larry Crawford	Joe McMurray
Andrew Cross	Jessica Means
Joyce Crosswhite	Archie Pierce
Hershel Glover	Matt Slagle
Cheryl Harvey	Gary Stidham
David Hayes	Zane Vanover
Daniel Horne	Travis Ward

Board of Education

Matthew Price, Chairman	Mary Rouse
Michael Hughes	Angie Stanley
Todd McKinley	Mark Vicars
Paul Robinson	

Financial Management Committee

Hershel Glover, Chairman	Larry Bailey
Richard Venable	Jessica Means
Scott Murray	Zane Vanover
Chuck Carter	Travis Ward

Audit Committee

Dwight King, Chairman
John Gardner
Joe McMurray

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Sullivan County Mayor and
Board of County Commissioners
Sullivan 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 Sullivan County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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 Sullivan County, Tennessee, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 Internal School Fund of the Sullivan County School Department, a discretely presented component unit, which represent 1.33 percent, 1.84 percent, and 2.87 percent, respectively, of the assets, net position, and revenues of the discretely presented Sullivan County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Sullivan County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Sullivan 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.

Changes in Accounting Principle

As described in Note V.B., Sullivan County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$540,255) for the primary government and (\$1,084,901) for the discretely presented Sullivan County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

In addition, we draw attention to Note I.D.10. to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling \$1,825,376 for the discretely presented Sullivan County School Department. This restatement was necessary due to an error in the calculation of termination benefits under the requirements of GASB Statement No. 47, *Accounting for Termination Benefits*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sullivan 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Sullivan 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 Sullivan County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

of the Sullivan County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of Sullivan 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 Sullivan 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 Sullivan County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 5, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

SULLIVAN COUNTY, TENNESSEE
Statement of Net Position
June 30, 2025

	Primary Governmental Activities	Component Unit Sullivan County School Department
ASSETS		
Cash	\$ 927,544	\$ 3,190,262
Equity in Pooled Cash and Investments	88,500,973	30,790,102
Inventories	44,524	154,622
Accounts Receivable	6,234,136	55,298
Allowance for Uncollectibles	(2,127,156)	0
Due from Other Governments	5,400,882	6,752,907
Due from Component Units	540,904	0
Lease Receivable from Component Unit	259,602	0
Property Taxes Receivable	74,460,599	18,102,389
Allowance for Uncollectible Property Taxes	(1,708,171)	(435,579)
Prepaid Items	187,119	3,099
Restricted Assets - Amounts Accumulated for Pension Benefits	0	1,301,530
Net Pension Asset - Agent Plan	2,771,934	524,848
Net Pension Asset - Teacher Retirement Plan	0	384,911
Net Pension Asset - Teacher Legacy Pension Plan	0	15,601,489
Capital Assets:		
Assets Not Depreciated:		
Land	2,720,187	5,838,838
Construction in Progress	112,032,921	381,638
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	27,385,928	151,957,809
Infrastructure	6,520,798	0
Other Capital Assets	16,994,911	3,780,594
Intangible Right-to-Use Assets	0	259,602
Total Assets	<u>\$ 341,147,635</u>	<u>\$ 238,644,359</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	\$ 49,127	\$ 0
Pension Changes in Experience	6,637,132	5,448,996
Pension Changes in Assumptions	0	152,956
Pension Changes in Proportion	0	881,687
Pension Contributions After Measurement Date	3,818,714	3,275,730
OPEB Changes in Experience	1,678,546	6,875,287
OPEB Changes in Proportion	0	1,767,024
OPEB Changes in Assumptions	2,318,230	6,665,800
OPEB Contributions after Measurement Date	572,990	2,168,417
Total Deferred Outflows of Resources	<u>\$ 15,074,739</u>	<u>\$ 27,235,897</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government	Component Unit
	Governmental Activities	Sullivan County School Department
LIABILITIES		
Accounts Payable	\$ 966,250	\$ 570,062
Accrued Payroll	1,071,607	562,483
Accrued Interest Payable	1,855,042	0
Payroll Deductions Payable	464,757	656,497
Contracts Payable	801,774	334,349
Retainage Payable	12,349	0
Claims and Judgments Payable	903,053	0
Due to Primary Government	0	540,904
Due to State of Tennessee	143,209	1,449
Due to Other Governments	100,365	0
Other Current Liabilities	448,994	31,673
Noncurrent Liabilities:		
Due Within One Year - Lease Obligation to Primary Government	0	19,033
Due Within One Year - Debt	11,855,149	0
Due Within One Year - Other	3,081,898	2,405,247
Due in More Than One Year - Lease Obligation to Primary Government	0	240,569
Due in More Than One Year - Debt	238,905,080	0
Due in More Than One Year - Other	22,629,048	46,471,372
Total Liabilities	<u>\$ 283,238,575</u>	<u>\$ 51,833,638</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 71,140,957	\$ 17,234,885
Deferred Lease Receivable from Component Unit	259,602	0
Pension Changes in Experience	0	118,255
Pension Changes in Investment Earnings	2,380,796	3,554,253
Pension Changes in Proportion	0	120,432
OPEB Changes in Experience	3,007,796	2,439,604
OPEB Changes in Proportion	0	2,325,251
OPEB Changes in Assumptions	4,096,856	15,351,199
Total Deferred Inflows of Resources	<u>\$ 80,886,007</u>	<u>\$ 41,143,879</u>
NET POSITION		
Net Investment in Capital Assets	\$ 76,675,024	\$ 161,624,530
Restricted for:		
General Government	1,874,683	0
Finance	325,529	0
Administration of Justice	293,145	0
Public Safety	354,278	0
Public Health and Welfare	2,359,767	0
Social, Cultural, and Recreational Services	11,909	0
Debt Service	11,332,029	0
Education	0	6,024,375
Capital Projects	2,400,989	0
Pensions	2,771,934	17,812,778
Unrestricted	<u>(106,301,495)</u>	<u>(12,558,944)</u>
Total Net Position	<u>\$ (7,902,208)</u>	<u>\$ 172,902,739</u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Sullivan County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 8,675,505	\$ 1,781,869	\$ 648,895	\$ 38,639	\$ (6,206,102)	\$ 0
Finance	8,608,886	5,803,528	379,325	0	(2,426,033)	0
Administration of Justice	7,708,676	2,598,749	189,748	0	(4,920,179)	0
Public Safety	42,054,579	3,119,937	2,521,230	73,269	(36,340,143)	0
Public Health and Welfare	29,001,599	12,877,151	6,308,128	3,700,756	(6,115,564)	0
Social, Cultural, and Recreational Services	2,821,307	606,581	1,376	10,039	(2,203,311)	0
Agriculture and Natural Resources	217,734	0	0	0	(217,734)	0
Highways	13,459,706	20,118	3,966,007	1,873,821	(7,599,760)	0
Education	415,153	139,196	0	0	(275,957)	0
Debt Service:						
Interest	7,686,691	0	3,432	0	(7,683,259)	0
Total Primary Government	\$ 120,649,836	\$ 26,947,129	\$ 14,018,141	\$ 5,696,524	\$ (73,988,042)	\$ 0
Component Unit:						
Sullivan County School Department	\$ 119,942,842	\$ 307,994	\$ 18,679,284	\$ 4,710,362	\$ 0	\$ (96,245,202)
Total Component Unit	\$ 119,942,842	\$ 307,994	\$ 18,679,284	\$ 4,710,362	\$ 0	\$ (96,245,202)

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Sullivan County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 54,549,973	\$ 18,654,640	
Property Taxes Levied for Debt Service				15,185,713	0	
Local Option Sales Taxes				6,894,205	17,181,043	
Hotel/Motel Tax				896,624	0	
Litigation Tax - General				273,064	0	
Litigation Tax - Office of Public Defender				121,740	0	
Litigation Tax - Jail, Workhouse, or Courthouse				118,540	0	
Litigation Tax - Courtroom Security				358,929	0	
Business Tax				3,673,889	0	
Mixed Drink Tax				27,985	0	
Mineral Severance Tax				154,544	0	
Wholesale Beer Tax				405,439	0	
Grants and Contributions Not Restricted to Specific Programs				3,230,127	57,989,355	
Unrestricted Investment Income				5,164,765	4,535	
Lease Interest				6,394	0	
Miscellaneous				95,736	72,300	
Total General Revenues				<u>\$ 91,157,667</u>	<u>\$ 93,901,873</u>	
Change in Net Position				\$ 17,169,625	\$ (2,343,329)	
Net Position, July 1, 2024				(24,531,578)	174,505,593	
Restatement - See Note I.D.10.				(540,255)	740,475	
Net Position, June 30, 2025				<u>\$ (7,902,208)</u>	<u>\$ 172,902,739</u>	

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

SULLIVAN COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Capital Projects	Other Governmental Funds	
ASSETS					
Cash	\$ 474,746	\$ 0	\$ 0	\$ 149,524	\$ 624,270
Equity in Pooled Cash and Investments	31,523,638	7,103,313	29,154,134	19,921,703	87,702,788
Inventories	44,524	0	0	0	44,524
Accounts Receivable	935,533	205,000	1,421	5,091,641	6,233,595
Allowance for Uncollectibles	0	0	0	(2,127,156)	(2,127,156)
Due from Other Governments	3,674,964	194,790	0	1,531,128	5,400,882
Due from Other Funds	735,105	4,698,058	0	331,851	5,765,014
Due from Component Units	78,066	440,592	0	8,928	527,586
Property Taxes Receivable	48,209,578	15,049,276	0	11,201,745	74,460,599
Allowance for Uncollectible Property Taxes	(1,089,048)	(361,671)	0	(257,452)	(1,708,171)
Prepaid Items	0	187,119	0	0	187,119
Leases Receivable - Long-term	259,602	0	0	0	259,602
Total Assets	\$ 84,846,708	\$ 27,516,477	\$ 29,155,555	\$ 35,851,912	\$ 177,370,652
LIABILITIES					
Accounts Payable	\$ 960,518	\$ 0	\$ 0	\$ 0	\$ 960,518
Accrued Payroll	825,036	0	0	246,571	1,071,607
Payroll Deductions Payable	360,945	0	0	103,812	464,757
Contracts Payable	0	0	771,299	30,475	801,774
Retainage Payable	0	0	12,349	0	12,349

(Continued)

SULLIVAN COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Capital Projects	Other Governmental Funds	
LIABILITIES (Cont.)					
Due to Other Funds	\$ 1,882,562	\$ 0	\$ 0	\$ 4,246,823	\$ 6,129,385
Due to State of Tennessee	143,209	0	0	0	143,209
Due to Other Governments	0	0	0	100,365	100,365
Other Current Liabilities	448,994	0	0	0	448,994
Total Liabilities	\$ 4,621,264	\$ 0	\$ 783,648	\$ 4,728,046	\$ 10,132,958

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 46,110,630	\$ 14,329,406	\$ 0	\$ 10,700,921	\$ 71,140,957
Deferred Delinquent Property Taxes	724,511	256,975	0	174,598	1,156,084
Deferred Leases Receivable	259,602	0	0	0	259,602
Other Deferred/Unavailable Revenue	1,350,223	0	0	2,199,690	3,549,913
Total Deferred Inflows of Resources	\$ 48,444,966	\$ 14,586,381	\$ 0	\$ 13,075,209	\$ 76,106,556

FUND BALANCES

Nonspendable:					
Inventory	\$ 44,524	\$ 0	\$ 0	\$ 0	\$ 44,524
Prepaid Items	0	187,119	0	0	187,119
Restricted:					
Restricted for General Government	1,773,792	0	0	0	1,773,792
Restricted for General Government - COVID-19	0	0	0	9,410	9,410
Restricted for General Government - American Rescue Plan Act	0	0	0	91,481	91,481

(Continued)

SULLIVAN COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Capital Projects	Other Governmental Funds	
FUND BALANCES (Cont.)					
Restricted (Cont.):					
Restricted for Finance	\$ 325,529	\$ 0	\$ 0	\$ 0	\$ 325,529
Restricted for Administration of Justice	293,145	0	0	0	293,145
Restricted for Public Safety	140,527	0	0	213,751	354,278
Restricted for Public Health and Welfare	2,037,406	0	0	322,361	2,359,767
Restricted for Social, Cultural, and Recreational Services	11,909	0	0	0	11,909
Restricted for Debt Service	0	12,742,977	0	0	12,742,977
Restricted for Capital Projects	211,260	0	28,371,907	1,342,624	29,925,791
Committed:					
Committed for Finance	1,580,581	0	0	0	1,580,581
Committed for Public Health and Welfare	0	0	0	6,727,409	6,727,409
Committed for Highways/Public Works	0	0	0	4,242,723	4,242,723
Committed for Capital Outlay	0	0	0	961,363	961,363
Committed for Other Purposes	0	0	0	4,137,535	4,137,535
Assigned:					
Assigned for General Government	7,418,324	0	0	0	7,418,324
Assigned for Finance	271,611	0	0	0	271,611
Assigned for Administration of Justice	105,722	0	0	0	105,722
Assigned for Public Safety	922,280	0	0	0	922,280
Assigned for Public Health and Welfare	113,716	0	0	0	113,716
Assigned for Social, Cultural, and Recreational Services	48,665	0	0	0	48,665
Unassigned	16,481,487	0	0	0	16,481,487
Total Fund Balances	\$ 31,780,478	\$ 12,930,096	\$ 28,371,907	\$ 18,048,657	\$ 91,131,138
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 84,846,708	\$ 27,516,477	\$ 29,155,555	\$ 35,851,912	\$ 177,370,652

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

SULLIVAN COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2025

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)		\$ 91,131,138
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,720,187	
Add: construction in progress	112,032,921	
Add: buildings and improvements net of accumulated depreciation	27,385,928	
Add: infrastructure net of accumulated depreciation	6,520,798	
Add: other capital assets net of accumulated depreciation	<u>16,994,911</u>	165,654,745
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,705,997
(3) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		570,904
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (799,025)	
Less: other loans payable	(2,065,973)	
Less: bonds payable	(234,375,000)	
Less: nonexchange financial guarantee payable	(1,689,454)	
Add: deferred charge on refunding	49,127	
Less: compensated absences payable	(3,837,632)	
Less: OPEB liability	(21,873,314)	
Less: accrued interest on notes and bonds	(1,855,042)	
Less: unamortized premium on debt	<u>(11,830,777)</u>	(278,277,090)
(5) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 10,455,846	
Less: deferred inflows of resources related to pensions	(2,380,796)	
Add: deferred outflows of resources related to OPEB	4,569,766	
Less: deferred inflows of resources related to OPEB	<u>(7,104,652)</u>	5,540,164
(6) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		<u>2,771,934</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ (7,902,208)</u></u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				Nonmajor	Total
	<i>Formerly</i>	<i>Major</i>	<i>Other</i>	<i>Other</i>	Funds	
	General	General Government Fund	General Debt Service	Other Capital Projects	Other Govern- mental Funds	Governmental Funds
Revenues						
Local Taxes	\$ 53,982,591	\$ 0	\$ 15,902,919	\$ 0	\$ 13,535,847	\$ 83,421,357
Licenses and Permits	417,043	0	0	0	250,000	667,043
Fines, Forfeitures, and Penalties	601,461	0	0	0	38,248	639,709
Charges for Current Services	2,462,472	0	0	0	10,832,283	13,294,755
Other Local Revenues	4,292,289	0	1,693,906	0	590,623	6,576,818
Fees Received From County Officials	8,384,668	0	0	0	0	8,384,668
State of Tennessee	8,538,128	0	0	0	6,445,852	14,983,980
Federal Government	3,817,315	0	0	0	3,536,652	7,353,967
Other Governments and Citizens Groups	902,649	0	440,592	0	457,088	1,800,329
Total Revenues	\$ 83,398,616	\$ 0	\$ 18,037,417	\$ 0	\$ 35,686,593	\$ 137,122,626
Expenditures						
Current:						
General Government	\$ 7,575,087	\$ 0	\$ 0	\$ 0	\$ 155	\$ 7,575,242
Finance	7,860,786	0	314,695	0	79,039	8,254,520
Administration of Justice	7,031,204	0	0	0	6,376	7,037,580
Public Safety	38,032,372	0	0	244,231	132,953	38,409,556
Public Health and Welfare	10,083,973	0	0	0	14,823,733	24,907,706
Social, Cultural, and Recreational Services	1,612,495	0	0	0	0	1,612,495
Agriculture and Natural Resources	214,716	0	0	0	0	214,716
Other Operations	1,748,756	0	0	0	4,021,693	5,770,449
Highways	0	0	0	0	12,138,266	12,138,266
Instruction	189,220	0	0	0	0	189,220

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Formerly Major Other General Government Fund	General Debt Service	Other Capital Projects	Other Governmental Funds	
Expenditures (Cont.)						
Debt Service:						
Principal on Debt	\$ 566,342	\$ 0	\$ 10,864,635	\$ 0	\$ 0	\$ 11,430,977
Interest on Debt	43,415	0	8,096,175	0	0	8,139,590
Other Debt Service	0	0	181,388	354,903	0	536,291
Capital Projects	1,079,259	0	0	28,399,955	1,432,631	30,911,845
Capital Projects - Donated	1,991	0	0	0	3,365,917	3,367,908
Total Expenditures	\$ 76,039,616	\$ 0	\$ 19,456,893	\$ 28,999,089	\$ 36,000,763	\$ 160,496,361
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,359,000	\$ 0	\$ (1,419,476)	\$ (28,999,089)	\$ (314,170)	\$ (23,373,735)
Other Financing Sources (Uses)						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 30,000,000	\$ 0	\$ 30,000,000
Premiums on Debt Sold	0	0	0	1,824,505	0	1,824,505
Insurance Recovery	0	0	0	0	1,539	1,539
Transfers In	357,184	0	4,698,058	10,000,000	2,900,015	17,955,257
Transfers Out	(4,453,573)	0	0	0	(13,857,184)	(18,310,757)
Total Other Financing Sources (Uses)	\$ (4,096,389)	\$ 0	\$ 4,698,058	\$ 41,824,505	\$ (10,955,630)	\$ 31,470,544
Net Change in Fund Balances	\$ 3,262,611	\$ 0	\$ 3,278,582	\$ 12,825,416	\$ (11,269,800)	\$ 8,096,809
Change to or Within the Reporting Entity	0	(19,049,703)	0	0	19,049,703	0
Fund Balance, July 1, 2024	28,517,867	19,049,703	9,651,514	15,546,491	10,268,754	83,034,329
Fund Balance, June 30, 2025	\$ 31,780,478	\$ 0	\$ 12,930,096	\$ 28,371,907	\$ 18,048,657	\$ 91,131,138

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

SULLIVAN 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, 2025

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)		\$ 8,096,809
(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	\$ 36,758,097	
Less: current-year depreciation expense	<u>(4,485,708)</u>	32,272,389
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: net book value of assets disposed		(54,786)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2024	\$ (4,182,869)	
Add: deferred delinquent property taxes and other deferred June 30, 2025	<u>4,705,997</u>	523,128
(4) The issuance of long-term debt (e.g., notes, bonds, 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.		
Less: bond proceeds	\$ (30,000,000)	
Less: change in unamortized premium on debt issuances	(775,629)	
Add: principal payments on bonds	9,145,000	
Add: principal payments on notes	381,247	
Add: principal payments on other loans	1,904,730	
Add: change in nonexchange financial guarantee	100,750	
Less: change in deferred charge on refunding debt	<u>(33,555)</u>	(19,277,457)
(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	\$ (562,422)	
Change in compensated absences payable	(107,821)	
Change in OPEB liability	(225,135)	
Change in net pension asset/liability - agent plan	4,378,836	
Change in deferred outflows related to pensions	(5,201,032)	
Change in deferred inflows related to pensions	(1,965,961)	
Change in deferred outflows related to OPEB	(1,617,121)	
Change in deferred inflows related to OPEB	<u>1,659,481</u>	(3,641,175)

(Continued)

SULLIVAN COUNTY, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities (Cont.)**

(6) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.	<u>\$ (749,283)</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 17,169,625</u></u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 53,982,591	\$ 0	\$ 0	\$ 53,982,591	\$ 50,939,085	\$ 50,939,085	\$ 3,043,506
Licenses and Permits	417,043	0	0	417,043	481,014	481,014	(63,971)
Fines, Forfeitures, and Penalties	601,461	0	0	601,461	510,142	510,142	91,319
Charges for Current Services	2,462,472	0	0	2,462,472	2,605,539	2,605,539	(143,067)
Other Local Revenues	4,292,289	0	0	4,292,289	399,917	399,917	3,892,372
Fees Received From County Officials	8,384,668	0	0	8,384,668	7,898,000	7,898,000	486,668
State of Tennessee	8,538,128	0	0	8,538,128	10,902,312	12,189,414	(3,651,286)
Federal Government	3,817,315	0	0	3,817,315	8,913,670	9,703,243	(5,885,928)
Other Governments and Citizens Groups	902,649	0	0	902,649	841,838	1,291,163	(388,514)
Total Revenues	\$ 83,398,616	\$ 0	\$ 0	\$ 83,398,616	\$ 83,491,517	\$ 86,017,517	\$ (2,618,901)
Expenditures							
General Government							
County Commission	\$ 576,894	\$ (2,489)	\$ 2,484	\$ 576,889	\$ 601,362	\$ 601,362	\$ 24,473
County Mayor/Executive	268,848	(2,348)	748	267,248	287,491	287,491	20,243
County Attorney	286,856	(24)	24	286,856	292,751	304,751	17,895
Election Commission	889,116	(2,298)	17,649	904,467	986,985	986,985	82,518
Register of Deeds	560,822	(6,165)	8,820	563,477	639,646	639,646	76,169
Planning	656,626	(588)	4,128	660,166	686,804	698,804	38,638
County Buildings	2,142,476	(49,060)	161,551	2,254,967	2,921,797	3,100,327	845,360

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
General Government (Cont.)							
Other Facilities	\$ 207,481	\$ 0	\$ 0	\$ 207,481	\$ 207,481	\$ 207,481	\$ 0
Preservation of Records	269,084	(648)	372	268,808	421,046	421,046	152,238
Risk Management	1,716,884	0	0	1,716,884	2,097,243	1,741,743	24,859
Finance							
Accounting and Budgeting	1,408,002	(17,148)	19,004	1,409,858	1,658,055	1,658,055	248,197
Purchasing	796,128	(17,179)	10,317	789,266	836,165	875,837	86,571
Property Assessor's Office	2,050,100	(3,600)	6,571	2,053,071	2,130,027	2,160,027	106,956
County Trustee's Office	665,125	(16,836)	49,239	697,528	790,390	790,390	92,862
County Clerk's Office	1,744,903	(2,471)	624	1,743,056	2,011,900	2,011,900	268,844
Data Processing	182,392	(149,469)	185,887	218,810	253,361	253,361	34,551
Other Finance	1,014,136	0	0	1,014,136	975,000	1,025,000	10,864
Administration of Justice							
Circuit Court Judge	7,348	0	0	7,348	13,350	13,350	6,002
Circuit Court Clerk	2,374,841	(9,177)	36,513	2,402,177	2,457,326	2,550,847	148,670
General Sessions Court	652,294	(348)	348	652,294	670,717	676,517	24,223
General Sessions Judge	710,329	(444)	444	710,329	726,218	743,121	32,792
Drug Court	134,465	(48)	48	134,465	147,000	147,000	12,535
Chancery Court	828,761	(1,824)	1,824	828,761	892,825	892,825	64,064
Juvenile Court	866,664	(576)	2,432	868,520	927,111	961,911	93,391

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Administration of Justice (Cont.)							
Juvenile Court Judge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 3,000	\$ 3,000
District Attorney General	496,337	(24)	24	496,337	582,915	582,915	86,578
Office of Public Defender	207,610	0	0	207,610	322,655	322,655	115,045
Judicial Commissioners	94,325	0	0	94,325	99,915	99,915	5,590
Other Administration of Justice	82,470	0	0	82,470	106,000	106,000	23,530
Courtroom Security	500,968	0	0	500,968	576,701	608,926	107,958
Victim Assistance Programs	74,792	0	0	74,792	77,539	74,792	0
Public Safety							
Sheriff's Department	15,391,744	(72,423)	76,099	15,395,420	16,067,920	16,238,874	843,454
Administration of the Sexual Offender Registry	8,456	0	0	8,456	10,500	10,500	2,044
Jail	16,012,376	(348,389)	210,563	15,874,550	15,486,689	16,640,333	765,783
Workhouse	154,343	(569)	1	153,775	129,500	158,000	4,225
Juvenile Services	784,023	0	0	784,023	889,180	889,180	105,157
Fire Prevention and Control	2,303,968	(466,120)	466,120	2,303,968	2,278,968	2,303,968	0
Civil Defense	912,471	(888)	4,834	916,417	979,771	979,771	63,354
Rescue Squad	1,625,475	(167,778)	189,589	1,647,286	1,647,286	1,647,286	0
Disaster Relief	86,493	0	2,785	89,278	0	89,278	0
County Coroner/Medical Examiner	678,826	(48)	48	678,826	755,455	755,455	76,629
Other Public Safety	74,197	(5,838)	23,446	91,805	96,300	96,300	4,495

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Public Health and Welfare							
Local Health Center	\$ 8,103,927	\$ (67,794)	\$ 75,677	\$ 8,111,810	\$ 15,064,541	\$ 15,206,915	\$ 7,095,105
Rabies and Animal Control	637,681	(1,594)	989	637,076	710,497	711,697	74,621
Ambulance/Emergency Medical Services	910,685	(832,632)	970,347	1,048,400	1,657,795	1,079,251	30,851
Other Local Health Services	17,666	0	0	17,666	17,666	17,666	0
Regional Mental Health Center	51,866	0	0	51,866	73,666	73,666	21,800
General Welfare Assistance	279,516	0	75,034	354,550	0	500,000	145,450
Aid to Dependent Children	22,758	0	0	22,758	22,758	22,758	0
Other Local Welfare Services	15,375	0	0	15,375	20,000	20,000	4,625
Other Public Health and Welfare	44,499	0	0	44,499	44,499	44,499	0
Social, Cultural, and Recreational Services							
Libraries	1,139,856	(1,223)	96	1,138,729	1,162,445	1,179,672	40,943
Parks and Fair Boards	472,639	(32,079)	11,908	452,468	976,480	987,979	535,511
Agriculture and Natural Resources							
Agricultural Extension Service	143,167	0	0	143,167	218,879	243,879	100,712
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	70,549	0	0	70,549	109,550	109,550	39,001
Other Operations							
Tourism	754,902	0	0	754,902	9,166	885,593	130,691
Industrial Development	524,162	0	0	524,162	963,740	1,088,740	564,578

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Other Economic and Community Development	\$ 19,854	\$ 0	\$ 0	\$ 19,854	\$ 169,478	\$ 169,478	\$ 149,624
Veterans' Services	193,430	(623)	646	193,453	243,440	243,440	49,987
Employee Benefits	213,001	(8,750)	0	204,251	384,000	399,000	194,749
Miscellaneous	43,407	(24,271)	13,929	33,065	112,670	112,670	79,605
Instruction							
Career and Technical Education Program	0	0	0	0	6,003	6,003	6,003
Other	189,220	0	0	189,220	196,000	196,000	6,780
Principal on Debt							
General Government	566,342	0	0	566,342	0	566,342	0
Interest on Debt							
General Government	43,415	0	0	43,415	0	43,415	0
Other Debt Service							
General Government	0	0	0	0	21,560	21,560	21,560
Capital Projects							
Social, Cultural, and Recreation Projects	1,079,259	0	211,260	1,290,519	996,371	1,431,915	141,396
Capital Projects - Donated							
Capital Projects Donated to Other Entities	1,991	0	0	1,991	0	1,991	0
Total Expenditures	\$ 76,039,616	\$ (2,313,783)	\$ 2,842,422	\$ 76,568,255	\$ 86,924,549	\$ 90,721,604	\$ 14,153,349

(Continued)

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,359,000	\$ 2,313,783	\$ (2,842,422)	\$ 6,830,361	\$ (3,433,032)	\$ (4,704,087)	\$ 11,534,448
Other Financing Sources (Uses)							
Transfers In	\$ 357,184	\$ 0	\$ 0	\$ 357,184	\$ 379,325	\$ 357,184	\$ 0
Transfers Out	(4,453,573)	0	0	(4,453,573)	(945,939)	(4,453,573)	0
Total Other Financing Sources	\$ (4,096,389)	\$ 0	\$ 0	\$ (4,096,389)	\$ (566,614)	\$ (4,096,389)	\$ 0
Net Change in Fund Balance	\$ 3,262,611	\$ 2,313,783	\$ (2,842,422)	\$ 2,733,972	\$ (3,999,646)	\$ (8,800,476)	\$ 11,534,448
Fund Balance, July 1, 2024	28,517,867	(2,313,783)	0	26,204,084	17,759,762	17,759,762	8,444,322
Fund Balance, June 30, 2025	\$ 31,780,478	\$ 0	\$ (2,842,422)	\$ 28,938,056	\$ 13,760,116	\$ 8,959,286	\$ 19,978,770

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

SULLIVAN COUNTY, TENNESSEE
Statement of Net Position - Proprietary Funds
June 30, 2025

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash	\$ 303,274
Equity in Pooled Cash and Investments	798,185
Accounts Receivable	541
Due from Other Funds	364,371
Due from Component Units	13,318
Total Assets	<u>\$ 1,479,689</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 5,732
Claims and Judgments Payable	903,053
Total Liabilities	<u>\$ 908,785</u>
NET POSITION	
Unrestricted	<u>\$ 570,904</u>
Total Net Position	<u>\$ 570,904</u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities
	<u>Internal Service Funds</u>
Operating Revenues	
Self-Insurance Premiums	\$ 652,222
Cobra Insurance Payments	1,887
Other Employee Benefit Charges	244
Total Operating Revenues	<u>\$ 654,353</u>
Operating Expenses	
Dental Insurance	\$ 373,042
Audit Services	98,000
Liability Insurance	516,479
Bank Charges	1,107
Trustee Commission	3,644
Workers' Compensation Insurance	797,433
Other Self Insurance Claims	105
Total Operating Expenses	<u>\$ 1,789,810</u>
Operating Income (Loss)	<u>\$ (1,135,457)</u>
Nonoperating Revenues (Expenses)	
Interest Income	\$ 30,674
Total Nonoperating Revenues (Expenses)	<u>\$ 30,674</u>
Income (Loss) before Transfers	\$ (1,104,783)
Transfers In	<u>355,500</u>
Change in Net Position	\$ (749,283)
Net Position, July 1, 2024	<u>1,320,187</u>
Net Position, June 30, 2025	<u>\$ 570,904</u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities
	<u>Internal Service Funds</u>
Cash Flows from Operating Activities	
Receipts for Self-Insurance Premiums	\$ 658,657
Excess Risk Insurance Recovery	64,245
Payments to Insurers and Claims Payments	(1,685,536)
Payments for Administrative Costs	(100,751)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,063,385)</u>
Cash Flows from Investing Activities	
Interest on Investments	\$ 30,674
Net Cash Provided By (Used In) Investing Activities	<u>\$ 30,674</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	\$ 862,500
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 862,500</u>
Increase (Decrease) in Cash	\$ (170,211)
Cash, July 1, 2024	<u>1,271,670</u>
Cash, June 30, 2025	<u><u>\$ 1,101,459</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (1,135,457)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Other Receivables (non-transfers)	4,548
Increase (Decrease) in Other Current Liabilities (non-transfers)	67,524
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,063,385)</u>
Reconciliation of Cash With the Statement of Net Position	
Cash Per Net Position	\$ 303,274
Equity in Pooled Cash and Investments Per Net Position	<u>798,185</u>
Cash, June 30, 2025	<u><u>\$ 1,101,459</u></u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Net Position - Fiduciary Funds
June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 12,165,814
Equity in Pooled Cash and Investments	276,602
Accounts Receivable	558
Due from Other Governments	9,601,214
Property Taxes Receivable	25,591,526
Allowance for Uncollectible Property Taxes	<u>(615,783)</u>
Total Assets	<u>\$ 47,019,931</u>
LIABILITIES	
Accounts Payable	\$ 111
Accrued Payroll	1,248
Payroll Deductions Payable	678
Due to Other Taxing Units	<u>10,237,843</u>
Total Liabilities	<u>\$ 10,239,880</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 24,365,127</u>
Total Deferred Inflows of Resources	<u>\$ 24,365,127</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 12,414,924</u>
Total Net Position	<u><u>\$ 12,414,924</u></u>

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

SULLIVAN COUNTY, TENNESSEE
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 34,404,983
ADA - Educational Funds Collected for Cities	49,214,890
Fines/Fees and Other Collections	32,753,380
Drug Task Force Collections	209,416
District Attorney General Collections	16,258
Total Additions	<u>\$ 116,598,927</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 34,404,983
Payments to City School Systems	49,214,890
Payments to State	22,838,188
Payments to Individuals and Others	8,716,812
Payment of Drug Task Force Expenses	234,225
Payment of District Attorney General Expenses	24,051
Total Deductions	<u>\$ 115,433,149</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ 1,165,778
Net Position, July 1, 2024	<u>11,249,146</u>
Net Position, June 30, 2025	<u><u>\$ 12,414,924</u></u>

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

SULLIVAN COUNTY, TENNESSEE
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SULLIVAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sullivan 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 Sullivan County:

A. *Reporting Entity*

Sullivan County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sullivan County (the primary government) and its component units. The financial statements of the Sullivan County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its 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 Sullivan County School Department operates the public school system in the county, and the voters of Sullivan 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 Sullivan County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sullivan County, and the Sullivan County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Sullivan County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Sullivan County Emergency
Communications District
P.O. Box 485
Blountville, TN 37618

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 Sullivan 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 Sullivan 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.

Sullivan County issues all debt for the discretely presented Sullivan County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2025. Other significant transactions between the primary government and the school department during the year include: \$440,592 paid from the General Purpose School Fund to the county's General Debt Service Fund as discussed in Note IV.G. and \$397,325 paid from the General Purpose School Fund to the county General Fund related to operations of the finance office under the new private act.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. Internal service funds are reported with the governmental activities in the government-wide financial statements, and 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 funds 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 Sullivan 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 balance/fund net position, 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. Sullivan County reports two proprietary funds, both internal service funds. It has no enterprise funds to report.

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

statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service funds 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 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Sullivan 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 funds 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 for the primary government and a private purpose trust fund of the discretely presented school department. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

Sullivan 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.

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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for financial resources from the issuance of bonds and capital outlay notes to be used for the acquisition or construction/ renovation of major capital facilities.

Additionally, Sullivan County reports the following fund types:

Internal Service Funds – The Self-Insurance Fund accounts for the self-insured general liability, property, casualty, and workers’ compensation programs managed by the county for the primary government and the discretely presented school department. The Employee Insurance – General Fund accounts for the self-insured retirees’ supplemental health and employee dental programs.

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 Sullivan County; Bristol, Kingsport, and Johnson City school systems’ share of educational revenues; 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 Sullivan 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.

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

Private-Purpose Trust Fund – The Endowment Fund is used to account for resources legally held in trust to fund student scholarships at a local high school. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 25) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 24) are presented in this report. We do not believe using the prior year balances will affect the independent auditor’s opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found on the [Tennessee Comptroller of the Treasury’s website](#).

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 two proprietary funds. Operating revenues and expenses generally result from providing services in connection with the funds’ principal ongoing operations. The principal operating revenues of the county’s internal service funds are self-insurance premiums. Operating expenses for the internal service funds 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 funds, cash includes cash on hand, demand deposits, cash with paying agent, cash equivalents, and cash on deposit with the county trustee. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

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 Sullivan County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Sullivan 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. Sullivan 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 taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.2 percent of total taxes levied. Ambulance receivables are shown as gross of an allowance for uncollectibles for amounts exceeding 150 days.

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

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

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

Lease receivables 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. The balance in the Due to Other Governments account on the Statement of Net Position for the primary government totaling \$100,365 represents Local Assistance and Tribal Consistency Fund funds received in advance. The balance in the Other Current Liabilities account totaling \$448,994 on the Statement of Net Position for the primary government consists of a liability for undrafted deposits for health insurance premiums. The balance in the Other Current Liabilities account totaling \$31,673 on the Statement of Net Position for the discretely presented Sullivan County School Department consists of liability amounts held for student meal deposits. Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's Other Capital Projects fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the applicable funds.

3. Inventories and Prepaid Items

Inventories of Sullivan County and the discretely presented Sullivan County School Department are recorded at cost or estimated 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 Sullivan 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 Sullivan County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Sullivan 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 similar items), 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 primary government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than two years. Capital assets are defined by the discretely presented school department as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. 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.

Assets	Years
Building and Improvements	50
Other Capital Assets	5 - 20
Infrastructure	40
Right-to-Use Assets	16

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, 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 receivable from component unit; pension changes in experience, investment earnings, and proportion; OPEB changes in experience, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

It is the county's and the school department's policy to permit employees to accumulate earned but unused vacation benefits and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the school department. Only a portion of the unpaid accumulated sick leave is accrued for the county. The criteria for accrual includes a "more likely than not," to be used or paid. Since Sullivan County does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

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 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 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 and other postemployment 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 funds 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 \$21,724,263 of restricted net position for the primary government, of which \$1,247,776 is restricted by enabling legislation.

As of June 30, 2025, Sullivan County had \$118,161,068 in outstanding debt for capital purposes of the discretely presented Sullivan County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Bristol School System, City of Kingsport School System, and City of Johnson City School System) based on average daily attendance prorations. This debt is a liability of Sullivan County, but the capital assets acquired are reported in the financial statements of the school department, the City of Bristol School System, the City of Kingsport School System, and Johnson City School System. In addition, Sullivan County had outstanding debt totaling \$5,175,000 on June 30, 2025, for capital purposes of a joint venture, the Sullivan County Economic Development Partnership (NETWORKS). This debt is also a liability of Sullivan County, but the capital assets acquired are reported by the Sullivan County Economic Development Partnership. Sullivan County also had outstanding debt totaling \$5,085,465 on June 30, 2025, for capital purposes of the City of Kingsport for renovations to the justice center. This debt is a liability of Sullivan County, but the capital assets acquired are reported by the City of Kingsport. Sullivan County had a nonexchange financial guarantee liability totaling \$1,689,454 on June 30, 2025, for capital purposes of a joint venture, the Tri-Cities Regional Airport. This nonexchange financial guarantee is also reported as a liability of Sullivan County, but the capital assets acquired are reported by the Tri-Cities Regional Airport. Therefore, Sullivan 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.

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 and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund consists primarily of amounts assigned for encumbrances of \$1,486,376 and fund balance appropriated for use in the 2025-26 year budget totaling \$7,265,577. Assigned fund balance in the school department’s General Purpose School Fund consists of amounts assigned for encumbrances of \$1,277,946 and fund balance appropriated for use in the 2025-26 year budget totaling \$11,213,040.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned, are reported as negative unassigned fund balance.

10. Restatements

In prior years, the discretely presented Sullivan County School Department had recorded a compensated absences liability for the estimated future amounts of incentive payments made to retiring teachers for unused sick leave at the time of retirement. The county recognized the liability at the time the teacher met the eligibility requirements. See note V.H. for further details of these incentive payments. With the implementation of GASB Statement 101, *Compensated Absences*, management determined that these payments were better accounted for as termination benefits under GASB Statement 47, *Accounting for Termination Benefits*. This statement requires recognition when an employee accepts the offer, rather than when an employee becomes eligible for the benefit. As a result, the school department must recognize a restatement to the beginning net position in the Government-wide financial statements for the discretely presented Sullivan County School Department to eliminate the liability. A

restatement of \$1,825,376 has been presented to reflect the beginning balance of the discretely presented Sullivan County School Department.

With the implementation of GASB Statement 101, *Compensated Absences*, Sullivan County must recognize restatements to the beginning net position in the Government-wide financial statements for the primary and the discretely presented Sullivan County School Department to record a compensated absences liability. A restatement of (\$540,255) has been presented to reflect the beginning balance of the primary government and (\$1,084,901) for the discretely presented Sullivan County School Department.

The following table reflects the restatement amounts necessary to correct the error in reporting termination benefits and to implement GASB Statement 101, *Compensated Absences*:

	Government Wide	
	Governmental Activities	
	Primary	Discretely Presented
	Government	Sullivan County School Department
Net Position, as previously reported	\$ (24,531,578)	\$ 174,505,593
Adjustment to correct an error in reporting:		
Termination Benefits		1,825,376
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(540,255)	(1,084,901)
Net Change in Beginning Net Position	\$ (540,255)	\$ 740,475
Net Position, June 30, 2024 Restated	\$ (25,071,833)	\$ 175,246,068

11. Changes To or Within the Financial Reporting Entity

Changes in Major Fund Classification (Column A)

Fund classifications are evaluated annually in accordance with the criteria established in GASB Statement No. 34. During fiscal year 2025, the following funds experienced changes in major fund status:

The Other General Government Fund no longer met the quantitative thresholds and is presented as a nonmajor governmental fund. Prior-year amounts have been restated to reflect the fund within the Nonmajor Governmental Funds column.

These presentation changes are reported retrospectively in accordance with GASB Statement No. 100 and do not affect the previously reported total governmental fund balances or changes in fund balances.

	7-1-24 As Previously Reported	Change To or Within the Financial Reporting Entity (A)	7-1-24 As Restated
Primary Government			
Governmental Funds			
Major Funds:			
Other General Government	\$ 19,049,703	\$ (19,049,703)	\$ 0
Nonmajor Funds	10,268,754	19,049,703	29,318,457
	<u>\$ 29,318,457</u>	<u>\$ 0</u>	<u>\$ 29,318,457</u>
Total Governmental Funds	<u>\$ 29,318,457</u>	<u>\$ 0</u>	<u>\$ 29,318,457</u>

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 Sullivan County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Sullivan 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 Sullivan 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 Sullivan County. For this purpose, Sullivan County recognizes benefit payments when due and payable in accordance with benefit terms. Sullivan County's OPEB plans are not administered through a trust.

Discretely Presented Sullivan 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 Sullivan 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 plans are 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 Sullivan County School Department

Exhibit K-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 Sullivan County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and certain capital projects funds which adopt project length budgets. The discretely presented school department's School Improvement Fund, a nonmajor governmental fund, was also not budgeted during the year since no budgetary basis expenditures were incurred. 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, County Mayor/Executive, County Attorney, Election Commission, 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 the GAAP basis is presented on the face of each budgetary schedule.

On June 30, 2025, Sullivan County and the discretely presented Sullivan County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Fund:	
General	\$ 2,842,422
Nonmajor governmental funds	2,841,287
School Department:	
Major Funds:	
General Purpose School	1,277,946
School Federal Projects	5,413

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the county commission in the Central Cafeteria Fund by \$16,976.

Expenditures exceeded appropriations approved by the county commission in the Board of Education major appropriation category (the legal level of control) in the General Purpose School Fund by \$68,894. Expenditures exceeded appropriations approved by the county commission in the Food Service major appropriation category of the Central Cafeteria Fund by \$16,976. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the respective funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose 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, 2025, Sullivan County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. Except for the investment in U.S. Treasury Notes, all

investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Sullivan County and the discretely presented Sullivan 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 45 days	N/A	\$ 9,436,598
Investments at Fair Value:			
U.S. Treasury Note	N/A	8-31-25	<u>1,470,403</u>
Total			<u><u>\$ 10,907,001</u></u>

Investment by Fair Value Level	Fair Value Measurements Using			
	Fair Value 6-30-25	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Note	\$ 1,470,403	\$ 1,470,403	\$ 0	\$ 0
Total	<u>\$ 1,470,403</u>	<u>\$ 1,470,403</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Sullivan County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sullivan County has no investment policy that would further limit its investment choices. As of June 30, 2025, Sullivan County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool can be obtained by reviewing the [State of Tennessee Annual Comprehensive Financial Report](#).

TCRS Stabilization Trust

Legal Provisions. The Sullivan 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 Sullivan 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, 2025, the Sullivan 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	\$ 403,475
Developed Market International Equity	N/A	N/A	182,214
Emerging Market International Equity	N/A	N/A	52,061
U.S. Fixed Income	N/A	N/A	260,306
Real Estate	N/A	N/A	130,153
Short-term Securities	N/A	N/A	13,015
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>260,306</u>
Total			<u><u>\$ 1,301,530</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 on the [Tennessee Department of Treasury website](#).

B. Lease Receivable

On December 3, 1996, Sullivan County entered into a lease agreement with the Sullivan County School Department for the use of a county owned building through December 2036. The county will receive annual payments of \$25,000. Sullivan County recognized \$18,606 in lease revenue and \$6,394 in interest revenue during the current fiscal year related to this lease. The lease receivable was discounted using an annual interest rate of 2.2984 percent. As of June 30, 2025, the lease receivable balance was \$259,602.

The future receipts of the lease receivable include:

Year Ending June 30	Lease Receivable from Component Unit		
	Principal	Interest	Total
2026	\$ 19,033	\$ 5,967	\$ 25,000
2027	19,471	5,529	25,000
2028	19,918	5,082	25,000
2029	20,376	4,624	25,000
2030	20,844	4,156	25,000
2031-2035	111,633	13,367	125,000
2036-2037	48,327	1,673	50,000
Total	<u>\$ 259,602</u>	<u>\$ 40,398</u>	<u>\$ 300,000</u>

C. *Capital Assets*

Capital assets activity for the year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 2,720,187	\$ 0	\$ 0	\$ 2,720,187
Construction in Progress	83,917,203	31,690,748	(3,575,030)	112,032,921
Total Capital Assets Not Depreciated	<u>\$ 86,637,390</u>	<u>\$ 31,690,748</u>	<u>\$ (3,575,030)</u>	<u>\$ 114,753,108</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,841,607	\$ 4,100,950	\$ 0	\$ 47,942,557
Infrastructure	21,158,820	0	0	21,158,820
Other Capital Assets	46,333,733	4,541,429	(501,709)	50,373,453
Total Capital Assets Depreciated	<u>\$ 111,334,160</u>	<u>\$ 8,642,379</u>	<u>\$ (501,709)</u>	<u>\$ 119,474,830</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 19,420,296	\$ 1,136,333	\$ 0	\$ 20,556,629
Infrastructure	14,126,361	511,661	0	14,638,022
Other Capital Assets	30,987,751	2,837,714	(446,923)	33,378,542
Total Accumulated Depreciation	<u>\$ 64,534,408</u>	<u>\$ 4,485,708</u>	<u>\$ (446,923)</u>	<u>\$ 68,573,193</u>
Total Capital Assets Depreciated, Net	<u>\$ 46,799,752</u>	<u>\$ 4,156,671</u>	<u>\$ (54,786)</u>	<u>\$ 50,901,637</u>
Governmental Activities Capital Assets, Net	<u>\$ 133,437,142</u>	<u>\$ 35,847,419</u>	<u>\$ (3,629,816)</u>	<u>\$ 165,654,745</u>

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

Governmental Activities:

General Government	\$ 251,764
Administration of Justice	176,139
Public Safety	1,585,402
Public Health and Welfare	933,271
Social, Cultural, and Recreational	32,559
Highways	<u>1,506,573</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,485,708</u>

Net Investment in Capital Assets

Capital Assets	\$ 165,654,745
Less: Outstanding principal balance of debt issued for capital purposes	(108,645,320)
Add: Unspent proceeds of debt issued for capital purposes	27,588,646
Less: Unamortized balance of original issue premiums on outstanding debt issued for capital purposes	(7,108,924)
Less: Capital related construction and retainage payable	<u>(814,123)</u>
Net Investment in Capital Assets	<u>\$ 76,675,024</u>

Discretely Presented Sullivan County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 5,890,838	\$ 0	\$ (52,000)	\$ 5,838,838
Construction in Progress	15,648,533	6,814,249	(22,081,144)	381,638
Total Capital Assets Not Depreciated	\$ 21,539,371	\$ 6,814,249	\$ (22,133,144)	\$ 6,220,476
Capital Assets Depreciated:				
Buildings and Improvements	\$ 200,262,286	\$ 23,064,317	\$ 0	\$ 223,326,603
Other Capital Assets	12,177,010	440,845	(76,446)	12,541,409
Total Capital Assets Depreciated	\$ 212,439,296	\$ 23,505,162	\$ (76,446)	\$ 235,868,012
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 66,228,859	\$ 5,139,935	\$ 0	\$ 71,368,794
Other Capital Assets	8,213,785	620,276	(73,246)	8,760,815
Total Accumulated Depreciation	\$ 74,442,644	\$ 5,760,211	\$ (73,246)	\$ 80,129,609
Total Capital Assets Depreciated, Net	\$ 137,996,652	\$ 17,744,951	\$ (3,200)	\$ 155,738,403
Intangible Right-to-Use Assets:				
Lease Buildings	\$ 339,175	\$ 0	\$ 0	\$ 339,175
Less: Accumulated Amortization	60,967	18,606	0	79,573
Net Intangible Right-to-Use Assets	\$ 278,208	\$ (18,606)	\$ 0	\$ 259,602
Governmental Activities Capital Assets, Net	\$ 159,814,231	\$ 24,540,594	\$ (22,136,344)	\$ 162,218,481

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

Governmental Activities:

Instruction	\$ 5,087,850
Support Services	613,043
Operation of Non-instructional Services	<u>77,924</u>
Total Depreciation and Amortization Expense – Governmental Activities	<u>\$ 5,778,817</u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$ 162,218,481
Less: Outstanding principal of lease obligation issued for capital purposes	(259,602)
Less: Capital related contracts and retainage payable	<u>(334,349)</u>
Net Investment in Capital Assets	<u><u>\$ 161,624,530</u></u>

D. Construction Commitments

Primary Government

On June 30, 2025, the General Fund had uncompleted construction contracts of approximately \$211,260 for sidewalk improvements. The Other General Government Fund had uncompleted contracts of approximately \$64,284 for HVAC renovation projects. Funding has been provided for these future expenditures.

The Other Capital Projects Fund had uncompleted contracts of approximately \$6,620,190 for jail facility construction and renovation, and \$7,490,848 for various projects at the old Blountville middle school campus. Funding for these future expenditures is primarily being provided from bond proceeds.

Discretely Presented Sullivan County School Department

On June 30, 2025, the General Purpose School Fund had uncompleted construction contracts of \$160,651 for building improvements. Funding has been provided for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 735,105
General Debt Service	General	1,198,058
"	Nonmajor governmental	3,500,000
Internal Service	General	355,500
"	Nonmajor governmental	8,871
Nonmajor governmental	General	329,004
"	Nonmajor governmental	2,847
Discretely Presented School Department:		
General Purpose School	School Federal Projects	7,962
"	Nonmajor governmental	12,698
School Federal Projects	General Purpose School	16,072
Nonmajor governmental	"	712

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
Primary Government:	Component Unit:	
General	School Department:	
General Debt Service	General Purpose School	\$ 78,066
Nonmajor governmental	"	440,592
Internal Service	"	8,928
		13,318

Interfund Transfers:

Interfund transfers for the year ended June 30, 2025, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In				
	General Fund	General Debt Service Fund	Other Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund
General Fund	\$ 0	\$ 1,198,058	\$ 0	\$ 2,900,015	\$ 355,500
Nonmajor governmental funds	357,184	3,500,000	10,000,000	0	0
Total	\$ 357,184	\$ 4,698,058	\$ 10,000,000	\$ 2,900,015	\$ 355,500

Transfers to the General Fund and Other Capital Projects Fund are for operations. Transfers to the General Debt Service Fund represent contributions towards debt service principal and interest requirements. Transfers to the nonmajor governmental funds are to reallocate opioid funding (\$2,573,590) and for operations (\$326,425). Transfers to the Internal Service Fund represent amounts contributed for self-insured general liability, property, and workers compensation claims.

Discretely Presented Sullivan County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 8,400	Indirect cost

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

F. Lease Obligations

Discretely Presented Sullivan County School Department

On December 3, 1996, the school department entered into a lease agreement with Sullivan County for the use of a county owned building for office space. The school department will make annual payments of \$25,000 under the agreement. The school department recognized \$18,606 in lease principal and \$6,394 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2025, the lease liability balance was \$259,602.

The present value of the lease was determined using a discount rate of 2.2984 percent, the same as the county's incremental borrowing rate. The lease asset and accumulated amortization of the right -to-use asset is outlined in Note IV.C.

The future lease payments on this asset lease include:

Year Ending June 30	Lease Payable to Primary Government		
	Principal	Interest	Total
2026	\$ 19,033	\$ 5,967	\$ 25,000
2027	19,471	5,529	25,000
2028	19,918	5,082	25,000
2029	20,376	4,624	25,000
2030	20,844	4,156	25,000
2031-2035	111,633	13,367	125,000
2036-2037	48,327	1,673	50,000
Total	<u>\$ 259,602</u>	<u>\$ 40,398</u>	<u>\$ 300,000</u>

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Leases
Balance, July 1, 2024	\$ 278,208
Reductions	<u>(18,606)</u>
Balance, June 30, 2025	<u>\$ 259,602</u>
Balance Due Within One Year	<u>\$ 19,033</u>
Analysis of Noncurrent Liabilities for Lease Obligations to Primary Government Presented on Exhibit A:	
Total Noncurrent Liabilities - Lease Obligations to Primary Government, June 30, 2025	\$ 259,602
Less: Balance Due Within One Year - Lease Obligation to Primary Government	<u>(19,033)</u>
Noncurrent Liabilities - Due in More than One Year - Lease Obligation to Primary Government - Exhibit A	<u>\$ 240,569</u>

G. Long-term Debt

Primary Government

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

General Obligation Bonds - Sullivan 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 30 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, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Sullivan County issues other loans and capital outlay notes 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, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to four years for notes and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2025, will be retired from the General and General Debt Service funds.

Nonexchange Financial Guarantee – Sullivan County has recorded a liability for a proportionate share of outstanding Aerospace Park Bonds issued by the Tri-Cities Airport Authority. The authority is a joint venture discussed in Note V.D. It is considered more likely than not that net revenues will not be generated by the aerospace park project in the foreseeable future. Consequently, it is expected that members of the joint venture will be required to pay this debt of the airport authority based on guaranty agreements entered into by the members. The total amount of bonds issued was \$8,500,000 and Sullivan County’s proportionate share of the guarantee is 26.95 percent, or \$2,290,750 of the original principal, plus interest. The bonds mature serially each May 1, ending in 2038. Interest rates vary from 3 percent to 4.5 percent with payments due semi-annually.

General obligation bonds, capital outlay notes, other loans, and nonexchange financial guarantee outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds	1.85 to 5 %	5-1-47	\$ 265,350,000	\$ 231,545,000
General Obligation Bonds - Refunding	2 to 5	4-1-28	31,135,000	2,830,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	3.1	1-24-27	1,550,000	799,025
Other Loans	0 to 1.515	8-1-27	25,607,635	2,065,973
Nonexchange Financial Guarantee	3 to 4.5	5-1-38	2,290,750	1,689,454

In 2009-10, Sullivan County entered into a loan agreement totaling \$15,480,000 with the Tennessee State School Bond Authority. Qualified School Construction Bonds were issued through the authority,

and the proceeds were loaned to Sullivan County and other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee of \$1,290 to the authority. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

During 2010-11, Sullivan County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority loaned Sullivan County \$5,073,000 for Emmett Elementary and Holston Complex renovations. This loan is interest free after a rebate. The county pays an annual administrative fee of \$4,058.

In previous years, the county issued refunding bonds totaling \$6,265,000 and general obligation Public Improvement bonds totaling \$4,000,000 for the benefit of the Sullivan County Economic Development Partnership (NETWORKS), a joint venture. The bonds are general obligation debt of the county. The interlocal agreement, which established the partnership, requires NETWORKS to pay the county an amount equal to the annual principal and interest requirements on the debt issues. In the event revenues of NETWORKS are not sufficient to meet those requirements, the other participating governments in NETWORKS have agreed to pay 49 percent of any such deficiency. During the year, the county paid \$890,531 in principal and interest on this debt and was fully reimbursed by the other participating government. The amount of the refunding and general obligation bonds outstanding on June 30, 2025, was \$1,800,000 and \$3,375,000, respectively.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2025, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 9,750,000	\$ 8,727,849	\$ 18,477,849
2027	9,335,000	8,070,571	17,405,571
2028	9,700,000	7,694,521	17,394,521
2029	9,495,000	7,264,404	16,759,404
2030	9,930,000	6,836,389	16,766,389
2031-2035	55,380,000	28,446,838	83,826,838
2036-2040	64,705,000	18,868,544	83,573,544
2041-2045	51,175,000	8,314,737	59,489,737
2046-2047	14,905,000	834,225	15,739,225
Total	\$ 234,375,000	\$ 95,058,078	\$ 329,433,078

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2026	\$ 393,331	\$ 25,114	\$ 418,445
2027	405,694	12,751	418,445
Total	\$ 799,025	\$ 37,865	\$ 836,890

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2026	\$ 1,597,364	\$ 480,931	\$ 19,538	\$ 2,097,833
2027	438,768	265,483	7,928	712,179
2028	29,841	24,221	1,014	55,076
Total	<u>\$ 2,065,973</u>	<u>\$ 770,635</u>	<u>\$ 28,480</u>	<u>\$ 2,865,088</u>

The nonexchange financial guarantee will be retired from the General Debt Service Fund. The amount of the liability reported on June 30, 2025, is management's best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee. The following tables reflect the annual requirements on the outstanding bonds and reconciles those amounts with the liability reflected for nonexchange financial guarantees.

Principal and Interest Requirements on Outstanding Aerospace Park Bonds:

Year Ending June 30	Principal	Interest	Total
2026	\$ 105,000	\$ 56,725	\$ 161,725
2027	110,000	53,575	163,575
2028	115,000	50,138	165,138
2029	115,000	46,400	161,400
2030	120,000	42,663	162,663
2031-2035	665,000	150,562	815,562
2036-2038	450,000	32,806	482,806
Total	<u>\$ 1,680,000</u>	<u>\$ 432,869</u>	<u>\$ 2,112,869</u>

Calculation of Nonexchange Financial Guarantee Liability:

Principal Balance of Outstanding Aerospace Park Bonds, 6-30-25	\$ 1,680,000
Add: Interest Accrued on Bonds	<u>9,454</u>
Nonexchange Financial Guarantee Balance, 6-30-25	<u>\$ 1,689,454</u>

There is \$12,930,096 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,482 based on the 2020 census. Total debt per capita, including bonds, notes, other loans, nonexchange financial guarantee, and unamortized premium on bonds, totaled \$1,585 based on the 2020 federal census.

During the year, the school department contributed \$440,592 to the General 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, 2025, was as follows:

Governmental Activities:	Bonds	Notes -	Other	Nonexchange
		Direct Placement	Loans - Direct Placement	Financial Guarantee
Balance, July 1, 2024	\$ 213,520,000	\$ 1,180,272	\$ 3,970,703	\$ 1,790,204
Additions	30,000,000	0	0	58,100
Reductions	(9,145,000)	(381,247)	(1,904,730)	(158,850)
Balance, June 30, 2025	<u>\$ 234,375,000</u>	<u>\$ 799,025</u>	<u>\$ 2,065,973</u>	<u>\$ 1,689,454</u>
Balance Due Within One Year	<u>\$ 9,750,000</u>	<u>\$ 393,331</u>	<u>\$ 1,597,364</u>	<u>\$ 114,454</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 238,929,452
Less: Balance Due Within One Year - Debt	(11,855,149)
Add: Unamortized Premium on Debt	<u>11,830,777</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 238,905,080</u>

H. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Governmental Activities:	Compensated Absences*	Other Postemployment Benefits	Net Pension Liability- Agent Plan [^]
Balance, July 1, 2024	\$ 3,729,811	\$ 21,648,179	\$ 1,606,902
Additions	107,821	2,042,680	20,242,668
Reductions	0	(1,817,545)	(24,621,504)
Balance, June 30, 2025	<u>\$ 3,837,632</u>	<u>\$ 21,873,314</u>	<u>\$ (2,771,934)</u>
Balance Due Within One Year	<u>\$ 2,508,908</u>	<u>\$ 572,990</u>	<u>\$ 0</u>

*Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.

[^]On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 25,710,946
Less: Balance Due Within One Year - Other	<u>(3,081,898)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 22,629,048</u>

Compensated absences and other postemployment benefits will be paid from the employing funds.

Discretely Presented Sullivan County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Sullivan County School Department for the year ended June 30, 2025, was as follows:

Governmental Activities:	Compensated Absences*	Other Postemployment Benefits	Net Pension Liability- Agent Plan [^]
Balance, July 1, 2024	\$ 1,427,592	\$ 60,549,573	\$ 345,828
Additions	0	4,648,003	3,832,817
Reductions	<u>(20,570)</u>	<u>(17,727,979)</u>	<u>(4,703,493)</u>
Balance, June 30, 2025	<u>\$ 1,407,022</u>	<u>\$ 47,469,597</u>	<u>\$ (524,848)</u>
Balance Due Within One Year	<u>\$ 236,830</u>	<u>\$ 2,168,417</u>	<u>\$ 0</u>

*Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.

[^]On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 48,876,619
Less: Balance Due Within One Year - Other	<u>(2,405,247)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 46,471,372</u>

Compensated absences and other postemployment benefits will be paid from the employing funds.

I. On-Behalf Payments

Discretely Presented Sullivan County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sullivan County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and are reported in the state’s Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2025, were \$415,504 and \$132,268, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Donor-Restricted Endowments

Discretely Presented Sullivan County School Department

The Sullivan County School Department accounts for an endowment in a private purpose trust fund. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students of the former Sullivan North High School zone. During the year ended June 30, 2025, expenditures totaled \$4,800. On June 30, 2025, net position of the endowment fund was \$93,667.

V. OTHER INFORMATION

A. Risk Management

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

The discretely presented Sullivan County 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.

Sullivan County established a self-insurance fund for risks associated with general liability, property, casualty losses, and workers' compensation. Both the primary government and the discretely presented Sullivan County School Department participate in this self-insurance fund for the risks listed above. The Self-Insurance Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. Insurance claims are reimbursed from the Highway/Public Works and General Purpose School funds for claims associated with those departments. The county's General Fund absorbs the costs of claims associated with other departments. The county retains the risk of loss to limits of \$50,000 to \$100,000 per individual claim for general liability, property, and casualty losses. The county is self-insured to a limit of \$400,000 for a single accident for workers' compensation. Amounts exceeding these limits are covered by excess loss policies, subject to various policy limits. A fee is paid from this fund to a third-party agent who investigates claims and determines recommended action to be taken.

Sullivan County maintains the Employee Insurance – General Fund (an internal service fund) for self-insured risks associated with the employee dental plan for employees of the primary government.

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These funds establish 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:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2023-2024	\$ 762,028	\$ 613,332	\$ (551,501)	\$ 823,859
2024-2025	823,859	1,234,579	(1,155,385)	903,053

Current year claims and estimates are presented net of excess risk insurance recovery of \$64,245.

Employee Insurance - General Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2023-2024	\$ 0	\$ 317,778	\$ (317,778)	\$ 0
2024-2025	0	386,712	(386,712)	0

B. Accounting Changes

GASB Statement No. 101, *Compensated Absences*, became effective for the fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, became effective for the fiscal year ending June 30, 2025. This statement provides users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

C. Contingent Liabilities

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

On March 29, 2018, Tri-Cities Regional Airport issued bonds in the amount of \$8,500,000. Sullivan County is contingently liable for 26.95 percent of the principal and interest on these bonds in the event pledged revenues of the Airport Authority are not sufficient to cover the payments. Sullivan County has recorded a liability for its share of these Aerospace Park bonds as discussed in Note IV.G.

There are several pending lawsuits in which the county is involved. Management has provided for potential claims and judgments in the financial statements of the self-insurance funds in this report. Based on letters from attorneys, management believes that potential claims not already recorded in the self-insurance funds would not materially affect the financial statements of the county.

D. Joint Ventures

Primary Government

The Tri-Cities Regional Airport is a joint venture in which Sullivan County participates, along with Washington 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 two members appointed by Sullivan County and ten 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. Complete financial statements for the Tri-Cities Regional Airport can be requested at the following address:

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

The Sullivan County Economic Development Partnership (NETWORKS) is a joint venture in which Sullivan County participates, along with the cities of Kingsport, Bristol, and Bluff City. The partnership is governed by a 13-member voting board of directors comprising the four mayors, four members appointed by the Sullivan County mayor, three members appointed by the Kingsport mayor, and two members appointed by the Bristol mayor. Eleven other non-voting ex-officio members also serve on the board. Funding for the NETWORKS is provided primarily by contributions from Sullivan County and the member cities, revenues generated from capital projects and other business activities of the partnership. Complete financial statements for the NETWORKS can be requested at the following address:

Sullivan County Economic
Development Partnership
P.O. Box 426
Blountville, TN 37617

The Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Second Judicial District, Sullivan County, and various cities within Sullivan County. 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, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Sullivan County made no contributions to the DTF for the year ended June 30, 2025, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

District Attorney General
Second Judicial District
P.O. Box 526
Blountville, TN 37617

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Sullivan County and the counties of Carter, Greene, Hawkins, Johnson, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Sullivan County's participation cost percentage is 31.0 percent. The counties also pay a

daily fee for individuals from their counties using the facility. Complete financial statements for the Juvenile Detention Center can be obtained from its administrative office at the following address:

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

Discretely Presented Sullivan County School Department

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

E. 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.

Sullivan 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.

Sullivan County is a participant in the joint governance of the Northeast Tennessee Regional Recovery Center. The center was established by an organizational resolution approved by the cities of Elizabethton, Unicoi, Erwin, and Kingsport, Tennessee, as well as the counties of Carter, Washington, Unicoi, Johnson, Hamblen, and Hawkins, Tennessee. The center operates a treatment facility and provides recovery services to counties in Northeast Tennessee utilizing grants and opioid settlement funds administered through the State of Tennessee. The center is governed by a Board of Directors

consisting of elected members nominated by the respective districts as well as a member from the Tennessee State Senate and House of Representatives. An executive committee, consisting of a director who is a Tennessee State Senator or Representative, four directors who are either county mayors or commissioners, and two directors who are either city mayors or commissioners, have oversight of daily operations.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sullivan County and non-certified employees of the discretely presented Sullivan 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 84.08 percent, the non-certified employees of the discretely presented school department comprise 15.92 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 on the [Tennessee Department of Treasury website](#).

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, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,290
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,401
Active Employees	1,067
Total	3,758

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Sullivan 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, 2025, the employer contribution for Sullivan County was \$4,546,108 based on a rate of 7.91 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sullivan 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)

Sullivan County's net pension liability (asset) was measured as of June 30, 2024, 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, 2024, 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, 2024, 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 Sullivan 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, 2023	\$ 254,799,262	\$ 252,846,532	\$ 1,952,730
Changes for the Year:			
Service Cost	\$ 4,329,578	\$ 0	\$ 4,329,578
Interest	17,056,925	0	17,056,925
Changes of Benefit Terms	19,190	0	19,190
Differences Between Expected and Actual Experience	2,496,780	0	2,496,780
Contributions-Employer	0	3,438,481	(3,438,481)
Contributions-Employees	0	1,593,635	(1,593,635)
Net Investment Income	0	24,292,881	(24,292,881)
Benefit Payments, Including Refunds of Employee Contributions	(12,867,302)	(12,867,302)	0
Administrative Expense	0	(173,012)	173,012
Net Changes	<u>\$ 11,035,171</u>	<u>\$ 16,284,683</u>	<u>\$ (5,249,512)</u>
Balance, June 30, 2024	<u>\$ 265,834,433</u>	<u>\$ 269,131,215</u>	<u>\$ (3,296,782)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	84.08%	\$ 223,513,591	\$ 226,285,526	\$ (2,771,934)
School Department	15.92%	42,320,842	42,845,689	(524,848)
Total		<u>\$ 265,834,433</u>	<u>\$ 269,131,215</u>	<u>\$ (3,296,782)</u>

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sullivan County			
Net Pension Liability (Asset)	\$ 31,973,696	\$ (3,296,782)	\$ (32,254,990)

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, 2025, Sullivan County recognized pension expense (negative pension expense) of \$8,172,048.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Sullivan County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 7,893,830	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,831,584
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	<u>4,546,108</u>	<u>N/A</u>
Total	<u>\$ 12,439,938</u>	<u>\$ 2,831,584</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Primary Government	\$ 10,455,846	\$ 2,380,796
School Department	<u>1,984,092</u>	<u>450,788</u>
Total	<u>\$ 12,439,938</u>	<u>\$ 2,831,584</u>

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

Year Ending June 30	Amount
2026	\$ 549,175
2027	6,873,752
2028	(861,473)
2029	(1,499,203)
2030	0
Thereafter	0

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

Payable to the Pension Plan

On June 30, 2025, Sullivan County reported a payable of \$894,922 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2025.

Discretely Presented Sullivan County School Department – Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sullivan County and non-certified employees of the discretely presented Sullivan 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 84.08 percent and the non-certified employees of the discretely presented school department comprise 15.92 percent of the plan based on contribution data.

Discretely Presented Sullivan County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sullivan 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 on the [Tennessee Department of Treasury website](#).

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, 2025, to the Teacher Retirement Plan were \$476,724, which is three percent of covered payroll. In addition, employer contributions of \$152,828, which is one percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$384,911) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.540144 percent. The proportion as of June 30, 2023, was 0.548874 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$324,566.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 31,795	\$ 118,255
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	64,929
Changes in Assumptions	152,956	0
Changes in Proportion of Net Pension Liability (Asset)	53,992	34,166
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	476,724	N/A
Total	<u>\$ 715,467</u>	<u>\$ 217,350</u>

The school department's employer contributions of \$476,724, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2026. 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
2026	\$ (34,666)
2027	55,166
2028	(20,995)
2029	(20,640)
2030	10,064
Thereafter	32,465

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, 2024, 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, 2024, 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%
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Net Pension Liability (Asset) \$ 1,015,134 \$ (384,911) \$ (1,426,837)

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

Discretely Presented Sullivan County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sullivan 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 on the [Tennessee Department of Treasury website](#).

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 Sullivan County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$2,071,612, which is 6.31 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). On June 30, 2025, the school department reported a liability (asset) of (\$15,601,489) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.905557 percent. The proportion measured on June 30, 2023, was 0.962403 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$3,755,208.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 4,160,503	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,038,536
Changes in Proportion of Net Pension Liability (Asset)	827,695	86,266
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	2,071,612	N/A
Total	<u>\$ 7,059,810</u>	<u>\$ 3,124,802</u>

The school department's employer contributions of \$2,071,612 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2026. 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
2026	\$ (1,338,286)
2027	6,386,787
2028	(1,585,297)
2029	(1,599,808)
2030	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, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, 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)	\$ 19,819,297	\$ (15,601,489)	\$ (44,978,197)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions

footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute 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 \$847,740 and teachers contributed \$811,560 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Sullivan County and the discretely presented Sullivan County School Department provide OPEB benefits to their retirees under various plans. These include OPEB provided through a Medicare supplement plan administered by Blue Cross Blue Shield for the primary government and through state administered public entity risk pools for both the primary government and the discretely presented school department. For reporting purposes the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of the plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through Medicare Supplement Plan – Primary Government

Plan Description. Sullivan County participates in a postemployment benefits plan administered by Blue Cross Blue Shield for its post-65 retirees. The plan provides Medicare supplemental insurance coverage.

Benefits Provided. For Medicare eligible retirees, the individual monthly premium was \$89. The county contributes all or a percentage of the monthly premium based on the retiree's date of retirement and years of service at retirement. For post-65 retirees who retired on or before January 1, 2013, the county pays 100% of the premium for retirees with 10 or more years of service. For post-65 retirees who retired after January 1, 2013, the county pays 25% to 100% of the premium based on years of service.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2025, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	242
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	731
Total	973

Total OPEB Liability

The plan's total OPEB liability of \$10,681,700 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the 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	2.5%
Salary Increases	3%
Discount Rate	4.81%
Healthcare Cost Trend Rates	4.96%

Retirees share of Benefit-related Cost Discussed under Benefits Provided

The discount rate of 4.81 percent is based on the S&P Municipal Bond 20-year High Grade Index – SAPIHG.

Mortality rates were based on PubG-2010 Mortality with Scale MP-2020 projected using generational techniques.

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

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

	Total OPEB Liability
Balance July 1, 2024	\$ 11,033,096
Changes for the Year:	
Service Cost	\$ 373,823
Interest	475,650
Changes in Assumption	(980,984)
Benefit Payments	(219,885)
Net Changes	<u>\$ (351,396)</u>
Balance June 30, 2025	<u>\$ 10,681,700</u>

Changes in Assumptions. The discount rate changed from 4.21 percent as of the valuation date to 4.81 percent as of the measurement date of June 30, 2025. These changes in assumptions decreased the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the county recognized OPEB expense (negative expense) of (\$21,868). On June 30, 2025, 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	\$ 1,374,852
Changes of Assumptions	964,426	2,443,800
Total	<u>\$ 964,426</u>	<u>\$ 3,818,652</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
2026	\$ (682,090)
2027	(690,347)
2028	(919,071)
2029	(215,352)
2030	(207,222)
Thereafter	(140,144)

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 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:

Discount Rate	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	3.81%	4.81%	5.81%
Total OPEB Liability	\$ 12,714,238	\$ 10,681,700	\$ 9,069,292

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability 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:

Healthcare Cost Trend Rate	Current		
	1%	Trend	1%
	Decrease	Rate	Increase
	3.96%	4.96%	5.96%
Total OPEB Liability	\$ 8,893,198	\$ 10,681,700	\$ 13,019,340

OPEB Provided through State Administered Public Entity Risk Pools

Pre-65 retirees of the Sullivan County primary government are provided healthcare benefits under the Local Government Plan (LGP). The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Employees of the school department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.93 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, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2022, Pension Actuarial Valuation of the 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, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2021 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-2021.

Changes in Assumptions. The discount rate changed from 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2024 plan year was revised from 10.31 percent to 10.68 percent.

Local Government OPEB Plan (Primary Government)

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

Benefits Provided. Sullivan County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining

Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-701* establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Sullivan County provides a direct subsidy for retirees with at least 25 years of service and who are at least 55 years of age. The subsidy ranges from \$617 to \$1,389 per month based on coverage selected.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	65
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>756</u>
Total	<u><u>821</u></u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the current reporting period, the county paid \$572,990 to the LGP for OPEB benefits as they came due.

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

	<u>Primary Government</u>
Balance July 1, 2023	<u>\$ 10,615,083</u>
Changes for the Year:	
Service Cost	\$ 475,951
Interest	393,669
Difference between Expected and Actuarial Experience	15,006
Changes in Assumption	308,581
Benefit Payments	<u>(616,676)</u>
Net Changes	<u>\$ 576,531</u>
Balance June 30, 2024	<u><u>\$ 11,191,614</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the county recognized OPEB expense of \$997,518. On June 30, 2025, 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	\$ 1,678,546	\$ 1,632,944
Changes of Assumptions	1,353,804	1,653,056
Benefits Paid After the Measurement Date of June 30, 2024	572,990	0
Total	<u>\$ 3,605,340</u>	<u>\$ 3,286,000</u>

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

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

Year Ending June 30	Primary Government
2026	\$ 143,018
2027	(601,402)
2028	(244,810)
2029	100,032
2030	270,395
Thereafter	79,117

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:

Discount Rate	1%	Current	1%
	Decrease	Discount Rate	Increase
	2.93%	3.93%	4.93%
Total OPEB Liability	\$ 12,114,867	\$ 11,191,614	\$ 10,347,740

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:

Healthcare Cost Trend Rate

	1% Decrease 9.68 to 3.5%	Current Trend Rate 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Total OPEB Liability	\$ 10,120,201	\$ 11,191,614	\$ 12,457,962

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

Plan Description. Employees of the Sullivan 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 Sullivan 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. Sullivan County School Department provides a direct subsidy ranging from \$288 to \$635 per month toward the cost of insurance for retirees based on retirement date, years of service, and insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	126
Inactive Employees Entitled To But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	<u>590</u>
Total	<u><u>717</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 \$1,330,227 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		Total OPEB Liability
	Sullivan County School Department 71.1287%	State of TN 28.8713%	
Balance July 1, 2023	\$ 17,140,872	\$ 7,485,580	\$ 24,626,452
Changes for the Year:			
Service Cost	\$ 666,406	\$ 270,495	\$ 936,901
Interest	641,462	260,371	901,833
Difference between Expected and Actuarial Experience	800,842	325,063	1,125,905
Changes in Proportion	375,604	(375,604)	0
Changes in Assumption and Other Inputs	186,395	75,658	262,053
Benefit Payments	(1,228,144)	(498,507)	(1,726,651)
Net Changes	\$ 1,442,564	\$ 57,477	\$ 1,500,041
Balance June 30, 2024	\$ 18,583,436	\$ 7,543,057	\$ 26,126,493

The Sullivan 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 Sullivan County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$718,039 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sullivan County School Department's proportionate share of the collective OPEB Liability was 71.1287 percent and the State of Tennessee's Share was 28.8713 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$2,085,483, including the state's share of the expense. On June 30, 2025, 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	\$ 1,673,579	\$ 776,914
Changes in Proportion	560,866	941,531
Changes of Assumptions	1,529,085	1,430,029
Benefits Paid After the Measurement Date of June 30, 2024	1,330,227	0
Total	\$ 5,093,757	\$ 3,148,474

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

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

Year Ending June 30	School Department
2026	\$ 116,205
2027	6,144
2028	10,929
2029	180,227
2030	259,950
Thereafter	41,601

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.

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%

Proportionate Share of the Collective Total OPEB Liability	\$ 19,816,004	\$ 18,583,436	\$ 17,410,882
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate	1% Decrease	Current Trend Rate	1% Increase
	9.68 to 3.5%	10.68 to 4.5%	11.68 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 16,978,444	\$ 18,583,436	\$ 20,419,260
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Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Sullivan County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All

eligible post-65 retirees and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA* 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA* 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Sullivan County School Department provides a direct subsidy to retirees who retired before July 1, 2012. The subsidy amounts to \$147 per month for noncertified retirees and \$97 per month for certified retirees. The school department does not provide a direct subsidy to retirees who retired after July 1, 2012. The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	679
Inactive Employees Entitled To But Not Yet Receiving Benefits	160
Active Employees Eligible for Benefits	<u>619</u>
Total	<u><u>1,458</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and 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 \$838,190 to the TNM for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Sullivan County	State of	Total OPEB
	School Department	TN	
	86.3706%	13.6294%	Liability
Balance July 1, 2023	\$ 43,408,701	\$ 4,839,376	\$ 48,248,077
Changes for the Year:			
Service Cost	\$ 816,414	\$ 128,831	\$ 945,245
Interest	1,536,485	242,459	1,778,944
Difference between Expected and Actuarial Experience	(1,357,120)	(214,155)	(1,571,275)
Changes in Proportion	(1,736,547)	1,736,547	0
Changes in Assumption	(12,988,489)	(2,049,601)	(15,038,090)
Benefit Payments	(793,285)	(125,181)	(918,466)
Net Changes	\$ (14,522,540)	\$ (281,102)	\$ (14,803,642)
Balance June 30, 2024	\$ 28,886,161	\$ 4,558,274	\$ 33,444,435

The Sullivan County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Sullivan County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized revenues \$997,258 for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sullivan County School Department's proportionate share of the collective OPEB liability for the TNM plan was 86.3706 percent and the State of Tennessee's Share was 13.6294 percent.

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$1,218,979, including the state's share of the expenses. On June 30, 2025, 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	\$ 5,201,708	\$ 1,662,690
Changes in Proportion	1,206,158	1,383,720
Changes of Assumptions	5,136,715	13,921,170
Benefits Paid After the Measurement Date of June 30, 2024	838,190	0
Total	\$ 12,382,771	\$ 16,967,580

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

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

Year Ending June 30	School Department
2026	\$ (2,118,469)
2027	(570,859)
2028	(2,733,671)
2029	0
2030	0
Thereafter	0

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 TNM, 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.

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%

Proportionate Share of the Collective Total OPEB Liability	\$ 34,048,648	\$ 28,886,161	\$ 24,763,971
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the TNM, 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.

Healthcare Cost Trend Rate	1% Decrease	Current Trend Rate	1% Increase
	9.68 to 3.5%	10.68 to 4.5%	11.68 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 24,509,430	\$ 28,886,161	\$ 34,494,453
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H. Termination Benefits

The discretely presented school department offers a retirement incentive program in accordance with contract provisions. The plan is available to all employees who retire with the Sullivan County School System. At retirement, employees will receive \$28 per unused sick day if an employee has one to 100

sick days, \$30 per unused sick day if an employee has 101 to 200 sick days, \$32 per unused sick day if an employee has 201 to 300 sick days, and \$34 per unused sick day if an employee has 301 or more sick days. During the 2024-25 year, 33 employees received this incentive and were paid a total of \$123,465 from the General Purpose School Fund. In prior years, the school department reflected a compensated absences liability on the government-wide financial statements for the estimated future amount of payments under this policy. Due to the implementation of GASB Statement 101, *Compensated Absences*, the school department reevaluated the classification of this liability and determined that it was a termination benefit according to GASB Statement 47, *Accounting for Termination Benefits*. Application of the guidance in GASB 47 resulted in a restatement of beginning net position to remove this liability from the financial statements. See note I.D.10. for details of the restatement to beginning net position.

I. Office of Central Accounting and Budgeting

Sullivan County operates under the provisions of Chapter 46, Private Acts of 2020. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

J. Purchasing Law

The Office of Purchasing Agent was established by Chapter 46, Private Acts of 2020, which is discussed in the preceding note. This statute provides for the purchasing agent to make all purchases and to enter into all contracts for Sullivan County. The county commission has adopted a resolution pursuant to Section 12-3-1212, *Tennessee Code Annotated*, requiring competitive bids on purchases exceeding \$50,000.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

SULLIVAN 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 2,806,297	\$ 2,762,316	\$ 2,909,793	\$ 3,111,626	\$ 3,231,201	\$ 3,251,238	\$ 3,328,014	\$ 3,800,598	\$ 3,905,735	\$ 4,329,578
Interest	12,081,223	12,279,709	12,841,796	13,133,761	13,649,859	14,243,334	14,636,327	15,052,126	15,923,974	17,056,925
Changes in Benefit Terms	0	0	0	0	0	0	0	0	0	19,190
Differences Between Actual and Expected Experience	(3,669,701)	1,151,421	(1,235,482)	520,288	1,589,385	(1,395,572)	(2,016,459)	5,897,708	9,093,638	2,496,780
Changes in Assumptions	0	0	4,414,805	0	0	0	16,005,555	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(8,333,619)	(8,721,095)	(8,971,754)	(9,431,004)	(10,102,285)	(10,506,959)	(11,003,413)	(11,620,455)	(12,258,152)	(12,867,302)
Net Change in Total Pension Liability	\$ 2,884,200	\$ 7,472,351	\$ 9,959,158	\$ 7,334,671	\$ 8,368,160	\$ 5,592,041	\$ 20,950,024	\$ 13,129,977	\$ 16,665,195	\$ 11,035,171
Total Pension Liability, Beginning	162,443,485	165,327,685	172,800,036	182,759,194	190,093,865	198,462,025	204,054,066	225,004,090	238,134,067	254,799,262
Total Pension Liability, Ending (a)	\$ 165,327,685	\$ 172,800,036	\$ 182,759,194	\$ 190,093,865	\$ 198,462,025	\$ 204,054,066	\$ 225,004,090	\$ 238,134,067	\$ 254,799,262	\$ 265,834,433
Plan Fiduciary Net Position										
Contributions - Employer	\$ 5,272,228	\$ 5,523,734	\$ 5,804,426	\$ 6,108,827	\$ 6,250,729	\$ 5,215,093	\$ 5,313,477	\$ 2,717,259	\$ 3,214,351	\$ 3,438,481
Contributions - Employee	314,187	411,340	552,979	686,023	825,252	954,131	1,055,827	1,213,423	1,411,688	1,593,635
Net Investment Income	4,990,588	4,355,091	18,784,625	15,094,052	14,445,869	10,152,275	54,238,217	(9,878,770)	16,170,340	24,292,881
Benefit Payments, Including Refunds of Employee Contributions	(8,333,619)	(8,721,095)	(8,971,754)	(9,431,004)	(10,102,285)	(10,506,959)	(11,003,413)	(11,620,455)	(12,258,152)	(12,867,302)
Administrative Expense	(54,252)	(80,776)	(87,757)	(99,330)	(93,903)	(93,939)	(95,334)	(105,769)	(141,878)	(173,012)
Other	0	0	13,231	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,189,132	\$ 1,488,294	\$ 16,095,750	\$ 12,358,568	\$ 11,325,662	\$ 5,720,601	\$ 49,508,774	\$ (17,674,312)	\$ 8,396,349	\$ 16,284,683
Plan Fiduciary Net Position, Beginning	163,437,714	165,626,846	167,115,140	183,210,890	195,569,458	206,895,120	212,615,721	262,124,495	244,450,183	252,846,532
Plan Fiduciary Net Position, Ending (b)	\$ 165,626,846	\$ 167,115,140	\$ 183,210,890	\$ 195,569,458	\$ 206,895,120	\$ 212,615,721	\$ 262,124,495	\$ 244,450,183	\$ 252,846,532	\$ 269,131,215
Net Pension Liability (Asset), Ending (a - b)	\$ (299,161)	\$ 5,684,896	\$ (451,696)	\$ (5,475,593)	\$ (8,433,095)	\$ (8,561,655)	\$ (37,120,405)	\$ (6,316,116)	\$ 1,952,730	\$ (3,296,782)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.18%	96.71%	100.25%	102.88%	104.25%	104.20%	116.50%	102.65%	99.23%	101.24%
Covered Payroll	\$ 33,926,820	\$ 35,615,606	\$ 37,303,498	\$ 39,259,816	\$ 40,145,966	\$ 41,497,832	\$ 42,198,008	\$ 44,733,897	\$ 49,075,100	\$ 52,232,477
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.88)%	15.96%	(1.21)%	(13.95)%	(21.01)%	(20.63)%	(87.97)%	(14.12)%	3.98%	(6.31)%

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.

SULLIVAN 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 5,523,734	\$ 5,804,426	\$ 6,108,827	\$ 6,250,729	\$ 5,215,093	\$ 5,313,477	\$ 2,717,259	\$ 3,214,351	\$ 3,438,183	\$ 4,546,108
Less: Contributions in Relation to the Actuarially Determined Contribution	(5,523,734)	(5,804,426)	(6,108,827)	(6,250,729)	(5,215,093)	(5,313,477)	(2,717,259)	(3,214,351)	(3,438,183)	(4,546,108)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 35,615,606	\$ 37,303,498	\$ 39,259,816	\$ 40,145,966	\$ 41,497,832	\$ 42,198,008	\$ 44,733,897	\$ 49,075,100	\$ 52,232,477	\$ 57,484,101
Contributions as a Percentage of Covered Payroll	15.51%	15.56%	15.56%	15.57%	12.57%	12.59%	6.07%	6.55%	6.58%	7.91%

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.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 112,024	\$ 164,636	\$ 185,741	\$ 113,586	\$ 133,241	\$ 171,491	\$ 205,697	\$ 313,328	\$ 374,320	\$ 476,724
Less: Contributions in Relation to the Contractually Required Contribution	(112,024)	(164,636)	(185,741)	(113,586)	(133,241)	(171,491)	(205,697)	(313,328)	(374,320)	(476,724)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,800,606	\$ 4,119,746	\$ 4,643,519	\$ 5,883,347	\$ 6,528,341	\$ 8,489,592	\$ 10,233,618	\$ 10,925,852	\$ 12,687,165	\$ 15,890,673
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.93%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

Note: 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%
 2024: Pension - 2.95%, SRT - 1.05%
 2025: Pension - 3.00%, SRT - 1.00%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 3,340,997	\$ 3,193,092	\$ 3,105,091	\$ 3,412,056	\$ 3,380,682	\$ 3,272,945	\$ 3,233,133	\$ 2,713,926	\$ 2,042,002	\$ 2,071,612
Less: Contributions in Relation to the Contractually Required Contribution	(3,340,997)	(3,193,092)	(3,105,091)	(3,412,056)	(3,380,682)	(3,272,945)	(3,233,133)	(2,713,926)	(2,042,002)	(2,071,612)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 36,957,928	\$ 35,317,964	\$ 34,176,999	\$ 32,635,697	\$ 31,803,254	\$ 31,862,562	\$ 31,389,643	\$ 31,246,300	\$ 30,285,528	\$ 32,810,341
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.09%	10.45%	10.63%	10.27%	10.30%	8.69%	6.74%	6.31%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	1.030791%	0.636495%	0.627100%	0.531369%	0.553292%	0.520129%	0.588242%	0.599268%	0.548874%	0.540144%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (41,468)	\$ (66,261)	\$ (165,450)	\$ (240,991)	\$ (312,326)	\$ (295,767)	\$ (637,191)	\$ (181,533)	\$ (232,741)	\$ (384,911)
Covered Payroll	\$ 2,141,724	\$ 2,800,606	\$ 4,119,746	\$ 4,643,519	\$ 5,883,347	\$ 6,528,341	\$ 8,489,592	\$ 10,233,618	\$ 10,925,852	\$ 12,687,165
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.31)%	(4.53)%	(7.51)%	(1.77)%	(2.13)%	(3.03)%
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%	104.97%	106.49%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.973901%	1.023823%	0.999217%	0.976591%	0.972820%	0.955552%	0.970973%	0.953820%	0.962403%	0.905557%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 398,943	\$ 6,398,324	\$ (326,927)	\$ (3,436,541)	\$ (10,002,338)	\$ (7,286,785)	\$ (41,880,388)	\$ (11,697,705)	\$ (11,346,485)	\$ (15,601,489)
Covered Payroll	\$ 36,458,004	\$ 36,957,928	\$ 35,317,964	\$ 34,176,999	\$ 32,635,697	\$ 31,803,254	\$ 31,862,562	\$ 31,389,643	\$ 31,246,300	\$ 30,285,528
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(0.93)%	(10.06)%	(30.65)%	(22.91)%	(131.44)%	(37.27)%	(36.31)%	(51.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

SULLIVAN COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan

Primary Government

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 674,447	\$ 616,388	\$ 406,514	\$ 595,804	\$ 607,600	\$ 505,187	\$ 382,133	\$ 475,951
Interest	388,266	466,207	236,743	458,784	251,329	210,110	311,584	393,669
Changes in Benefit Terms	0	(195,447)	0	(3,125,910)	0	0	0	0
Differences Between Actual and Expected Experience	0	(6,555,370)	6,161,534	(87,455)	(89,718)	304,331	742,954	15,006
Changes in Assumptions	(665,298)	(105,484)	188,228	1,064,144	(1,813,345)	(1,301,805)	1,044,898	308,581
Benefit Payments	(527,853)	(553,006)	(596,842)	(706,738)	(521,166)	(475,550)	(567,378)	(616,676)
Net Change in Total OPEB Liability	\$ (130,438)	\$ (6,326,712)	\$ 6,396,177	\$ (1,801,371)	\$ (1,565,300)	\$ (757,727)	\$ 1,914,191	\$ 576,531
Total OPEB Liability, Beginning	12,886,263	12,755,825	6,429,113	12,825,290	11,023,919	9,458,619	8,700,892	10,615,083
Total OPEB Liability, Ending	\$ 12,755,825	\$ 6,429,113	\$ 12,825,290	\$ 11,023,919	\$ 9,458,619	\$ 8,700,892	\$ 10,615,083	\$ 11,191,614
Covered Employee Payroll	\$ 29,584,358	\$ 31,066,331	\$ 32,783,306	\$ 32,453,034	\$ 39,373,767	\$ 40,554,980	\$ 34,502,668	\$ 35,537,748
Net OPEB Liability as a Percentage of Covered Employee Payroll	43.12%	20.69%	39.12%	33.97%	24.02%	21.45%	30.77%	31.49%

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%
2023	3.65%
2024	3.93%

(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%
2024 plan year	- from 8.37% to 10.31%
2025 plan year	- from 10.31% to 10.68%

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

Note 4: Changes in benefit terms in 2020 were due to new subsidy amounts being provided to the actuary.

SULLIVAN COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Medicare Supplement Plan

Primary Government

For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service Cost	\$ 53,667	\$ 55,277	\$ 712,318	\$ 755,238	\$ 973,052	\$ 388,144	\$ 402,739	\$ 373,823
Interest	269,599	212,962	330,746	336,203	325,404	431,013	459,924	475,650
Differences Between Actual and Expected Experience	(1,814,613)	0	(1,303,852)	0	(1,261,627)	0	(860,280)	0
Changes in Assumptions	0	0	1,595,442	1,601,045	(3,664,376)	(56,889)	390,688	(980,984)
Benefit Payments	(247,972)	(302,641)	(166,058)	(187,758)	(205,011)	(173,041)	(184,928)	(219,885)
Net Change in Total OPEB Liability	\$ (1,739,319)	\$ (34,402)	\$ 1,168,596	\$ 2,504,728	\$ (3,832,558)	\$ 589,227	\$ 208,143	\$ (351,396)
Total OPEB Liability, Beginning	8,932,964	7,193,645	7,159,243	11,563,556	14,068,284	10,235,726	10,824,953	11,033,096
Prior-period Adjustment	0	0	3,235,717	0	0	0	0	0
Total OPEB Liability, Ending	\$ 7,193,645	\$ 7,159,243	\$ 11,563,556	\$ 14,068,284	\$ 10,235,726	\$ 10,824,953	\$ 11,033,096	\$ 10,681,700
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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	3.00%
2018	3.00%
2019	3.00%
2020	2.75%
2021	2.18%
2022	4.09%
2023	4.13%
2024	4.21%
2025	4.81%

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

- For the 2019 plan - 6.0%
- For the 2020 plan - from 6.0% to 4.5%
- For the 2021 plan - 4.5%
- For the 2022 plan - 4.5%
- For the 2023 plan - 4.5%
- For the 2024 plan - from 4.5% to 5.0%
- For the 2025 plan - from 5.0% to 4.96%

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

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 1,381,882	\$ 1,286,273	\$ 1,402,716	\$ 1,028,435	\$ 1,150,890	\$ 1,173,632	\$ 875,919	\$ 936,901
Interest	887,727	1,027,885	1,069,766	896,738	570,927	550,579	827,529	901,833
Changes in Benefit Terms	0	(4,787,153)	(500,918)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	4,430,982	(1,596,334)	(2,025,337)	683,754	520,968	(134,782)	1,125,905
Changes in Assumptions	(1,114,613)	930,622	(1,981,383)	2,244,484	(807,684)	(2,103,313)	1,531,922	262,053
Benefit Payments	(2,535,201)	(2,640,476)	(2,030,934)	(2,014,392)	(1,940,987)	(1,988,355)	(1,932,650)	(1,726,651)
Net Change in Total OPEB Liability	\$ (1,380,205)	\$ 248,133	\$ (3,637,087)	\$ 129,928	\$ (343,100)	\$ (1,846,489)	\$ 1,167,938	\$ 1,500,041
Total OPEB Liability, Beginning	30,287,334	28,907,129	29,155,262	25,518,175	25,648,103	25,305,003	23,458,514	24,626,452
Total OPEB Liability, Ending	\$ 28,907,129	\$ 29,155,262	\$ 25,518,175	\$ 25,648,103	\$ 25,305,003	\$ 23,458,514	\$ 24,626,452	\$ 26,126,493
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 7,281,908	\$ 6,031,582	\$ 6,042,217	\$ 6,557,103	\$ 6,994,985	\$ 6,735,666	\$ 7,485,580	\$ 7,543,057
Employer Proportionate Share of the Total OPEB Liability	21,625,221	23,123,680	19,475,958	19,091,090	18,310,018	16,722,848	17,140,872	18,583,436
Covered Employee Payroll	\$ 51,009,548	\$ 51,286,184	\$ 50,914,137	\$ 50,952,301	\$ 53,844,166	\$ 54,063,893	\$ 54,615,323	\$ 55,674,984
Net OPEB Liability as a Percentage of Covered Employee Payroll	42.39%	45.09%	38.25%	37.47%	34.01%	30.93%	31.38%	33.38%

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%
2023	3.65%
2024	3.93%

(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%
2024 plan year	- from 8.37% to 10.31%
2025 plan year	- from 10.31% to 10.68%

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

SULLIVAN COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare

Discretely Presented Sullivan County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 2,726,590	\$ 2,209,974	\$ 2,062,040	\$ 1,458,304	\$ 1,097,564	\$ 702,185	\$ 405,598	\$ 945,245
Interest	1,535,988	1,783,198	1,762,402	1,778,747	993,774	720,709	929,892	1,778,944
Change in Benefit Terms	0	0	0	(17,602,147)	0	0	0	0
Differences Between Actual and Expected Experience	0	(1,727,090)	(3,900,724)	(1,997,606)	(1,643,335)	(397,245)	11,927,001	(1,571,275)
Changes in Assumptions	(5,404,726)	(2,627,201)	3,624,992	11,865,675	(10,958,144)	(7,156,722)	9,466,512	(15,038,090)
Benefit Payments	(844,602)	(862,842)	(936,766)	(970,406)	(728,488)	(662,041)	(681,023)	(918,466)
Net Change in Total OPEB Liability	\$ (1,986,750)	\$ (1,223,961)	\$ 2,611,944	\$ (5,467,433)	\$ (11,238,629)	\$ (6,793,114)	\$ 22,047,980	\$ (14,803,642)
Total OPEB Liability, Beginning	50,298,040	48,311,290	47,087,329	49,699,273	44,231,840	32,993,211	26,200,097	48,248,077
Total OPEB Liability, Ending	<u>\$ 48,311,290</u>	<u>\$ 47,087,329</u>	<u>\$ 49,699,273</u>	<u>\$ 44,231,840</u>	<u>\$ 32,993,211</u>	<u>\$ 26,200,097</u>	<u>\$ 48,248,077</u>	<u>\$ 33,444,435</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,661,131	\$ 2,524,775	\$ 5,469,404	\$ 6,996,989	\$ 5,226,156	\$ 4,353,956	\$ 4,839,376	\$ 4,558,274
Employer Proportionate Share of the Total OPEB Liability	45,650,159	44,562,554	44,229,869	37,234,851	27,767,055	21,846,141	43,408,701	28,886,161
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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%
2023	3.65%
2024	3.93%

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

Note 4: Changes in benefit terms in 2020 were due to the clarification of eligibility rules. Previously, support staff and teachers were considered eligible for the full premium with 15 years with Sullivan County. It was confirmed in 2020 that for support staff to be eligible, they must be age 55 with 25 years of service, with at least 15 of those years with Sullivan County. For teachers, 30 years is required, with at least 15 of those years with Sullivan County.

SULLIVAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, 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 Fair 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 relating to the county’s trash collection and waste disposal.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions relating to emergency medical services.

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

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.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county’s highway department.

CAPITAL PROJECTS FUND

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.

SULLIVAN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
ASSETS						
Cash	\$ 300	\$ 0	\$ 0	\$ 0	\$ 0	149,224
Equity in Pooled Cash and Investments	2,623,400	2,124,449	1,678,286	206,303	5,197,040	0
Accounts Receivable	74,632	4,718,742	0	7,448	0	206,679
Allowance for Uncollectibles	0	(2,127,156)	0	0	0	0
Due from Other Governments	31,111	0	0	0	155,276	0
Due from Other Funds	2,790	326,425	0	0	0	0
Due from Component Units	8,033	0	0	0	0	0
Property Taxes Receivable	2,730,988	0	0	0	0	0
Allowance for Uncollectible Property Taxes	(63,785)	0	0	0	0	0
Total Assets	\$ 5,407,469	\$ 5,042,460	\$ 1,678,286	\$ 213,751	\$ 5,352,316	\$ 355,903
LIABILITIES						
Accrued Payroll	\$ 24,861	\$ 115,949	\$ 0	\$ 0	\$ 0	0
Payroll Deductions Payable	10,883	55,519	0	0	0	0
Contracts Payable	0	0	0	0	30,475	0
Due to Other Funds	2,856	5	357,383	0	21,687	355,903
Due to Other Governments	0	0	0	0	100,365	0
Total Liabilities	\$ 38,600	\$ 171,473	\$ 357,383	\$ 0	\$ 152,527	\$ 355,903

(Continued)

SULLIVAN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 2,605,855	\$ 0	\$ 0	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	44,012	0	0	0	0	0
Other Deferred/Unavailable Revenue	0	1,861,122	0	0	0	0
Total Deferred Inflows of Resources	\$ 2,649,867	\$ 1,861,122	\$ 0	\$ 0	\$ 0	0
FUND BALANCES						
Restricted:						
Restricted for General Government - COVID-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,410	\$ 0
Restricted for General Government - American Rescue Plan Act	0	0	0	0	91,481	0
Restricted for Public Safety	0	0	0	213,751	0	0
Restricted for Public Health and Welfare	322,361	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	2,396,641	3,009,865	1,320,903	0	0	0
Committed for Highways/Public Works	0	0	0	0	0	0
Committed for Capital Outlay	0	0	0	0	961,363	0
Committed for Other Purposes	0	0	0	0	4,137,535	0
Total Fund Balances	\$ 2,719,002	\$ 3,009,865	\$ 1,320,903	\$ 213,751	\$ 5,199,789	\$ 0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,407,469	\$ 5,042,460	\$ 1,678,286	\$ 213,751	\$ 5,352,316	\$ 355,903

(Continued)

SULLIVAN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
ASSETS				
Cash	\$ 0	\$ 149,524	\$ 0	\$ 149,524
Equity in Pooled Cash and Investments	3,274,749	15,104,227	4,817,476	19,921,703
Accounts Receivable	84,140	5,091,641	0	5,091,641
Allowance for Uncollectibles	0	(2,127,156)	0	(2,127,156)
Due from Other Governments	1,344,741	1,531,128	0	1,531,128
Due from Other Funds	2,636	331,851	0	331,851
Due from Component Units	895	8,928	0	8,928
Property Taxes Receivable	4,726,975	7,457,963	3,743,782	11,201,745
Allowance for Uncollectible Property Taxes	(103,754)	(167,539)	(89,913)	(257,452)
Total Assets	\$ 9,330,382	\$ 27,380,567	\$ 8,471,345	\$ 35,851,912
LIABILITIES				
Accrued Payroll	\$ 105,761	\$ 246,571	\$ 0	\$ 246,571
Payroll Deductions Payable	37,410	103,812	0	103,812
Contracts Payable	0	30,475	0	30,475
Due to Other Funds	8,989	746,823	3,500,000	4,246,823
Due to Other Governments	0	100,365	0	100,365
Total Liabilities	\$ 152,160	\$ 1,228,046	\$ 3,500,000	\$ 4,728,046

(Continued)

SULLIVAN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 4,530,189	\$ 7,136,044	\$ 3,564,877	\$ 10,700,921
Deferred Delinquent Property Taxes	66,742	110,754	63,844	174,598
Other Deferred/Unavailable Revenue	338,568	2,199,690	0	2,199,690
Total Deferred Inflows of Resources	<u>\$ 4,935,499</u>	<u>\$ 9,446,488</u>	<u>\$ 3,628,721</u>	<u>\$ 13,075,209</u>
FUND BALANCES				
Restricted:				
Restricted for General Government - COVID-19	\$ 0	\$ 9,410	\$ 0	\$ 9,410
Restricted for General Government - American Rescue Plan Act	0	91,481	0	91,481
Restricted for Public Safety	0	213,751	0	213,751
Restricted for Public Health and Welfare	0	322,361	0	322,361
Restricted for Capital Projects	0	0	1,342,624	1,342,624
Committed:				
Committed for Public Health and Welfare	0	6,727,409	0	6,727,409
Committed for Highways/Public Works	4,242,723	4,242,723	0	4,242,723
Committed for Capital Outlay	0	961,363	0	961,363
Committed for Other Purposes	0	4,137,535	0	4,137,535
Total Fund Balances	<u>\$ 4,242,723</u>	<u>\$ 16,706,033</u>	<u>\$ 1,342,624</u>	<u>\$ 18,048,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,330,382</u>	<u>\$ 27,380,567</u>	<u>\$ 8,471,345</u>	<u>\$ 35,851,912</u>

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	<i>Formerly Major Other General Government Fund</i>	Constitu - tional Officers - Fees
Revenues						
Local Taxes	\$ 2,622,848	\$ 0	\$ 0	\$ 0	\$ 0	0
Licenses and Permits	0	0	0	0	0	0
Fines, Forfeitures, and Penalties	0	0	0	38,248	0	0
Charges for Current Services	601,740	10,220,222	0	0	0	10,321
Other Local Revenues	390,150	7,475	22,332	7,448	0	0
State of Tennessee	210,573	286,850	503,482	0	0	0
Federal Government	0	0	0	1,791	3,532,657	0
Other Governments and Citizens Groups	139,838	91,156	214,945	0	0	0
Total Revenues	\$ 3,965,149	\$ 10,605,703	\$ 740,759	\$ 47,487	\$ 3,532,657	\$ 10,321
Expenditures						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	155
Finance	0	0	0	0	0	2,520
Administration of Justice	0	0	0	0	0	6,376
Public Safety	0	0	0	131,683	0	1,270

(Continued)

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	<i>Formerly Major Other General Government Fund</i>	Constitu - tional Officers - Fees
Expenditures (Cont.)						
Current (Cont.)						
Public Health and Welfare	\$ 2,967,626	\$ 10,224,884	\$ 1,631,223	\$ 0	\$ 0	0
Other Operations	0	0	5,039	0	4,016,654	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	3,365,917	0
Total Expenditures	\$ 2,967,626	\$ 10,224,884	\$ 1,636,262	\$ 131,683	\$ 7,382,571	\$ 10,321
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 997,523	\$ 380,819	\$ (895,503)	\$ (84,196)	\$ (3,849,914)	0
Other Financing Sources (Uses)						
Insurance Recovery	\$ 0	\$ 1,539	\$ 0	\$ 0	\$ 0	0
Transfers In	0	326,425	2,573,590	0	0	0
Transfers Out	0	0	(357,184)	0	(10,000,000)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 327,964	\$ 2,216,406	\$ 0	\$ (10,000,000)	\$ 0
Net Change in Fund Balances	\$ 997,523	\$ 708,783	\$ 1,320,903	\$ (84,196)	\$ (13,849,914)	0
Change to or Within the Reporting Entity	0	0	0	0	19,049,703	0
Fund Balance, July 1, 2024	1,721,479	2,301,082	0	297,947	0	0
Fund Balance, June 30, 2025	\$ 2,719,002	\$ 3,009,865	\$ 1,320,903	\$ 213,751	\$ 5,199,789	\$ 0

(Continued)

SULLIVAN COUNTY, TENNESSEE

**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds (Cont.)**

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
Revenues				
Local Taxes	\$ 7,057,575	\$ 9,680,423	\$ 3,855,424	\$ 13,535,847
Licenses and Permits	250,000	250,000	0	250,000
Fines, Forfeitures, and Penalties	0	38,248	0	38,248
Charges for Current Services	0	10,832,283	0	10,832,283
Other Local Revenues	163,218	590,623	0	590,623
State of Tennessee	5,444,947	6,445,852	0	6,445,852
Federal Government	2,204	3,536,652	0	3,536,652
Other Governments and Citizens Groups	11,149	457,088	0	457,088
Total Revenues	\$ 12,929,093	\$ 31,831,169	\$ 3,855,424	\$ 35,686,593
Expenditures				
Current:				
General Government	\$ 0	\$ 155	\$ 0	\$ 155
Finance	0	2,520	76,519	79,039
Administration of Justice	0	6,376	0	6,376
Public Safety	0	132,953	0	132,953

(Continued)

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds (Cont.)

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>	
	Highway / Public Works	Total	General Capital Projects	Total Nonmajor Governmental Funds
Expenditures (Cont.)				
Current (Cont.)				
Public Health and Welfare	\$ 0	\$ 14,823,733	\$ 0	\$ 14,823,733
Other Operations	0	4,021,693	0	4,021,693
Highways	12,138,266	12,138,266	0	12,138,266
Capital Projects	1,432,631	1,432,631	0	1,432,631
Capital Projects - Donated	0	3,365,917	0	3,365,917
Total Expenditures	<u>\$ 13,570,897</u>	<u>\$ 35,924,244</u>	<u>\$ 76,519</u>	<u>\$ 36,000,763</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (641,804)</u>	<u>\$ (4,093,075)</u>	<u>\$ 3,778,905</u>	<u>\$ (314,170)</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 0	\$ 1,539	\$ 0	\$ 1,539
Transfers In	0	2,900,015	0	2,900,015
Transfers Out	0	(10,357,184)	(3,500,000)	(13,857,184)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (7,455,630)</u>	<u>\$ (3,500,000)</u>	<u>\$ (10,955,630)</u>
Net Change in Fund Balances Change to or Within the Reporting Entity	<u>\$ (641,804)</u>	<u>\$ (11,548,705)</u>	<u>\$ 278,905</u>	<u>\$ (11,269,800)</u>
Fund Balance, July 1, 2024	4,884,527	9,205,035	1,063,719	10,268,754
Fund Balance, June 30, 2025	<u>\$ 4,242,723</u>	<u>\$ 16,706,033</u>	<u>\$ 1,342,624</u>	<u>\$ 18,048,657</u>

SULLIVAN 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, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,622,848	\$ 0	\$ 0	\$ 2,622,848	\$ 2,410,237	\$ 2,410,237	\$ 212,611
Charges for Current Services	601,740	0	0	601,740	550,430	550,430	51,310
Other Local Revenues	390,150	0	0	390,150	326,140	326,140	64,010
State of Tennessee	210,573	0	0	210,573	80,000	271,938	(61,365)
Other Governments and Citizens Groups	139,838	0	0	139,838	110,000	110,000	29,838
Total Revenues	\$ 3,965,149	\$ 0	\$ 0	\$ 3,965,149	\$ 3,476,807	\$ 3,668,745	\$ 296,404
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 15,718	\$ (870)	\$ 0	\$ 14,848	\$ 26,000	\$ 26,000	\$ 11,152
Transfer Stations	2,854,105	(66,728)	297,453	3,084,830	3,364,749	3,504,749	419,919
Recycling Center	97,803	0	0	97,803	0	191,938	94,135
Total Expenditures	\$ 2,967,626	\$ (67,598)	\$ 297,453	\$ 3,197,481	\$ 3,390,749	\$ 3,722,687	\$ 525,206
Excess (Deficiency) of Revenues Over Expenditures	\$ 997,523	\$ 67,598	\$ (297,453)	\$ 767,668	\$ 86,058	\$ (53,942)	\$ 821,610
Net Change in Fund Balance	\$ 997,523	\$ 67,598	\$ (297,453)	\$ 767,668	\$ 86,058	\$ (53,942)	\$ 821,610
Fund Balance, July 1, 2024	1,721,479	(67,598)	0	1,653,881	1,137,147	1,137,147	516,734
Fund Balance, June 30, 2025	\$ 2,719,002	\$ 0	\$ (297,453)	\$ 2,421,549	\$ 1,223,205	\$ 1,083,205	\$ 1,338,344

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Ambulance Service Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 10,220,222	\$ 0	\$ 0	\$ 10,220,222	\$ 9,202,414	\$ 9,202,414	\$ 1,017,808
Other Local Revenues	7,475	0	0	7,475	118,000	118,000	(110,525)
State of Tennessee	286,850	0	0	286,850	125,000	125,000	161,850
Other Governments and Citizens Groups	91,156	0	0	91,156	23,125	23,125	68,031
Total Revenues	\$ 10,605,703	\$ 0	\$ 0	\$ 10,605,703	\$ 9,468,539	\$ 9,468,539	\$ 1,137,164
Expenditures							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 10,224,884	\$ (62,036)	\$ 44,278	\$ 10,207,126	\$ 10,534,562	\$ 10,584,562	\$ 377,436
Total Expenditures	\$ 10,224,884	\$ (62,036)	\$ 44,278	\$ 10,207,126	\$ 10,534,562	\$ 10,584,562	\$ 377,436
Excess (Deficiency) of Revenues Over Expenditures	\$ 380,819	\$ 62,036	\$ (44,278)	\$ 398,577	\$ (1,066,023)	\$ (1,116,023)	\$ 1,514,600
Other Financing Sources (Uses)							
Insurance Recovery	\$ 1,539	\$ 0	\$ 0	\$ 1,539	\$ 0	\$ 0	\$ 1,539
Transfers In	326,425	0	0	326,425	326,425	326,425	0
Total Other Financing Sources	\$ 327,964	\$ 0	\$ 0	\$ 327,964	\$ 326,425	\$ 326,425	\$ 1,539
Net Change in Fund Balance	\$ 708,783	\$ 62,036	\$ (44,278)	\$ 726,541	\$ (739,598)	\$ (789,598)	\$ 1,516,139
Fund Balance, July 1, 2024	2,301,082	(62,036)	0	2,239,046	1,959,614	1,959,614	279,432
Fund Balance, June 30, 2025	\$ 3,009,865	\$ 0	\$ (44,278)	\$ 2,965,587	\$ 1,220,016	\$ 1,170,016	\$ 1,795,571

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 22,332	\$ 0	\$ 0	\$ 22,332
State of Tennessee	503,482	0	0	503,482
Other Governments and Citizens Groups	214,945	0	0	214,945
Total Revenues	<u>\$ 740,759</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 740,759</u>
Expenditures				
Public Health and Welfare				
Alcohol and Drug Programs	\$ 1,631,223	\$ 0	\$ 1,631,282	\$ 59
Other Operations				
Miscellaneous	5,039	0	5,039	0
Total Expenditures	<u>\$ 1,636,262</u>	<u>\$ 0</u>	<u>\$ 1,636,321</u>	<u>\$ 59</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (895,503)</u>	<u>\$ 0</u>	<u>\$ (1,636,321)</u>	<u>\$ 740,818</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,573,590	\$ 0	\$ 2,573,590	\$ 0
Transfers Out	(357,184)	0	(357,184)	0
Total Other Financing Sources	<u>\$ 2,216,406</u>	<u>\$ 0</u>	<u>\$ 2,216,406</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,320,903	\$ 0	\$ 580,085	\$ 740,818
Fund Balance, July 1, 2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2025	<u>\$ 1,320,903</u>	<u>\$ 0</u>	<u>\$ 580,085</u>	<u>\$ 740,818</u>

SULLIVAN 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, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 38,248	\$ 0	\$ 0	\$ 38,248	\$ 87,000	\$ 87,000	\$ (48,752)
Other Local Revenues	7,448	0	0	7,448	0	0	7,448
Federal Government	1,791	0	0	1,791	50,000	50,000	(48,209)
Total Revenues	<u>\$ 47,487</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,487</u>	<u>\$ 137,000</u>	<u>\$ 137,000</u>	<u>\$ (89,513)</u>
Expenditures							
Public Safety							
Sheriff's Department	\$ 131,683	\$ (250)	\$ 250	\$ 131,683	\$ 165,000	\$ 165,000	\$ 33,317
Total Expenditures	<u>\$ 131,683</u>	<u>\$ (250)</u>	<u>\$ 250</u>	<u>\$ 131,683</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 33,317</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (84,196)</u>	<u>\$ 250</u>	<u>\$ (250)</u>	<u>\$ (84,196)</u>	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	<u>\$ (56,196)</u>
Net Change in Fund Balance	\$ (84,196)	\$ 250	\$ (250)	\$ (84,196)	\$ (28,000)	\$ (28,000)	\$ (56,196)
Fund Balance, July 1, 2024	297,947	(250)	0	297,697	278,862	278,862	18,835
Fund Balance, June 30, 2025	<u>\$ 213,751</u>	<u>\$ 0</u>	<u>\$ (250)</u>	<u>\$ 213,501</u>	<u>\$ 250,862</u>	<u>\$ 250,862</u>	<u>\$ (37,361)</u>

SULLIVAN 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, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 3,532,657	\$ 0	\$ 0	\$ 3,532,657	\$ 7,492,381	\$ 7,492,381	\$ (3,959,724)
Total Revenues	<u>\$ 3,532,657</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,532,657</u>	<u>\$ 7,492,381</u>	<u>\$ 7,492,381</u>	<u>\$ (3,959,724)</u>
Expenditures							
Other Operations							
American Rescue Plan Act Grant #1	\$ 3,849,913	\$ (4,065,354)	\$ 1,916,306	\$ 1,700,865	\$ 7,018,857	\$ 7,018,857	\$ 5,317,992
American Rescue Plan Act Grant #2	37,088	(46,498)	9,410	0	90,956	90,956	90,956
American Rescue Plan Act Grant #3	129,653	(185,517)	91,481	35,617	7,492,381	4,126,464	4,090,847
Capital Projects - Donated							
Capital Projects Donated to Other Entities	3,365,917	0	0	3,365,917	0	3,365,917	0
Total Expenditures	<u>\$ 7,382,571</u>	<u>\$ (4,297,369)</u>	<u>\$ 2,017,197</u>	<u>\$ 5,102,399</u>	<u>\$ 14,602,194</u>	<u>\$ 14,602,194</u>	<u>\$ 9,499,795</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,849,914)</u>	<u>\$ 4,297,369</u>	<u>\$ (2,017,197)</u>	<u>\$ (1,569,742)</u>	<u>\$ (7,109,813)</u>	<u>\$ (7,109,813)</u>	<u>\$ 5,540,071</u>
Other Financing Sources (Uses)							
Transfers Out	\$ (10,000,000)	\$ 0	\$ 0	\$ (10,000,000)	\$ 0	\$ (10,000,000)	\$ 0
Total Other Financing Sources	<u>\$ (10,000,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,000,000)</u>	<u>\$ 0</u>	<u>\$ (10,000,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (13,849,914)	\$ 4,297,369	\$ (2,017,197)	\$ (11,569,742)	\$ (7,109,813)	\$ (17,109,813)	\$ 5,540,071
Changes to or Within the Financial Reporting Entity Fund Balance, July 1, 2024	19,049,703	0	0	19,049,703	0	0	19,049,703
	0	(4,297,369)	0	(4,297,369)	7,109,813	17,109,813	(21,407,182)
Fund Balance, June 30, 2025	<u>\$ 5,199,789</u>	<u>\$ 0</u>	<u>\$ (2,017,197)</u>	<u>\$ 3,182,592</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,182,592</u>

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,057,575	\$ 0	\$ 0	\$ 7,057,575	\$ 6,819,327	\$ 6,819,327	\$ 238,248
Licenses and Permits	250,000	0	0	250,000	250,000	250,000	0
Other Local Revenues	163,218	0	0	163,218	160,500	160,500	2,718
State of Tennessee	5,444,947	0	0	5,444,947	4,685,938	5,461,938	(16,991)
Federal Government	2,204	0	0	2,204	9,445	9,445	(7,241)
Other Governments and Citizens Groups	11,149	0	0	11,149	120,000	120,000	(108,851)
Total Revenues	\$ 12,929,093	\$ 0	\$ 0	\$ 12,929,093	\$ 12,045,210	\$ 12,821,210	\$ 107,883
Expenditures							
Highways							
Administration	\$ 410,032	\$ (2,256)	\$ 2,256	\$ 410,032	\$ 461,166	\$ 461,166	\$ 51,134
Highway and Bridge Maintenance	7,298,265	(37,776)	0	7,260,489	8,107,446	8,007,446	746,957
Operation and Maintenance of Equipment	715,425	(3,000)	8,398	720,823	822,000	862,000	141,177
Asphalt Plant Operations	1,764,552	(78,128)	6,500	1,692,924	2,520,000	2,520,000	827,076
Traffic Control	49,108	0	0	49,108	50,000	50,000	892
Other Charges	437,896	0	0	437,896	270,000	470,000	32,104
Capital Outlay	1,462,988	(999,820)	464,955	928,123	1,100,000	960,000	31,877
Capital Projects							
Highway and Street Capital Projects	1,432,631	0	0	1,432,631	800,000	1,576,000	143,369
Total Expenditures	\$ 13,570,897	\$ (1,120,980)	\$ 482,109	\$ 12,932,026	\$ 14,130,612	\$ 14,906,612	\$ 1,974,586
Excess (Deficiency) of Revenues Over Expenditures	\$ (641,804)	\$ 1,120,980	\$ (482,109)	\$ (2,933)	\$ (2,085,402)	\$ (2,085,402)	\$ 2,082,469
Net Change in Fund Balance	\$ (641,804)	\$ 1,120,980	\$ (482,109)	\$ (2,933)	\$ (2,085,402)	\$ (2,085,402)	\$ 2,082,469
Fund Balance, July 1, 2024	4,884,527	(1,120,980)	0	3,763,547	6,592,356	6,592,356	(2,828,809)
Fund Balance, June 30, 2025	\$ 4,242,723	\$ 0	\$ (482,109)	\$ 3,760,614	\$ 4,506,954	\$ 4,506,954	\$ (746,340)

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Capital Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 3,855,424	\$ 3,636,066	\$ 3,636,066	\$ 219,358
Total Revenues	\$ 3,855,424	\$ 3,636,066	\$ 3,636,066	\$ 219,358
Expenditures				
Finance				
Other Finance	\$ 76,519	\$ 85,000	\$ 85,000	\$ 8,481
Total Expenditures	\$ 76,519	\$ 85,000	\$ 85,000	\$ 8,481
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,778,905	\$ 3,551,066	\$ 3,551,066	\$ 227,839
Other Financing Sources (Uses)				
Transfers Out	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)	\$ 0
Total Other Financing Sources	\$ (3,500,000)	\$ (3,500,000)	\$ (3,500,000)	\$ 0
Net Change in Fund Balance	\$ 278,905	\$ 51,066	\$ 51,066	\$ 227,839
Fund Balance, July 1, 2024	1,063,719	918,030	918,030	145,689
Fund Balance, June 30, 2025	\$ 1,342,624	\$ 969,096	\$ 969,096	\$ 373,528

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

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

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 15,902,919	\$ 14,752,327	\$ 14,752,327	\$ 1,150,592
Other Local Revenues	1,693,906	792,341	792,341	901,565
Other Governments and Citizens Groups	440,592	440,592	440,592	0
Total Revenues	\$ 18,037,417	\$ 15,985,260	\$ 15,985,260	\$ 2,052,157
Expenditures				
Finance				
Other Finance	\$ 314,695	\$ 375,000	\$ 350,000	\$ 35,305
Principal on Debt				
General Government	5,855,000	5,955,000	5,856,705	1,705
Education	5,009,635	5,009,635	5,009,635	0
Interest on Debt				
General Government	3,033,651	3,094,876	3,034,321	670
Education	5,062,524	5,062,525	5,062,525	1
Other Debt Service				
General Government	161,450	7,000	165,850	4,400
Education	19,938	20,539	20,539	601
Total Expenditures	\$ 19,456,893	\$ 19,524,575	\$ 19,499,575	\$ 42,682
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,419,476)	\$ (3,539,315)	\$ (3,514,315)	\$ 2,094,839
Other Financing Sources (Uses)				
Transfers In	\$ 4,698,058	\$ 4,698,058	\$ 4,698,058	\$ 0
Total Other Financing Sources	\$ 4,698,058	\$ 4,698,058	\$ 4,698,058	\$ 0
Net Change in Fund Balance	\$ 3,278,582	\$ 1,158,743	\$ 1,183,743	\$ 2,094,839
Fund Balance, July 1, 2024	9,651,514	7,743,787	7,743,787	1,907,727
Fund Balance, June 30, 2025	\$ 12,930,096	\$ 8,902,530	\$ 8,927,530	\$ 4,002,566

PROPRIETARY FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governments, on a cost-reimbursement basis.

Self-Insurance Fund – The Self-Insurance Fund is used to account for the self-insured general liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the discretely presented school department.

Employee Insurance - General Fund – The Employee Insurance - General Fund is used to account for the primary government's self-insured employee dental program.

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Net Position - Proprietary Funds
June 30, 2025

	<u>Internal Service Funds</u>		
	Self- Insurance	Employee Insurance - General	Total Proprietary Funds
ASSETS			
Current Assets:			
Cash	\$ 286,446	\$ 16,828	\$ 303,274
Equity in Pooled Cash and Investments	246,198	551,987	798,185
Accounts Receivable	0	541	541
Due from Other Funds	364,371	0	364,371
Due from Component Units	13,318	0	13,318
Total Assets	<u>\$ 910,333</u>	<u>\$ 569,356</u>	<u>\$ 1,479,689</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,000	\$ 3,732	\$ 5,732
Claims and Judgments Payable	903,053	0	903,053
Total Liabilities	<u>\$ 905,053</u>	<u>\$ 3,732</u>	<u>\$ 908,785</u>
NET POSITION			
Unrestricted	<u>\$ 5,280</u>	<u>\$ 565,624</u>	<u>\$ 570,904</u>
Total Net Position	<u>\$ 5,280</u>	<u>\$ 565,624</u>	<u>\$ 570,904</u>

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Internal Service Funds		
	Self- Insurance	Employee Insurance - General	Total Proprietary Funds
Operating Revenues			
Self-Insurance Premiums	\$ 285,402	\$ 366,820	\$ 652,222
Cobra Insurance Payments	0	1,887	1,887
Other Employee Benefit Charges	244	0	244
Total Operating Revenues	<u>\$ 285,646</u>	<u>\$ 368,707</u>	<u>\$ 654,353</u>
Operating Expenses			
Dental Insurance	\$ 0	\$ 373,042	\$ 373,042
Audit Services	98,000	0	98,000
Liability Insurance	516,479	0	516,479
Bank Charges	0	1,107	1,107
Trustee's Commission	63	3,581	3,644
Workers' Compensation Insurance	797,433	0	797,433
Other Self Insurance Claims	105	0	105
Total Operating Expenses	<u>\$ 1,412,080</u>	<u>\$ 377,730</u>	<u>\$ 1,789,810</u>
Operating Income (Loss)	<u>\$ (1,126,434)</u>	<u>\$ (9,023)</u>	<u>\$ (1,135,457)</u>
Nonoperating Revenues (Expenses)			
Investment Income	\$ 30,674	\$ 0	\$ 30,674
Total Nonoperating Revenues (Expenses)	<u>\$ 30,674</u>	<u>\$ 0</u>	<u>\$ 30,674</u>
Income (Loss) before Transfers	\$ (1,095,760)	\$ (9,023)	\$ (1,104,783)
Transfers In	355,500	0	355,500
Change in Net Position	<u>\$ (740,260)</u>	<u>\$ (9,023)</u>	<u>\$ (749,283)</u>
Net Position, July 1, 2024	745,540	574,647	1,320,187
Net Position, June 30, 2025	<u><u>\$ 5,280</u></u>	<u><u>\$ 565,624</u></u>	<u><u>\$ 570,904</u></u>

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	<u>Internal Service Funds</u>		Total Proprietary Funds
	Self- Insurance	Employee Insurance - General	
Cash Flows from Operating Activities			
Receipts for Self-Insurance Premiums	\$ 290,358	\$ 368,299	\$ 658,657
Excess Risk Insurance Recovery	64,245	0	64,245
Payments to Insurers and Claims Payments	(1,298,824)	(386,712)	(1,685,536)
Payments for Administrative Costs	(96,063)	(4,688)	(100,751)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,040,284)</u>	<u>\$ (23,101)</u>	<u>\$ (1,063,385)</u>
Cash Flows from Investing Activities			
Interest on Investments	\$ 30,674	\$ 0	\$ 30,674
Net Cash Provided By (Used In) Investing Activities	<u>\$ 30,674</u>	<u>\$ 0</u>	<u>\$ 30,674</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	\$ 862,500	\$ 0	\$ 862,500
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 862,500</u>	<u>\$ 0</u>	<u>\$ 862,500</u>
Increase (Decrease) in Cash Cash, July 1, 2024	<u>\$ (147,110)</u>	<u>\$ (23,101)</u>	<u>\$ (170,211)</u>
Cash, June 30, 2025	<u>\$ 532,644</u>	<u>\$ 568,815</u>	<u>\$ 1,101,459</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ (1,126,434)	\$ (9,023)	\$ (1,135,457)
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 Receivables	4,956	(408)	4,548
Increase (Decrease) in Current Liabilities	81,194	(13,670)	67,524
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,040,284)</u>	<u>\$ (23,101)</u>	<u>\$ (1,063,385)</u>
Reconciliation of Cash With the Statement of Net Position			
Cash Per Net Position	\$ 286,446	\$ 16,828	\$ 303,274
Equity in Pooled Cash and Investments Per Net Position	246,198	551,987	798,185
Cash, June 30, 2025	<u>\$ 532,644</u>	<u>\$ 568,815</u>	<u>\$ 1,101,459</u>

CUSTODIAL FUNDS

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

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

City School ADA - Bristol Fund, City School ADA - Kingsport Fund, and City School ADA – Johnson City Fund – These three funds are used to account for the city school systems’ shares of education revenues collected by the county that must be apportioned between the various 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, general sessions, and law courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due to the state, cities, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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.

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Net Position - Custodial Funds
June 30, 2025

	Custodial Funds							Total
	City Sales Tax	City School ADA - Bristol	City School ADA - Kingsport	City School ADA - Johnson City	Consti- tional Officers - Custodial	Judicial District Drug	District Attorney General	
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,165,814	\$ 0	\$ 0	\$ 12,165,814
Equity in Pooled Cash and Investments	0	9,320	15,894	241	0	193,122	58,025	276,602
Accounts Receivable	0	204	349	5	0	0	0	558
Due from Other Governments	5,630,342	1,457,957	2,477,675	35,240	0	0	0	9,601,214
Property Taxes Receivable	0	9,372,345	15,978,864	240,317	0	0	0	25,591,526
Allowance for Uncollectible Property Taxes	0	(225,517)	(384,483)	(5,783)	0	0	0	(615,783)
Total Assets	\$ 5,630,342	\$ 10,614,309	\$ 18,088,299	\$ 270,020	\$ 12,165,814	\$ 193,122	\$ 58,025	\$ 47,019,931
LIABILITIES								
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 111	\$ 0	\$ 111
Accrued Payroll	0	0	0	0	0	1,248	0	1,248
Payroll Deductions Payable	0	0	0	0	0	678	0	678
Due to Other Taxing Units	5,630,342	1,691,106	2,875,175	41,220	0	0	0	10,237,843
Total Liabilities	\$ 5,630,342	\$ 1,691,106	\$ 2,875,175	\$ 41,220	\$ 0	\$ 2,037	\$ 0	\$ 10,239,880
DEFERRED INFLOWS OF RESOURCES								
Deferred Current Property Taxes	\$ 0	\$ 8,923,203	\$ 15,213,124	\$ 228,800	\$ 0	\$ 0	\$ 0	\$ 24,365,127
Total Deferred Inflows of Resources	\$ 0	\$ 8,923,203	\$ 15,213,124	\$ 228,800	\$ 0	\$ 0	\$ 0	\$ 24,365,127
NET POSITION								
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,165,814	\$ 191,085	\$ 58,025	\$ 12,414,924
Total Net Position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,165,814	\$ 191,085	\$ 58,025	\$ 12,414,924

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Changes in Net Position - Custodial Funds
For the Year Ended June 30, 2025

	Custodial Funds							
	City School ADA - Bristol	City School ADA - Kingsport	City School ADA - Johnson City	Constitu - tional - Officers - Custodial	Judicial District Drug	District Attorney General		Total
Additions								
Sales Tax Collections for Other Governments	\$ 34,404,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,404,983
ADA - Educational Funds Collected for Cities	0	17,095,456	31,618,932	500,502	0	0	0	49,214,890
Fines/Fees and Other Collections	0	0	0	0	32,753,380	0	0	32,753,380
Drug Task Force Collections	0	0	0	0	0	209,416	0	209,416
District Attorney General Collections	0	0	0	0	0	0	16,258	16,258
Total Additions	\$ 34,404,983	\$ 17,095,456	\$ 31,618,932	\$ 500,502	\$ 32,753,380	\$ 209,416	\$ 16,258	\$ 116,598,927
Deductions								
Payment of Sales Tax Collections for Other Governments	\$ 34,404,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,404,983
Payments to City School System	0	17,095,456	31,618,932	500,502	0	0	0	49,214,890
Payments to State	0	0	0	0	22,838,188	0	0	22,838,188
Payments to Individuals and Others	0	0	0	0	8,716,812	0	0	8,716,812
Payment of Drug Task Force Expenses	0	0	0	0	0	234,225	0	234,225
Payment of District Attorney General Expenses	0	0	0	0	0	0	24,051	24,051
Total Deductions	\$ 34,404,983	\$ 17,095,456	\$ 31,618,932	\$ 500,502	\$ 31,555,000	\$ 234,225	\$ 24,051	\$ 115,433,149
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,198,380	\$ (24,809)	\$ (7,793)	\$ 1,165,778
Net Position July 1, 2024	0	0	0	0	10,967,434	215,894	65,818	11,249,146
Net Position June 30, 2025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,165,814	\$ 191,085	\$ 58,025	\$ 12,414,924

SULLIVAN COUNTY SCHOOL DEPARTMENT

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

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

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

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

Other Education Special Revenue Fund – This fund is used to account for the operations of the prepaid pre-kindergarten childcare program.

School Improvement Fund – This fund is used to account for transactions involving school maintenance and building improvements.

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.

Endowment Fund – The Endowment Fund is used to account for an endowment received by the school department for which the principal amount and interest earned is to be expended for the benefit of scholarships for Sullivan County students.

SULLIVAN COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Sullivan County School Department

For the Year Ended June 30, 2025

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	\$ 69,153,985	\$ 62,000	\$ 8,741,671	\$ 4,710,362	\$ (55,639,952)
Support Services	40,399,020	19,419	1,842,594	0	(38,537,007)
Operation of Non-instructional Services	10,383,443	226,575	8,095,019	0	(2,061,849)
Interest on Lease Obligations	6,394	0	0	0	(6,394)
Total Governmental Activities	\$ 119,942,842	\$ 307,994	\$ 18,679,284	\$ 4,710,362	\$ (96,245,202)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 18,654,640
Local Option Sales Tax					17,181,043
Grants and Contributions Not Restricted for Specific Programs					57,989,355
Miscellaneous					72,300
Unrestricted Investment Income					4,535
Total General Revenues					\$ 93,901,873
Change in Net Position					\$ (2,343,329)
Net Position, July 1, 2024					174,505,593
Restatement - See Note I.D.10.					740,475
Net Position, June 30, 2025					\$ 172,902,739

SULLIVAN COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Sullivan County School Department

June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 16,533	\$ 0	\$ 3,173,729	\$ 3,190,262
Equity in Pooled Cash and Investments	26,917,165	1,145,444	2,727,493	30,790,102
Inventories	91,399	0	63,223	154,622
Accounts Receivable	47,944	0	7,354	55,298
Due from Other Governments	5,200,912	898,225	653,770	6,752,907
Due from Other Funds	20,660	16,072	712	37,444
Property Taxes Receivable	18,102,389	0	0	18,102,389
Allowance for Uncollectible Property Taxes	(435,579)	0	0	(435,579)
Prepaid Items	0	0	3,099	3,099
Restricted Assets	1,301,530	0	0	1,301,530
Total Assets	\$ 51,262,953	\$ 2,059,741	\$ 6,629,380	\$ 59,952,074
LIABILITIES				
Accounts Payable	\$ 540,033	\$ 298	\$ 29,731	\$ 570,062
Accrued Payroll	558,983	3,500	0	562,483
Payroll Deductions Payable	621,509	30,108	4,880	656,497
Contracts Payable	334,349	0	0	334,349
Due to Other Funds	16,784	7,962	12,698	37,444
Due to Primary Government	540,904	0	0	540,904
Due to State of Tennessee	1,449	0	0	1,449
Other Current Liabilities	0	0	31,673	31,673
Total Liabilities	\$ 2,614,011	\$ 41,868	\$ 78,982	\$ 2,734,861
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 17,234,885	\$ 0	\$ 0	\$ 17,234,885
Deferred Delinquent Property Taxes	309,867	0	0	309,867
Other Deferred/Unavailable Revenue	1,656,659	0	0	1,656,659
Total Deferred Inflows of Resources	\$ 19,201,411	\$ 0	\$ 0	\$ 19,201,411
FUND BALANCES				
Nonspendable:				
Inventory	\$ 91,399	\$ 0	\$ 63,223	\$ 154,622
Prepaid Items	0	0	3,099	3,099
Restricted:				
Restricted for Education	0	17,873	6,003,403	6,021,276
Restricted for Hybrid Retirement Stabilization Funds	1,301,530	0	0	1,301,530
Committed:				
Committed for Education	717,367	2,000,000	480,673	3,198,040
Committed for Capital Outlay	2,300,000	0	0	2,300,000
Assigned:				
Assigned for Education	12,282,153	0	0	12,282,153
Assigned for Capital Outlay	208,833	0	0	208,833
Unassigned	12,546,249	0	0	12,546,249
Total Fund Balances	\$ 29,447,531	\$ 2,017,873	\$ 6,550,398	\$ 38,015,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 51,262,953	\$ 2,059,741	\$ 6,629,380	\$ 59,952,074

SULLIVAN COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Sullivan County School Department
June 30, 2025

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$ 38,015,802
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 5,838,838	
Add: construction in progress	381,638	
Add: buildings and improvements net of accumulated depreciation	151,957,809	
Add: other capital assets net of accumulated depreciation	3,780,594	
Add: intangible right-to-use assets net of accumulated amortization	<u>259,602</u>	162,218,481
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,966,526
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: leases payable	\$ (259,602)	
Less: compensated absences payable	(1,407,022)	
Less: OPEB liability	<u>(47,469,597)</u>	(49,136,221)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 9,759,369	
Less: deferred inflows of resources related to pensions	(3,792,940)	
Add: deferred outflows of resources related to OPEB	17,476,528	
Less: deferred inflows of resources related to OPEB	<u>(20,116,054)</u>	3,326,903
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 524,848	
Add: net pension asset - teacher retirement plan	384,911	
Add: net pension asset - teacher legacy pension plan	<u>15,601,489</u>	<u>16,511,248</u>
Net position of governmental activities (Exhibit A)		<u>\$ 172,902,739</u>

SULLIVAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds

Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Other Governmental Funds	
Revenues				
Local Taxes	\$ 35,948,018	\$ 0	\$ 0	\$ 35,948,018
Licenses and Permits	4,534	0	0	4,534
Charges for Current Services	15,043	0	289,648	304,691
Other Local Revenues	186,808	0	3,436,922	3,623,730
State of Tennessee	59,439,004	0	38,907	59,477,911
Federal Government	260,609	12,096,713	4,681,514	17,038,836
Other Governments and Citizens Groups	997,870	0	750	998,620
Total Revenues	<u>\$ 96,851,886</u>	<u>\$ 12,096,713</u>	<u>\$ 8,447,741</u>	<u>\$ 117,396,340</u>
Expenditures				
Current:				
Instruction	\$ 55,755,984	\$ 5,854,376	\$ 0	\$ 61,610,360
Support Services	36,250,354	2,476,006	0	38,726,360
Operation of Non-Instructional Services	1,124,120	0	9,159,841	10,283,961
Capital Outlay	5,780,276	2,623,911	0	8,404,187
Debt Service:				
Principal on Debt	18,606	0	0	18,606
Interest on Debt	6,394	0	0	6,394
Other Debt Service	440,592	0	0	440,592
Total Expenditures	<u>\$ 99,376,326</u>	<u>\$ 10,954,293</u>	<u>\$ 9,159,841</u>	<u>\$ 119,490,460</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (2,524,440)	\$ 1,142,420	\$ (712,100)	\$ (2,094,120)
Other Financing Sources (Uses)				
Transfers In	\$ 8,400	\$ 0	\$ 0	\$ 8,400
Transfers Out	0	(8,400)	0	(8,400)
Total Other Financing Sources (Uses)	<u>\$ 8,400</u>	<u>\$ (8,400)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances				
Fund Balance, July 1, 2024	\$ 31,963,571	\$ 883,853	\$ 7,262,498	\$ 40,109,922
Fund Balance, June 30, 2025	<u>\$ 29,447,531</u>	<u>\$ 2,017,873</u>	<u>\$ 6,550,398</u>	<u>\$ 38,015,802</u>

SULLIVAN COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

Discretely Presented Sullivan County School Department

For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (2,094,120)
(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	\$ 8,238,267	
Less: current-year depreciation expense	(5,760,211)	
Less: current-year amortization	<u>(18,606)</u>	2,459,450
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: net book value of assets disposed		(55,200)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes/other deferred June 30, 2024	\$ (2,874,982)	
Add: deferred delinquent property taxes/other deferred June 30, 2025	<u>1,966,526</u>	(908,456)
(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 leases		18,606
(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 compensated absences payable	\$ 20,570	
Change in OPEB liability	13,079,976	
Change in net pension asset/liability	5,277,850	
Change in deferred outflows related to pensions	(4,793,493)	
Change in deferred inflows related to pensions	(2,847,788)	
Change in deferred outflows related to OPEB	(8,045,270)	
Change in deferred inflows related to OPEB	<u>(4,455,454)</u>	<u>(1,763,609)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (2,343,329)</u>

SULLIVAN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Sullivan County School Department
June 30, 2025

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	School Improvement	Internal School	
ASSETS					
Cash	\$ 570	\$ 0	\$ 0	\$ 3,173,159	\$ 3,173,729
Equity in Pooled Cash and Investments	2,408,687	280,673	38,133	0	2,727,493
Inventories	63,223	0	0	0	63,223
Accounts Receivable	7,354	0	0	0	7,354
Due from Other Governments	653,770	0	0	0	653,770
Due from Other Funds	712	0	0	0	712
Prepaid Items	0	0	0	3,099	3,099
	<hr/>				
Total Assets	\$ 3,134,316	\$ 280,673	\$ 38,133	\$ 3,176,258	\$ 6,629,380
LIABILITIES					
Accounts Payable	\$ 29,731	\$ 0	\$ 0	\$ 0	\$ 29,731
Payroll Deductions Payable	4,880	0	0	0	4,880
Due to Other Funds	12,698	0	0	0	12,698
Other Current Liabilities	31,673	0	0	0	31,673
Total Liabilities	\$ 78,982	\$ 0	\$ 0	\$ 0	\$ 78,982
FUND BALANCES					
Nonspendable:					
Inventory	\$ 63,223	\$ 0	\$ 0	\$ 0	\$ 63,223
Prepaid Items	0	0	0	3,099	3,099
Restricted:					
Restricted for Education	2,792,111	0	38,133	3,173,159	6,003,403
Committed:					
Committed for Education	200,000	280,673	0	0	480,673
Total Fund Balances	\$ 3,055,334	\$ 280,673	\$ 38,133	\$ 3,176,258	\$ 6,550,398
	<hr/>				
Total Liabilities and Fund Balances	\$ 3,134,316	\$ 280,673	\$ 38,133	\$ 3,176,258	\$ 6,629,380

SULLIVAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
 Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	School Improvement	Internal School	
Revenues					
Charges for Current Services	\$ 227,648	\$ 62,000	\$ 0	\$ 0	\$ 289,648
Other Local Revenues	62,324	0	0	3,374,598	3,436,922
State of Tennessee	38,907	0	0	0	38,907
Federal Government	4,681,514	0	0	0	4,681,514
Other Governments and Citizens Groups	750	0	0	0	750
Total Revenues	\$ 5,011,143	\$ 62,000	\$ 0	\$ 3,374,598	\$ 8,447,741
Expenditures					
Current:					
Operation of Non-Instructional Services	\$ 6,031,067	\$ 8,293	\$ 0	\$ 3,120,481	\$ 9,159,841
Total Expenditures	\$ 6,031,067	\$ 8,293	\$ 0	\$ 3,120,481	\$ 9,159,841
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,019,924)	\$ 53,707	\$ 0	\$ 254,117	\$ (712,100)
Net Change in Fund Balances	\$ (1,019,924)	\$ 53,707	\$ 0	\$ 254,117	\$ (712,100)
Fund Balance, July 1, 2024	4,075,258	226,966	38,133	2,922,141	7,262,498
Fund Balance, June 30, 2025	\$ 3,055,334	\$ 280,673	\$ 38,133	\$ 3,176,258	\$ 6,550,398

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Sullivan County School Department
 General Purpose School Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 35,948,018	\$ 0	\$ 0	\$ 35,948,018	\$ 34,120,094	\$ 34,120,094	\$ 1,827,924
Licenses and Permits	4,534	0	0	4,534	3,400	3,400	1,134
Charges for Current Services	15,043	0	0	15,043	16,000	16,000	(957)
Other Local Revenues	186,808	0	0	186,808	365,350	365,350	(178,542)
State of Tennessee	59,439,004	0	0	59,439,004	54,206,105	59,155,668	283,336
Federal Government	260,609	0	0	260,609	160,000	267,960	(7,351)
Other Governments and Citizens Groups	997,870	0	0	997,870	305,000	1,223,778	(225,908)
Total Revenues	\$ 96,851,886	\$ 0	\$ 0	\$ 96,851,886	\$ 89,175,949	\$ 95,152,250	\$ 1,699,636
Expenditures							
Instruction							
Regular Instruction Program	\$ 45,259,686	\$ (12,887)	\$ 677,122	\$ 45,923,921	\$ 42,723,446	\$ 48,578,996	\$ 2,655,075
Special Education Program	6,350,132	0	0	6,350,132	6,014,200	6,933,867	583,735
Career and Technical Education Program	4,146,166	(4,710)	80,552	4,222,008	3,381,325	4,524,027	302,019
Support Services							
Health Services	1,323,339	0	2,083	1,325,422	1,333,128	1,733,368	407,946
Other Student Support	2,598,070	0	0	2,598,070	2,419,850	2,823,350	225,280
Regular Instruction Program	3,589,446	(14,545)	0	3,574,901	3,254,076	3,969,830	394,929
Special Education Program	427,520	0	0	427,520	541,900	470,949	43,429

(Continued)

SULLIVAN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Sullivan County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Career and Technical Education Program	\$ 120,746	\$ 0	\$ 0	\$ 120,746	\$ 170,000	\$ 162,085	\$ 41,339
Other Programs	547,772	0	0	547,772	0	547,772	0
Board of Education	2,354,254	0	0	2,354,254	2,080,254	2,285,360	(68,894)
Director of Schools	420,094	(20,715)	0	399,379	473,000	471,875	72,496
Office of the Principal	6,553,732	(30,788)	0	6,522,944	6,301,800	6,986,250	463,306
Fiscal Services	398,050	(134)	0	397,916	63,500	442,075	44,159
Human Services/Personnel	214,941	0	0	214,941	235,350	250,800	35,859
Operation of Plant	8,196,313	(105,572)	45,625	8,136,366	7,628,750	8,651,750	515,384
Maintenance of Plant	3,672,005	(9,636)	4,680	3,667,049	3,761,100	3,892,636	225,587
Transportation	5,834,072	0	239,058	6,073,130	7,123,720	6,891,462	818,332
Operation of Non-Instructional Services							
Food Service	7,428	0	0	7,428	0	17,630	10,202
Community Services	13,052	0	0	13,052	30,798	30,785	17,733
Early Childhood Education	1,103,640	0	0	1,103,640	1,004,620	1,129,270	25,630
Capital Outlay							
Regular Capital Outlay	5,780,276	(2,905,488)	228,826	3,103,614	394,000	5,540,242	2,436,628
Principal on Debt							
Education	18,606	0	0	18,606	0	18,606	0

(Continued)

SULLIVAN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Sullivan County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Interest on Debt							
Education	\$ 6,394	\$ 0	\$ 0	\$ 6,394	\$ 605,000	\$ 9,302	\$ 2,908
Other Debt Service							
Education	440,592	0	0	440,592	0	440,592	0
Total Expenditures	<u>\$ 99,376,326</u>	<u>\$ (3,104,475)</u>	<u>\$ 1,277,946</u>	<u>\$ 97,549,797</u>	<u>\$ 89,539,817</u>	<u>\$ 106,802,879</u>	<u>\$ 9,253,082</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,524,440)	\$ 3,104,475	\$ (1,277,946)	\$ (697,911)	\$ (363,868)	\$ (11,650,629)	\$ 10,952,718
Other Financing Sources (Uses)							
Transfers In	\$ 8,400	\$ 0	\$ 0	\$ 8,400	\$ 200,000	\$ 200,000	\$ (191,600)
Transfers Out	0	0	0	0	(379,325)	0	0
Total Other Financing Sources	<u>\$ 8,400</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,400</u>	<u>\$ (179,325)</u>	<u>\$ 200,000</u>	<u>\$ (191,600)</u>
Net Change in Fund Balance	\$ (2,516,040)	\$ 3,104,475	\$ (1,277,946)	\$ (689,511)	\$ (543,193)	\$ (11,450,629)	\$ 10,761,118
Fund Balance, July 1, 2024	<u>31,963,571</u>	<u>(3,104,475)</u>	<u>0</u>	<u>28,859,096</u>	<u>27,162,774</u>	<u>27,162,774</u>	<u>1,696,322</u>
Fund Balance, June 30, 2025	<u>\$ 29,447,531</u>	<u>\$ 0</u>	<u>\$ (1,277,946)</u>	<u>\$ 28,169,585</u>	<u>\$ 26,619,581</u>	<u>\$ 15,712,145</u>	<u>\$ 12,457,440</u>

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Sullivan County School Department
 School Federal Projects Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 12,096,713	\$ 0	\$ 0	\$ 12,096,713	\$ 10,322,358	\$ 13,046,900	\$ (950,187)
Total Revenues	\$ 12,096,713	\$ 0	\$ 0	\$ 12,096,713	\$ 10,322,358	\$ 13,046,900	\$ (950,187)
Expenditures							
Instruction							
Regular Instruction Program	\$ 3,186,909	\$ (164,352)	\$ 2,458	\$ 3,025,015	\$ 2,766,244	\$ 3,693,956	\$ 668,941
Special Education Program	2,529,116	0	2,080	2,531,196	2,263,554	3,001,598	470,402
Career and Technical Education Program	138,351	0	0	138,351	128,389	138,351	0
Support Services							
Health Services	7,045	0	0	7,045	7,045	7,045	0
Other Student Support	513,147	0	875	514,022	542,666	646,931	132,909
Regular Instruction Program	1,062,325	(4,666)	0	1,057,659	847,166	1,260,816	203,157
Special Education Program	871,094	0	0	871,094	669,550	1,173,976	302,882
Career and Technical Education Program	10,219	0	0	10,219	12,875	10,223	4
Transportation	12,176	0	0	12,176	103,440	109,915	97,739
Capital Outlay							
Regular Capital Outlay	2,623,911	(1,242,411)	0	1,381,500	2,981,429	2,995,689	1,614,189
Total Expenditures	\$ 10,954,293	\$ (1,411,429)	\$ 5,413	\$ 9,548,277	\$ 10,322,358	\$ 13,038,500	\$ 3,490,223
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 1,142,420	\$ 1,411,429	\$ (5,413)	\$ 2,548,436	\$ 0	\$ 8,400	\$ 2,540,036
Other Financing Sources (Uses)							
Transfers Out	\$ (8,400)	\$ 0	\$ 0	\$ (8,400)	\$ 0	\$ (8,400)	\$ 0
Total Other Financing Sources	\$ (8,400)	\$ 0	\$ 0	\$ (8,400)	\$ 0	\$ (8,400)	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2024	\$ 1,134,020	\$ 1,411,429	\$ (5,413)	\$ 2,540,036	\$ 0	\$ 0	\$ 2,540,036
	883,853	(1,411,429)	0	(527,576)	0	0	(527,576)
Fund Balance, June 30, 2025	\$ 2,017,873	\$ 0	\$ (5,413)	\$ 2,012,460	\$ 0	\$ 0	\$ 2,012,460

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Sullivan County School Department
 Central Cafeteria Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 227,648	\$ 0	\$ 227,648	\$ 384,500	\$ 384,500	\$ (156,852)
Other Local Revenues	62,324	0	62,324	11,000	11,000	51,324
State of Tennessee	38,907	0	38,907	50,000	50,000	(11,093)
Federal Government	4,681,514	0	4,681,514	5,209,667	5,209,667	(528,153)
Other Governments and Citizens Groups	750	0	750	0	0	750
Total Revenues	\$ 5,011,143	\$ 0	\$ 5,011,143	\$ 5,655,167	\$ 5,655,167	\$ (644,024)
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 6,031,067	\$ (6,324)	\$ 6,024,743	\$ 5,655,167	\$ 6,007,767	\$ (16,976)
Total Expenditures	\$ 6,031,067	\$ (6,324)	\$ 6,024,743	\$ 5,655,167	\$ 6,007,767	\$ (16,976)
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,019,924)	\$ 6,324	\$ (1,013,600)	\$ 0	\$ (352,600)	\$ (661,000)
Net Change in Fund Balance	\$ (1,019,924)	\$ 6,324	\$ (1,013,600)	\$ 0	\$ (352,600)	\$ (661,000)
Fund Balance, July 1, 2024	4,075,258	(6,324)	4,068,934	4,603,540	4,603,540	(534,606)
Fund Balance, June 30, 2025	\$ 3,055,334	\$ 0	\$ 3,055,334	\$ 4,603,540	\$ 4,250,940	\$ (1,195,606)

SULLIVAN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Sullivan County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 62,000	\$ 200,000	\$ 200,000	\$ (138,000)
State of Tennessee	0	40,000	40,000	(40,000)
Total Revenues	<u>\$ 62,000</u>	<u>\$ 240,000</u>	<u>\$ 240,000</u>	<u>\$ (178,000)</u>
Expenditures				
Operation of Non-Instructional Services				
Early Childhood Education	\$ 8,293	\$ 240,000	\$ 240,000	\$ 231,707
Total Expenditures	<u>\$ 8,293</u>	<u>\$ 240,000</u>	<u>\$ 240,000</u>	<u>\$ 231,707</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 53,707</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,707</u>
Net Change in Fund Balance	\$ 53,707	\$ 0	\$ 0	\$ 53,707
Fund Balance, July 1, 2024	<u>226,966</u>	<u>150,232</u>	<u>150,232</u>	<u>76,734</u>
Fund Balance, June 30, 2025	<u><u>\$ 280,673</u></u>	<u><u>\$ 150,232</u></u>	<u><u>\$ 150,232</u></u>	<u><u>\$ 130,441</u></u>

SULLIVAN COUNTY, TENNESSEE
Statement of Fiduciary Net Position - Fiduciary Fund
 Discretely Presented Sullivan County School Department
June 30, 2025

	Private- Purpose Trust Fund <hr/> Endowment Fund <hr/>
ASSETS	
Equity in Pooled Cash and Investments	\$ 93,667
Total Assets	<u>\$ 93,667</u>
NET POSITION	
Unrestricted	<u>\$ 93,667</u>
Total Net Position	<u><u>\$ 93,667</u></u>

SULLIVAN COUNTY, TENNESSEE
Statement of Changes in Fiduciary Net Position - Fiduciary Fund
 Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
ADDITIONS	
Investment Income:	\$ 3,869
Total Additions	<u>\$ 3,869</u>
DEDUCTIONS	
Education:	
Scholarships	4,800
Total Deductions	<u>\$ 4,800</u>
Change in Net Position	\$ (931)
Net Position, July 1, 2024	<u>94,598</u>
Net Position, June 30, 2025	<u><u>\$ 93,667</u></u>

MISCELLANEOUS SCHEDULES

SULLIVAN COUNTY, TENNESSEE
Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Nonexchange Financial Guarantee
For the Year Ended June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-24	Issued or Other Increases During Period	Matured During Period	Outstanding 6-30-25
NOTES PAYABLE								
Payable through General Fund								
Sheriff Vehicles, Series 2023	\$ 1,550,000	3.1 %	1-24-23	1-24-27	\$ 1,180,272	\$ 0	\$ 381,247	\$ 799,025
Total Notes Payable					<u>\$ 1,180,272</u>	<u>\$ 0</u>	<u>\$ 381,247</u>	<u>\$ 799,025</u>
OTHER LOANS PAYABLE								
Payable through General Fund								
Circuit Computers 2021	58,826	6	3-4-21	1-4-25	\$ 7,110	\$ 0	\$ 7,110	\$ 0
Sheriff Vehicles 2021	690,579	3.43	10-22-21	3-28-25	177,985	0	177,985	0
Total Payable through General Fund					<u>\$ 185,095</u>	<u>\$ 0</u>	<u>\$ 185,095</u>	<u>\$ 0</u>
Payable through General Debt Service Fund								
Qualified School Construction Bonds, Series 2009 (1)	15,480,000	1.515	12-17-09	7-1-26	\$ 2,117,999	\$ 0	\$ 965,928	\$ 1,152,071
Qualified School Construction Bonds, Series 2010 (1)	5,073,000	0	10-7-10	8-1-27	1,010,644	0	316,547	694,097
Energy Efficient Schools Initiative	5,054,635	0	5-16-11	12-1-25	656,965	0	437,160	219,805
Total Payable through General Debt Service Fund					<u>\$ 3,785,608</u>	<u>\$ 0</u>	<u>\$ 1,719,635</u>	<u>\$ 2,065,973</u>
Total Other Loans Payable					<u>\$ 3,970,703</u>	<u>\$ 0</u>	<u>\$ 1,904,730</u>	<u>\$ 2,065,973</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2015A	24,870,000	2 to 5	3-30-15	4-1-26	\$ 2,570,000	\$ 0	\$ 1,540,000	\$ 1,030,000
General Obligation Refunding Bonds, Series 2015C	6,265,000	2 to 3.35	3-30-15	4-1-28	2,360,000	0	560,000	1,800,000
General Obligation Bonds, Series 2017	135,740,000	3 to 5	3-30-17	5-1-47	119,035,000	0	3,290,000	115,745,000
General Obligation Bonds, Series 2019	3,745,000	2.25 to 5	12-5-19	6-1-39	3,070,000	0	160,000	2,910,000
General Obligation Bonds, Series 2020	76,190,000	2 to 5	10-28-20	5-1-41	68,200,000	0	2,930,000	65,270,000
General Obligation Bonds, Series 2021	4,000,000	1.85 to 2.625	10-22-21	5-1-41	3,555,000	0	180,000	3,375,000
General Obligation Bonds, Series 2024	15,675,000	4 to 5	1-10-24	5-1-43	14,730,000	0	485,000	14,245,000
General Obligation Bonds, Series 2024A	30,000,000	4 to 5	12-5-24	2-1-45	0	30,000,000	0	30,000,000
Total Bonds Payable					<u>\$ 213,520,000</u>	<u>\$ 30,000,000</u>	<u>\$ 9,145,000</u>	<u>\$ 234,375,000</u>
NONEXCHANGE FINANCIAL GUARANTEE								
Payable through General Debt Service Fund								
Airport Authority 2018 Aerospace Park Bonds	2,290,750	3 to 4.5	3-29-18	5-1-38	\$ 1,790,204	\$ 58,100	\$ 158,850	\$ 1,689,454
Total Nonexchange Financial Guarantee					<u>\$ 1,790,204</u>	<u>\$ 58,100</u>	<u>\$ 158,850</u>	<u>\$ 1,689,454</u>

(1) Interest rate is offset by a federal rate subsidy.

SULLIVAN COUNTY, TENNESSEE
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2026	\$ 393,331	\$ 25,114	\$ 418,445
2027	405,694	12,751	418,445
Total	\$ 799,025	\$ 37,865	\$ 836,890

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2026	\$ 1,597,364	\$ 480,931	\$ 19,538	\$ 2,097,833
2027	438,768	265,483	7,928	712,179
2028	29,841	24,221	1,014	55,076
Total	\$ 2,065,973	\$ 770,635	\$ 28,480	\$ 2,865,088

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 9,750,000	\$ 8,727,849	\$ 18,477,849
2027	9,335,000	8,070,571	17,405,571
2028	9,700,000	7,694,521	17,394,521
2029	9,495,000	7,264,404	16,759,404
2030	9,930,000	6,836,389	16,766,389
2031	10,330,000	6,432,331	16,762,331
2032	10,720,000	6,047,881	16,767,881
2033	11,080,000	5,688,469	16,768,469
2034	11,450,000	5,315,344	16,765,344
2035	11,800,000	4,962,813	16,762,813
2036	12,165,000	4,598,231	16,763,231
2037	12,550,000	4,214,225	16,764,225
2038	12,985,000	3,784,363	16,769,363
2039	13,415,000	3,354,062	16,769,062
2040	13,590,000	2,917,663	16,507,663
2041	14,045,000	2,472,162	16,517,162
2042	9,315,000	2,010,500	11,325,500
2043	9,690,000	1,637,900	11,327,900
2044	8,885,000	1,274,788	10,159,788
2045	9,240,000	919,387	10,159,387
2046	7,320,000	549,788	7,869,788
2047	7,585,000	284,437	7,869,437
Total	\$ 234,375,000	\$ 95,058,078	\$ 329,433,078

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Nonexchange Financial Guarantee		
	Principal	Interest	Total
Principal and Interest Requirements on Outstanding Aerospace Park Bonds:			
2026	\$ 105,000	\$ 56,725	\$ 161,725
2027	110,000	53,575	163,575
2028	115,000	50,138	165,138
2029	115,000	46,400	161,400
2030	120,000	42,663	162,663
2031	125,000	38,763	163,763
2032	130,000	34,700	164,700
2033	135,000	30,312	165,312
2034	135,000	25,756	160,756
2035	140,000	21,031	161,031
2036	145,000	16,131	161,131
2037	150,000	11,056	161,056
2038	155,000	5,619	160,619
Total	\$ 1,680,000	\$ 432,869	\$ 2,112,869

Calculation of Nonexchange Financial Guarantee Liability:

Principal Balance	\$ 1,680,000
Add: Accrued Interest	<u>9,454</u>
Sullivan County's Nonexchange Financial Guarantee Liability 6-30-25	<u><u>\$ 1,689,454</u></u>

SULLIVAN COUNTY, TENNESSEE
Schedule of Changes in Lease Obligations
 Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT							
LEASES PAYABLE							
Payable through General Purpose School Fund							
Central Office Building Rental	\$ 339,175	2.2984 %	12-3-96	12-3-36	\$ 278,208	\$ 18,606	\$ 259,602
Total Leases Payable					<u>\$ 278,208</u>	<u>\$ 18,606</u>	<u>\$ 259,602</u>

SULLIVAN COUNTY, TENNESSEE
Schedule of Lease Requirements by Year
 Discretely Presented Sullivan County School Department

Year Ending June 30	Leases		
	Principal	Interest	Total
2026	\$ 19,033	\$ 5,967	\$ 25,000
2027	19,471	5,529	25,000
2028	19,918	5,082	25,000
2029	20,376	4,624	25,000
2030	20,844	4,156	25,000
2031	21,323	3,677	25,000
2032	21,814	3,186	25,000
2033	22,315	2,685	25,000
2034	22,828	2,172	25,000
2035	23,353	1,647	25,000
2036	23,889	1,111	25,000
2037	24,438	562	25,000
Total	\$ 259,602	\$ 40,398	\$ 300,000

SULLIVAN COUNTY, TENNESSEE

Schedule of Leases Receivable

Primary Government

June 30, 2025

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Outstanding 7-1-24	Deductions	Balance 6-30-25
PRIMARY GOVERNMENT								
General Fund								
Building Rental	Sullivan County School Department	\$ 339,175	12-3-96	12-3-36	2.2984 %	\$ 278,208	\$ 18,606	\$ 259,602
Total Leases Receivable						<u>\$ 278,208</u>	<u>\$ 18,606</u>	<u>\$ 259,602</u>

SULLIVAN COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Sullivan County School Department

For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Tax credit rebate	\$ 245,939
"	"	Debt retirement	952,119
"	Self-Insurance	Operations	355,500
"	Ambulance Service	"	326,425
"	Special Purpose	Opioid funding	2,573,590
Special Purpose	General	Operations	357,184
Other General Government	Other Capital Projects	"	10,000,000
General Capital Projects	General Debt Service	Debt retirement	<u>3,500,000</u>
Total Transfers Primary Government			<u>\$ 18,310,757</u>
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 8,400</u>
Total Transfers Discretely Presented Sullivan County School Department			<u>\$ 8,400</u>

SULLIVAN COUNTY, TENNESSEE
Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ 100,000	Cincinnati Insurance Company
Base salary	\$ 150,550			
Vehicle allowance	7,800			
Total compensation	<u>\$ 158,350</u>			
Highway Commissioner		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 143,381</u>			
Director of Schools		State Board of Education and County Board of Education	100,000	Cincinnati Insurance Company
Base salary	\$ 149,500			
Vehicle allowance	9,600			
Home office allowance	2,400			
Total compensation	<u>\$ 161,500</u>			
Trustee		Section 8-24-102, <i>TCA</i>	6,171,053	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	50,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Circuit, General Sessions and Law Courts Clerk		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	100,000	Cincinnati Insurance Company
Base salary	\$ 136,436			
Superintendent of workhouse	6,945			
Law enforcement training supplement	800			
Law enforcement retention bonus	800			
Total compensation	<u>\$ 144,981</u>			
Administrator of Elections		Section 2-12-208, <i>TCA</i>		
Base salary/Total compensation	<u>\$ 124,133</u>			
Finance Director		County Commission	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Purchasing Agent		County Commission	100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 124,133</u>			
Employee Blanket Bonds - All County and School Department Employees:				
Public Employee Dishonesty (self-insured to \$25,000 through county Self-Insurance Fund)			250,000	Princeton Excess and Surplus Lines Insurance Company

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2025

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 40,212,188	\$ 2,449,416	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	989,259	40,195	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	464,139	19,078	0	0	0	0
Interest and Penalty	379,086	16,163	0	0	0	0
Pickup Taxes	1,424,213	86,511	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	5,942	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	597,177	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	860	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	4,353,877	0	0	0	0	0
Hotel/Motel Tax	896,624	0	0	0	0	0
Litigation Tax - General	273,064	0	0	0	0	0
Litigation Tax - Office of Public Defender	121,740	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	14,547	0	0	0	0	0
Litigation Tax - Courthouse Security	358,929	0	0	0	0	0
Business Tax	3,673,889	0	0	0	0	0
Mixed Drink Tax	27,985	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	Other General Government Fund
Local Taxes (Cont.)						
Statutory Local Taxes						
Bank Excise Tax	\$ 189,072	\$ 11,485	\$ 0	\$ 0	\$ 0	0
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	<u>\$ 53,982,591</u>	<u>\$ 2,622,848</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 247,808	\$ 0	\$ 0	\$ 0	\$ 0	0
Permits						
Beer Permits	1,900	0	0	0	0	0
Building Permits	167,135	0	0	0	0	0
Other Permits	200	0	0	0	0	0
Total Licenses and Permits	<u>\$ 417,043</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 15,642	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	75,463	0	0	0	0	0
Drug Court Fees	3,795	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Fines, Forfeitures, and Penalties (Cont.)						
Circuit Court (Cont.)						
Jail Fees	\$ 47,700	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Circuit Court	51,818	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	21,307	0	0	0	0	0
General Sessions Court						
Fines	59,615	0	0	0	0	0
Fines for Littering	12	0	0	0	0	0
Officers Costs	215,153	0	0	0	0	0
Game and Fish Fines	128	0	0	0	0	0
Drug Control Fines	0	0	0	0	9,937	0
Drug Court Fees	13,029	0	0	0	0	0
Victims Assistance Assessments	69,192	0	0	0	0	0
Juvenile Court						
Fines	368	0	0	0	0	0
Chancery Court						
Officers Costs	5,108	0	0	0	0	0
Data Entry Fee - Chancery Court	21,241	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Fines, Forfeitures, and Penalties (Cont.)						
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	\$ 0	\$ 0	\$ 0	\$ 0	28,311	\$ 0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	1,890	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 601,461</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>38,248</u>	<u>\$ 0</u>
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 601,740	\$ 0	\$ 0	\$ 0	0
Patient Charges	132,754	0	10,220,222	0	0	0
Zoning Studies	4,227	0	0	0	0	0
Work Release Charges for Board	15,128	0	0	0	0	0
Health Department Collections	573,880	0	0	0	0	0
Other General Service Charges	63,411	0	0	0	0	0
Service Charges	387,083	0	0	0	0	0
Fees						
Recreation Fees	600,516	0	0	0	0	0
Copy Fees	450	0	0	0	0	0
Library Fees	6,065	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	Other General Government Fund
Charges for Current Services (Cont.)						
Fees (Cont.)						
Archives and Records Management Fee	\$ 207,374	\$ 0	\$ 0	\$ 0	\$ 0	0
Greenbelt Late Application Fee	600	0	0	0	0	0
Telephone Commissions	200,582	0	0	0	0	0
Additional Fees - Titling and Registration	161,802	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	45,138	0	0	0	0	0
Data Processing Fee - Sheriff	3,183	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	15,150	0	0	0	0	0
Data Processing Fee - County Clerk	19,299	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	2,500	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	23,325	0	0	0	0	0
Education Charges						
Other Charges for Services	5	0	0	0	0	0
Total Charges for Current Services	\$ 2,462,472	\$ 601,740	\$ 10,220,222	\$ 0	\$ 0	0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 4,164,937	\$ 0	\$ 0	22,332	\$ 0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Other Local Revenues (Cont.)						
Recurring Items (Cont.)						
Lease/Rentals/PPP	\$ 21,357	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/PPP Interest	6,394	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	41,125	0	0	0	0	0
Sale of Recycled Materials	1,953	390,123	0	0	0	0
Miscellaneous Refunds	18,658	27	5,065	0	898	0
Nonrecurring Items						
Revenue from Joint Ventures	0	0	0	0	0	0
Sale of Equipment	19,258	0	2,410	0	6,550	0
Sale of Property	14,500	0	0	0	0	0
Damages Recovered from Individuals	3,652	0	0	0	0	0
Contributions and Gifts	455	0	0	0	0	0
Total Other Local Revenues	\$ 4,292,289	\$ 390,150	\$ 7,475	\$ 22,332	\$ 7,448	0
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 2,022,634	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	435,820	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
General Sessions Court Clerk	\$ 781,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Clerk and Master	761,655	0	0	0	0	0
Register	834,430	0	0	0	0	0
Sheriff	661	0	0	0	0	0
Trustee	3,548,468	0	0	0	0	0
Total Fees Received From County Officials	\$ 8,384,668	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 31,624	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	103,399	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	253,800	0	0	0	0	0
School Resource Officer Grants	1,072,799	0	0	0	0	0
Other Public Safety Grants	877,101	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	405,287	0	0	0	0	0
Other Health and Welfare Grants	0	20,000	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds						Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control		
State of Tennessee (Cont.)							
Public Works Grants							
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	37,944	45,399	0	0	0	0	0
Other Public Works Grants	338,406	0	0	0	0	0	0
Other State Revenues							
Income Tax	336	0	0	0	0	0	0
Beer Tax	86,258	0	0	0	0	0	0
Vehicle Certificate of Title Fees	22,730	0	0	0	0	0	0
Alcoholic Beverage Tax	216,291	0	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	0	0	0	503,482	0	0	0
State Revenue Sharing - Telecommunications	287,126	0	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	172,674	0	0	0	0	0	0
Prisoner Transportation	8,142	0	0	0	0	0	0
Contracted Prisoner Boarding	2,341,141	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	7,582	0	0	0	0	0	0
Other State Grants	1,618,704	0	0	0	0	0	0

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	Other General Government Fund
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Other State Revenues	\$ 656,784	\$ 145,174	\$ 286,850	\$ 0	\$ 0	0
Total State of Tennessee	<u>\$ 8,538,128</u>	<u>\$ 210,573</u>	<u>\$ 286,850</u>	<u>\$ 503,482</u>	<u>\$ 0</u>	<u>0</u>
Federal Government						
Federal Through State						
Community Development	\$ 205,187	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	122,636	0	0	0	0	0
Homeland Security Grants	73,269	0	0	0	0	0
COVID-19 Grant #5	556,271	0	0	0	0	0
Other Federal through State	2,496,604	0	0	0	0	0
Direct Federal Revenue						
Forest Service	92,840	0	0	0	0	0
Asset Forfeiture Funds	5,485	0	0	0	1,791	0
Tax Credit Bond Rebate	232,926	0	0	0	0	0
American Rescue Plan Act Grant #7	0	0	0	0	0	37,088
American Rescue Plan Act Grant #8	0	0	0	0	0	3,495,569
Other Direct Federal Revenue	32,097	0	0	0	0	0
Total Federal Government	<u>\$ 3,817,315</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,791</u>	<u>\$ 3,532,657</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control	
Other Governments and Citizens Groups						
Other Governments						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	397,325	0	0	0	0	0
Contracted Services	489,273	139,838	0	0	0	0
Citizens Groups						
Donations	16,051	0	91,156	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	214,945	0	0
Total Other Governments and Citizens Groups	\$ 902,649	\$ 139,838	\$ 91,156	\$ 214,945	\$ 0	0
Total	\$ 83,398,616	\$ 3,965,149	\$ 10,605,703	\$ 740,759	\$ 47,487	\$ 3,532,657

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 0	\$ 3,711,220	\$ 14,548,202	\$ 3,544,093	\$ 64,465,119
Trustee's Collections - Prior Year	0	74,240	378,363	91,867	1,573,924
Circuit Clerk/Clerk and Master Collections - Prior Years	0	34,158	170,487	42,356	730,218
Interest and Penalty	0	29,367	129,691	35,475	589,782
Pickup Taxes	0	131,190	505,122	124,972	2,272,008
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	5,942
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	597,177
Payments in-Lieu-of Taxes - Other	0	0	0	0	860
County Local Option Taxes					
Local Option Sales Tax	0	2,500,000	0	0	6,853,877
Hotel/Motel Tax	0	0	0	0	896,624
Litigation Tax - General	0	0	0	0	273,064
Litigation Tax - Office of Public Defender	0	0	0	0	121,740
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	103,993	0	118,540
Litigation Tax - Courthouse Security	0	0	0	0	358,929
Business Tax	0	0	0	0	3,673,889
Mixed Drink Tax	0	0	0	0	27,985
Mineral Severance Tax	0	154,544	0	0	154,544

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes (Cont.)					
Statutory Local Taxes					
Bank Excise Tax	\$ 0	\$ 17,417	\$ 67,061	\$ 16,661	\$ 301,696
Wholesale Beer Tax	0	405,439	0	0	405,439
Total Local Taxes	\$ 0	\$ 7,057,575	\$ 15,902,919	\$ 3,855,424	\$ 83,421,357
Licenses and Permits					
Licenses					
Cable TV Franchise	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 497,808
Permits					
Beer Permits	0	0	0	0	1,900
Building Permits	0	0	0	0	167,135
Other Permits	0	0	0	0	200
Total Licenses and Permits	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 667,043
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,642
Officers Costs	0	0	0	0	75,463
Drug Court Fees	0	0	0	0	3,795

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)					
Circuit Court (Cont.)					
Jail Fees	\$ 0	\$ 0	\$ 0	\$ 0	47,700
Data Entry Fee - Circuit Court	0	0	0	0	51,818
Criminal Court					
DUI Treatment Fines	0	0	0	0	21,307
General Sessions Court					
Fines	0	0	0	0	59,615
Fines for Littering	0	0	0	0	12
Officers Costs	0	0	0	0	215,153
Game and Fish Fines	0	0	0	0	128
Drug Control Fines	0	0	0	0	9,937
Drug Court Fees	0	0	0	0	13,029
Victims Assistance Assessments	0	0	0	0	69,192
Juvenile Court					
Fines	0	0	0	0	368
Chancery Court					
Officers Costs	0	0	0	0	5,108
Data Entry Fee - Chancery Court	0	0	0	0	21,241

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)					
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	\$ 0	\$ 0	\$ 0	\$ 0	28,311
Other Fines, Forfeitures, and Penalties					
Other Fines, Forfeitures, and Penalties	0	0	0	0	1,890
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>639,709</u>
Charges for Current Services					
General Service Charges					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	601,740
Patient Charges	0	0	0	0	10,352,976
Zoning Studies	0	0	0	0	4,227
Work Release Charges for Board	0	0	0	0	15,128
Health Department Collections	0	0	0	0	573,880
Other General Service Charges	0	0	0	0	63,411
Service Charges	0	0	0	0	387,083
Fees					
Recreation Fees	0	0	0	0	600,516
Copy Fees	0	0	0	0	450
Library Fees	0	0	0	0	6,065

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.)					
Fees (Cont.)					
Archives and Records Management Fee	\$ 0	\$ 0	\$ 0	\$ 0	207,374
Greenbelt Late Application Fee	0	0	0	0	600
Telephone Commissions	0	0	0	0	200,582
Additional Fees - Titling and Registration	0	0	0	0	161,802
Constitutional Officers' Fees and Commissions	10,321	0	0	0	10,321
Data Processing Fee - Register	0	0	0	0	45,138
Data Processing Fee - Sheriff	0	0	0	0	3,183
Sexual Offender Registration Fee - Sheriff	0	0	0	0	15,150
Data Processing Fee - County Clerk	0	0	0	0	19,299
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	2,500
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	23,325
Education Charges					
Other Charges for Services	0	0	0	0	5
Total Charges for Current Services	\$ 10,321	\$ 0	\$ 0	\$ 0	\$ 13,294,755
Other Local Revenues					
Recurring Items					
Investment Income	\$ 0	\$ 144,000	\$ 801,116	\$ 0	5,132,385

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Local Revenues (Cont.)					
Recurring Items (Cont.)					
Lease/Rentals/PPP	\$ 0	\$ 0	\$ 0	\$ 0	21,357
Lease/PPP Interest	0	0	0	0	6,394
Sale of Materials and Supplies	0	8,969	0	0	8,969
Commissary Sales	0	0	0	0	41,125
Sale of Recycled Materials	0	0	0	0	392,076
Miscellaneous Refunds	0	5,664	0	0	30,312
Nonrecurring Items					
Revenue from Joint Ventures	0	0	892,790	0	892,790
Sale of Equipment	0	3,025	0	0	31,243
Sale of Property	0	0	0	0	14,500
Damages Recovered from Individuals	0	1,560	0	0	5,212
Contributions and Gifts	0	0	0	0	455
Total Other Local Revenues	\$ 0	\$ 163,218	\$ 1,693,906	\$ 0	\$ 6,576,818
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	2,022,634
Circuit Court Clerk	0	0	0	0	435,820

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fees Received From County Officials (Cont.)					
Fees In-Lieu-of Salary (Cont.)					
General Sessions Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	781,000
Clerk and Master	0	0	0	0	761,655
Register	0	0	0	0	834,430
Sheriff	0	0	0	0	661
Trustee	0	0	0	0	3,548,468
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	8,384,668
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	31,624
Other General Government Grants	0	0	0	0	103,399
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	253,800
School Resource Officer Grants	0	0	0	0	1,072,799
Other Public Safety Grants	0	0	0	0	877,101
Health and Welfare Grants					
Health Department Programs	0	0	0	0	405,287
Other Health and Welfare Grants	0	0	0	0	20,000

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)					
Public Works Grants					
State Aid Program	\$ 0	\$ 1,498,660	\$ 0	\$ 0	\$ 1,498,660
Litter Program	0	0	0	0	83,343
Other Public Works Grants	0	0	0	0	338,406
Other State Revenues					
Income Tax	0	0	0	0	336
Beer Tax	0	0	0	0	86,258
Vehicle Certificate of Title Fees	0	0	0	0	22,730
Alcoholic Beverage Tax	0	0	0	0	216,291
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	503,482
State Revenue Sharing - Telecommunications	0	0	0	0	287,126
State Shared Sports Gaming Privilege Tax	0	0	0	0	172,674
Prisoner Transportation	0	0	0	0	8,142
Contracted Prisoner Boarding	0	0	0	0	2,341,141
Gasoline and Motor Fuel Tax	0	3,795,740	0	0	3,795,740
Hybrid/Electric Vehicle Registration Fee	0	45,751	0	0	45,751
Petroleum Special Tax	0	104,796	0	0	104,796
Registrar's Salary Supplement	0	0	0	0	7,582
Other State Grants	0	0	0	0	1,618,704

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Other State Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,088,808
Total State of Tennessee	\$ 0	\$ 5,444,947	\$ 0	\$ 0	\$ 14,983,980
Federal Government					
Federal Through State					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 205,187
Civil Defense Reimbursement	0	0	0	0	122,636
Homeland Security Grants	0	0	0	0	73,269
COVID-19 Grant #5	0	0	0	0	556,271
Other Federal through State	0	0	0	0	2,496,604
Direct Federal Revenue					
Forest Service	0	2,204	0	0	95,044
Asset Forfeiture Funds	0	0	0	0	7,276
Tax Credit Bond Rebate	0	0	0	0	232,926
American Rescue Plan Act Grant #7	0	0	0	0	37,088
American Rescue Plan Act Grant #8	0	0	0	0	3,495,569
Other Direct Federal Revenue	0	0	0	0	32,097
Total Federal Government	\$ 0	\$ 2,204	\$ 0	\$ 0	\$ 7,353,967

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Governments and Citizens Groups					
Other Governments					
Paving and Maintenance	\$ 0	\$ 6,234	\$ 0	\$ 0	\$ 6,234
Contributions	0	0	440,592	0	837,917
Contracted Services	0	4,915	0	0	634,026
Citizens Groups					
Donations	0	0	0	0	107,207
Other					
Opioid Settlement Funds - Past Remediation	0	0	0	0	214,945
Total Other Governments and Citizens Groups	\$ 0	\$ 11,149	\$ 440,592	\$ 0	\$ 1,800,329
Total	\$ 10,321	\$ 12,929,093	\$ 18,037,417	\$ 3,855,424	\$ 137,122,626

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 17,207,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,207,793
Trustee's Collections - Prior Year	448,410	0	0	0	0	448,410
Circuit Clerk/Clerk and Master Collections - Prior Years	203,431	0	0	0	0	203,431
Interest and Penalty	172,814	0	0	0	0	172,814
Pickup Taxes	609,163	0	0	0	0	609,163
County Local Option Taxes						
Local Option Sales Tax	17,224,898	0	0	0	0	17,224,898
Statutory Local Taxes						
Bank Excise Tax	81,509	0	0	0	0	81,509
Total Local Taxes	\$ 35,948,018	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,948,018
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 4,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,534
Total Licenses and Permits	\$ 4,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,534

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Charges for Current Services						
Education Charges						
Tuition - Other	\$ 0	\$ 0	\$ 0	\$ 62,000	\$ 0	\$ 62,000
Lunch Payments - Children	0	0	61,672	0	0	61,672
Lunch Payments - Adults	0	0	7,418	0	0	7,418
A la Carte Sales	0	0	151,803	0	0	151,803
Contract for Food Services with Other LEA's	0	0	5,287	0	0	5,287
Receipts from Individual Schools	15,043	0	1,073	0	0	16,116
Other Charges for Services	0	0	395	0	0	395
Total Charges for Current Services	\$ 15,043	\$ 0	\$ 227,648	\$ 62,000	\$ 0	\$ 304,691
Other Local Revenues						
Recurring Items						
Investment Income	\$ 114,195	\$ 0	\$ 3,438	\$ 0	\$ 0	\$ 117,633
Lease/Rentals/PPP	1,000	0	0	0	0	1,000
Sale of Recycled Materials	3,303	0	0	0	0	3,303
Rebates	0	0	57,301	0	0	57,301
Miscellaneous Refunds	3,294	0	0	0	0	3,294

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	\$ 11,413	\$ 0	\$ 1,585	\$ 0	\$ 0	\$ 12,998
Sale of Property	51,675	0	0	0	0	51,675
Damages Recovered from Individuals	1,696	0	0	0	0	1,696
Other Local Revenues						
Other Local Revenues	232	0	0	0	3,374,598	3,374,830
Total Other Local Revenues	\$ 186,808	\$ 0	\$ 62,324	\$ 0	\$ 3,374,598	\$ 3,623,730
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 547,772	\$ 0	\$ 0	\$ 0	\$ 0	\$ 547,772
State Education Funds						
Tennessee Investment in Student Achievement	52,564,155	0	0	0	0	52,564,155
TISA - On-behalf Payments	146,786	0	0	0	0	146,786
Early Childhood Education	907,168	0	0	0	0	907,168
School Food Service	0	0	38,907	0	0	38,907
Other State Education Funds	658,995	0	0	0	0	658,995
Career Ladder Program	62,496	0	0	0	0	62,496
Other Vocational	2,617,210	0	0	0	0	2,617,210

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
State of Tennessee (Cont.)						
Other State Revenues						
State Revenue Sharing - T.V.A.	\$ 1,923,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,923,486
Other State Grants	10,936	0	0	0	0	10,936
Total State of Tennessee	<u>\$ 59,439,004</u>	<u>\$ 0</u>	<u>\$ 38,907</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,477,911</u>
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,151,695	\$ 0	\$ 0	\$ 3,151,695
USDA - Commodities	0	0	384,667	0	0	384,667
Breakfast	0	0	1,000,443	0	0	1,000,443
USDA - Other	0	0	41,969	0	0	41,969
Vocational Education - Basic Grants to States	0	253,025	0	0	0	253,025
Title I Grants to Local Education Agencies	0	2,885,961	0	0	0	2,885,961
Special Education - Grants to States	0	3,310,061	0	0	0	3,310,061
Special Education Preschool Grants	0	173,146	0	0	0	173,146
Education for Homeless Children and Youth	0	45,547	0	0	0	45,547
Eisenhower Professional Development State Grants	0	393,849	0	0	0	393,849
American Rescue Plan Act Grant #1	0	4,710,362	0	0	0	4,710,362

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Federal Government (Cont.)						
Federal Through State (Cont.)						
American Rescue Plan Act Grant #4	\$ 0	\$ 76,746	\$ 0	\$ 0	\$ 0	\$ 76,746
Other Federal through State	79,238	248,016	0	0	0	327,254
Direct Federal Revenue						
ROTC Reimbursement	174,760	0	0	0	0	174,760
Forest Service	6,611	0	0	0	0	6,611
Other Direct Federal Revenue	0	0	102,740	0	0	102,740
Total Federal Government	\$ 260,609	\$ 12,096,713	\$ 4,681,514	\$ 0	\$ 0	\$ 17,038,836
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 936,464	\$ 0	\$ 0	\$ 0	\$ 0	\$ 936,464
Citizens Groups						
Donations	1,680	0	750	0	0	2,430
Other						
Other	59,726	0	0	0	0	59,726
Total Other Governments and Citizens Groups	\$ 997,870	\$ 0	\$ 750	\$ 0	\$ 0	\$ 998,620
Total	\$ 96,851,886	\$ 12,096,713	\$ 5,011,143	\$ 62,000	\$ 3,374,598	\$ 117,396,340

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2025

General Fund

General Government

County Commission

Assistant(s)	\$	52,978	
Board and Committee Members Fees		252,924	
Social Security		18,719	
Pensions		12,204	
Life Insurance		41	
Medical Insurance		6,497	
Dental Insurance		210	
Employer Medicare		4,377	
Audit Services		69,592	
Communication		419	
Contracts with Government Agencies		73,852	
Data Processing Services		1,322	
Legal Notices, Recording, and Court Costs		19,591	
Maintenance and Repair Services - Office Equipment		6,472	
Postal Charges		11,619	
Travel		35,894	
Tuition		4,260	
Other Contracted Services		3,800	
Office Supplies		2,123	
Total County Commission			\$ 576,894

County Mayor/Executive

County Official/Administrative Officer	\$	150,550
Secretary(ies)		51,390
Social Security		12,766
Pensions		15,067
Life Insurance		67
Medical Insurance		17,484
Dental Insurance		948
Employer Medicare		2,986
Communication		4,669
Licenses		348
Maintenance and Repair Services - Office Equipment		484
Postal Charges		21
Travel		9,195
Data Processing Supplies		707

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Office Supplies	\$	1,435	
Periodicals		731	
Total County Mayor/Executive			\$ 268,848

County Attorney

County Official/Administrative Officer	\$	158,077	
Secretary(ies)		44,503	
Social Security		12,299	
Pensions		15,114	
Life Insurance		72	
Medical Insurance		25,018	
Dental Insurance		684	
Employer Medicare		2,876	
Communication		4,543	
Data Processing Services		4,500	
Dues and Memberships		1,401	
Licenses		24	
Maintenance and Repair Services - Office Equipment		484	
Postal Charges		344	
Travel		1,253	
Other Contracted Services		2,045	
Data Processing Supplies		1,325	
Office Supplies		1,089	
Periodicals		1,321	
Data Processing Equipment		9,884	
Total County Attorney			286,856

Election Commission

County Official/Administrative Officer	\$	124,133	
Clerical Personnel		273,189	
Temporary Personnel		201,384	
Election Commission		18,000	
Social Security		37,831	
Pensions		29,591	
Life Insurance		243	
Medical Insurance		57,047	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Dental Insurance	\$	2,051	
Employer Medicare		8,849	
Communication		12,765	
Data Processing Services		54,443	
Legal Notices, Recording, and Court Costs		5,031	
Maintenance and Repair Services - Equipment		2,625	
Maintenance and Repair Services - Office Equipment		4,835	
Postal Charges		22,035	
Printing, Stationery, and Forms		4,356	
Travel		9,910	
Disposal Fees		390	
Data Processing Supplies		1,012	
Food Supplies		3,019	
Office Supplies		16,308	
Uniforms		69	
Total Election Commission			\$ 889,116

Register of Deeds

County Official/Administrative Officer	\$	124,133
Clerical Personnel		267,162
Social Security		23,060
Pensions		28,751
Life Insurance		243
Medical Insurance		52,177
Dental Insurance		1,577
Employer Medicare		5,393
Communication		8,039
Data Processing Services		26,933
Dues and Memberships		1,020
Maintenance and Repair Services - Buildings		1,049
Maintenance and Repair Services - Office Equipment		1,037
Postal Charges		628
Printing, Stationery, and Forms		1,249
Travel		1,670
Food Supplies		275
Office Supplies		4,672

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Equipment	\$	5,877	
Office Equipment		5,877	
Total Register of Deeds			\$ 560,822

Planning

Supervisor/Director	\$	74,995	
Clerical Personnel		75,300	
Other Salaries and Wages		247,553	
Board and Committee Members Fees		2,550	
Social Security		23,772	
Pensions		29,511	
Life Insurance		314	
Medical Insurance		81,534	
Dental Insurance		2,164	
Employer Medicare		5,559	
Communication		7,722	
Data Processing Services		17,642	
Dues and Memberships		5,020	
Engineering Services		531	
Legal Notices, Recording, and Court Costs		3,102	
Licenses		798	
Maintenance and Repair Services - Office Equipment		4,842	
Maintenance and Repair Services - Vehicles		850	
Postal Charges		907	
Tuition		3,189	
Other Contracted Services		20,488	
Data Processing Supplies		5,582	
Food Supplies		516	
Gasoline		4,701	
Office Supplies		1,940	
Tires and Tubes		465	
Vehicle Parts		1,034	
Data Processing Equipment		4,958	
Motor Vehicles		29,087	
Total Planning			656,626

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings

Assistant(s)	\$	17,238
Supervisor/Director		81,461
Mechanic(s)		97,992
Guards		97,300
Custodial Personnel		138,421
Maintenance Personnel		322,390
Social Security		44,394
Pensions		53,428
Life Insurance		667
Medical Insurance		190,602
Dental Insurance		5,257
Employer Medicare		10,382
Architects		1,255
Communication		14,187
Data Processing Services		3,986
Evaluation and Testing		8,009
Freight Expenses		654
Legal Services		37
Licenses		1,518
Maintenance and Repair Services - Buildings		3,000
Maintenance and Repair Services - Equipment		54,486
Maintenance and Repair Services - Office Equipment		768
Maintenance and Repair Services - Vehicles		4,101
Pest Control		12,946
Rentals		269
Tuition		210
Disposal Fees		6,717
Permits		752
Custodial Supplies		26,243
Data Processing Supplies		15,050
Electricity		539,063
Equipment and Machinery Parts		12,741
Food Supplies		490
Garage Supplies		1,646
Gasoline		14,774
General Construction Materials		57,378

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Lubricants	\$	338	
Natural Gas		30,842	
Office Supplies		4,111	
Pipe		33	
Small Tools		7,427	
Tires and Tubes		766	
Uniforms		2,530	
Vehicle Parts		8,877	
Water and Sewer		46,690	
Chemicals		2,100	
Other Supplies and Materials		672	
Building Improvements		26,075	
Heating and Air Conditioning Equipment		23,876	
Maintenance Equipment		19,539	
Motor Vehicles		124,752	
Office Equipment		4,036	
Total County Buildings			\$ 2,142,476

Other Facilities

Contracts with Government Agencies	\$	207,481	
Total Other Facilities			207,481

Preservation of Records

Supervisor/Director	\$	61,190	
Clerical Personnel		57,793	
Part-time Personnel		21,066	
Social Security		8,190	
Pensions		8,726	
Life Insurance		95	
Medical Insurance		36,964	
Dental Insurance		1,254	
Employer Medicare		1,915	
Advertising		19,710	
Communication		8,022	
Contributions		1,200	
Data Processing Services		12,281	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Dues and Memberships	\$	140	
Maintenance Agreements		1,200	
Maintenance and Repair Services - Office Equipment		1,540	
Postal Charges		36	
Printing, Stationery, and Forms		78	
Rentals		414	
Travel		2,129	
Tuition		85	
Disposal Fees		300	
Other Contracted Services		5,392	
Electricity		2,811	
Food Supplies		114	
Library Books/Media		279	
Office Supplies		16,043	
Other Supplies and Materials		117	
Total Preservation of Records			\$ 269,084

Risk Management

Clerical Personnel	\$	48,042	
Social Security		2,858	
Pensions		3,624	
Life Insurance		41	
Medical Insurance		15,203	
Dental Insurance		474	
Employer Medicare		668	
Communication		213	
Licenses		70	
Tuition		185	
Office Supplies		1,043	
Building and Contents Insurance		216,939	
Liability Insurance		384,484	
Premiums on Corporate Surety Bonds		550	
Vehicle and Equipment Insurance		928,753	
Workers' Compensation Insurance		113,737	
Total Risk Management			1,716,884

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	124,133	
Supervisor/Director		325,714	
Clerical Personnel		550,488	
Part-time Personnel		27,533	
Social Security		61,471	
Pensions		64,963	
Life Insurance		607	
Medical Insurance		127,370	
Dental Insurance		5,155	
Unemployment Compensation		2,077	
Employer Medicare		14,376	
Accounting Services		281	
Bank Charges		70	
Communication		18,582	
Data Processing Services		375	
Dues and Memberships		434	
Licenses		836	
Maintenance and Repair Services - Office Equipment		2,805	
Postal Charges		9,229	
Printing, Stationery, and Forms		39	
Travel		658	
Tuition		1,448	
Disposal Fees		1,060	
Other Contracted Services		57,987	
Data Processing Supplies		2,029	
Food Supplies		651	
Gasoline		359	
Office Supplies		7,272	
Total Accounting and Budgeting			\$ 1,408,002

Purchasing

County Official/Administrative Officer	\$	124,133
Assistant(s)		147,231
Purchasing Personnel		155,801
Clerical Personnel		114,881
Social Security		32,792

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Pensions	\$	39,824	
Life Insurance		351	
Medical Insurance		53,156	
Dental Insurance		2,049	
Employer Medicare		7,669	
Advertising		227	
Communication		15,012	
Data Processing Services		3,049	
Dues and Memberships		1,674	
Freight Expenses		573	
Legal Notices, Recording, and Court Costs		7,400	
Licenses		1,531	
Maintenance and Repair Services - Equipment		5,770	
Maintenance and Repair Services - Office Equipment		1,404	
Postal Charges		105	
Rentals		473	
Travel		4,777	
Tuition		4,335	
Disposal Fees		650	
Other Contracted Services		500	
Custodial Supplies		15	
Data Processing Supplies		5,121	
Equipment and Machinery Parts		1,022	
Food Supplies		1,333	
Gasoline		2,116	
Instructional Supplies and Materials		39	
Office Supplies		12,781	
Periodicals		157	
Propane Gas		371	
Uniforms		56	
Vehicle Parts		63	
Other Supplies and Materials		3,477	
Furniture and Fixtures		4,538	
Other Equipment		39,672	
Total Purchasing			\$ 796,128

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	124,133	
Assistant(s)		76,123	
Supervisor/Director		64,673	
Deputy(ies)		461,496	
Clerical Personnel		552,133	
Temporary Personnel		3,550	
Board and Committee Members Fees		2,310	
Social Security		76,196	
Pensions		95,024	
Life Insurance		943	
Medical Insurance		265,887	
Dental Insurance		7,719	
Unemployment Compensation		3,900	
Employer Medicare		17,820	
Audit Services		82,450	
Communication		26,226	
Data Processing Services		45,414	
Dues and Memberships		3,325	
Legal Services		7,661	
Legal Notices, Recording, and Court Costs		113	
Maintenance and Repair Services - Office Equipment		9,146	
Maintenance and Repair Services - Vehicles		5,566	
Postal Charges		48,307	
Printing, Stationery, and Forms		2,149	
Travel		15,447	
Tuition		2,980	
Other Contracted Services		11,597	
Data Processing Supplies		876	
Food Supplies		1,166	
Gasoline		4,847	
Office Supplies		1,362	
Tires and Tubes		436	
Vehicle Parts		1,722	
Other Supplies and Materials		487	
Other Charges		26,326	
Furniture and Fixtures		590	
Total Property Assessor's Office			\$ 2,050,100

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	124,133	
Assistant(s)		71,559	
Deputy(ies)		147,930	
Part-time Personnel		96,185	
Social Security		26,900	
Pensions		25,030	
Life Insurance		185	
Medical Insurance		60,256	
Dental Insurance		1,537	
Employer Medicare		6,291	
Accounting Services		1,575	
Advertising		1,839	
Communication		10,438	
Data Processing Services		2,106	
Dues and Memberships		175	
Freight Expenses		151	
Legal Notices, Recording, and Court Costs		187	
Licenses		1,683	
Maintenance Agreements		10,920	
Maintenance and Repair Services - Office Equipment		956	
Postal Charges		47,376	
Printing, Stationery, and Forms		11,303	
Rentals		78	
Travel		2,917	
Tuition		120	
Other Contracted Services		30	
Data Processing Supplies		2,508	
Office Supplies		10,258	
Uniforms		499	
Total County Trustee's Office			\$ 665,125

County Clerk's Office

County Official/Administrative Officer	\$	124,133
Deputy(ies)		979,675
Part-time Personnel		28,180
Board and Committee Members Fees		600

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Social Security	\$	67,400	
Pensions		80,472	
Life Insurance		906	
Medical Insurance		215,856	
Dental Insurance		7,257	
Employer Medicare		15,763	
Advertising		145	
Communication		14,687	
Data Processing Services		2,640	
Dues and Memberships		640	
Janitorial Services		11,634	
Legal Services		84	
Legal Notices, Recording, and Court Costs		506	
Maintenance Agreements		78,356	
Maintenance and Repair Services - Buildings		8	
Maintenance and Repair Services - Equipment		400	
Maintenance and Repair Services - Office Equipment		663	
Postal Charges		63,927	
Printing, Stationery, and Forms		6,875	
Travel		1,260	
Disposal Fees		3,508	
Other Contracted Services		3,802	
Custodial Supplies		685	
Data Processing Supplies		20,656	
Food Supplies		1,318	
General Construction Materials		21	
Office Supplies		12,846	
Total County Clerk's Office			\$ 1,744,903

Data Processing

Communication	\$	1,819
Data Processing Services		55,353
Licenses		6,144
Maintenance Agreements		98,280
Maintenance and Repair Services - Office Equipment		800
Printing, Stationery, and Forms		185

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Data Processing Supplies	\$ 12,232	
Office Supplies	7,579	
Total Data Processing	<u>19,811</u>	\$ 182,392

Other Finance

Trustee's Commission	\$ 1,014,136	
Total Other Finance		1,014,136

Administration of Justice

Circuit Court Judge

Communication	\$ 4,334	
Postal Charges	171	
Office Supplies	2,843	
Total Circuit Court Judge		7,348

Circuit Court Clerk

County Official/Administrative Officer	\$ 124,133
Clerical Personnel	1,353,498
Part-time Personnel	101,026
Social Security	93,774
Pensions	109,124
Life Insurance	1,244
Medical Insurance	295,496
Dental Insurance	10,180
Employer Medicare	21,931
Communication	24,686
Contracts with Other Public Agencies	4,562
Data Processing Services	75,016
Dues and Memberships	1,519
Freight Expenses	64
Legal Notices, Recording, and Court Costs	225
Licenses	5,904
Maintenance and Repair Services - Office Equipment	27,940
Postal Charges	13,293
Printing, Stationery, and Forms	3,919
Rentals	88

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Travel	\$	3,790	
Data Processing Supplies		3,018	
Food Supplies		1,150	
Office Supplies		46,651	
Communication Equipment		23,938	
Other Equipment		28,672	
Total Circuit Court Clerk			\$ 2,374,841

General Sessions Court

Judge(s)	\$	403,300	
Secretary(ies)		98,550	
Social Security		26,948	
Pensions		37,447	
Life Insurance		162	
Medical Insurance		53,042	
Dental Insurance		1,394	
Employer Medicare		7,045	
Communication		5,200	
Data Processing Services		109	
Dues and Memberships		3,155	
Licenses		348	
Maintenance and Repair Services - Office Equipment		593	
Postal Charges		1,101	
Printing, Stationery, and Forms		159	
Travel		6,334	
Tuition		1,295	
Food Supplies		69	
Library Books/Media		829	
Office Supplies		4,108	
Periodicals		1,106	
Total General Sessions Court			652,294

General Sessions Judge

Judge(s)	\$	403,300
Assistant(s)		92,078
Secretary(ies)		47,828

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Social Security	\$	29,650	
Pensions		40,502	
Life Insurance		203	
Medical Insurance		58,848	
Dental Insurance		2,237	
Employer Medicare		7,666	
Communication		5,200	
Data Processing Services		258	
Dues and Memberships		3,887	
Licenses		855	
Maintenance and Repair Services - Office Equipment		1,140	
Postal Charges		811	
Printing, Stationery, and Forms		2,308	
Travel		4,841	
Tuition		1,213	
Library Books/Media		689	
Office Supplies		5,415	
Periodicals		1,400	
Total General Sessions Judge			\$ 710,329

Drug Court

Supervisor/Director	\$	60,072	
Social Security		3,598	
Pensions		4,479	
Life Insurance		41	
Medical Insurance		3,272	
Dental Insurance		105	
Employer Medicare		842	
Communication		937	
Contributions		44,651	
Data Processing Services		1,004	
Licenses		48	
Rentals		1	
Travel		9,669	
Other Contracted Services		1,020	
Office Supplies		2,062	
Other Supplies and Materials		2,664	
Total Drug Court			134,465

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	124,133	
Clerical Personnel		438,184	
Part-time Personnel		16,700	
Social Security		34,296	
Pensions		41,803	
Life Insurance		446	
Medical Insurance		81,496	
Dental Insurance		2,758	
Employer Medicare		8,021	
Communication		10,138	
Data Processing Services		30,143	
Dues and Memberships		2,174	
Freight Expenses		70	
Licenses		1,824	
Maintenance Agreements		1,838	
Maintenance and Repair Services - Equipment		827	
Maintenance and Repair Services - Office Equipment		5,102	
Postal Charges		4,926	
Printing, Stationery, and Forms		476	
Rentals		194	
Travel		4,649	
Tuition		1,591	
Other Contracted Services		96	
Food Supplies		865	
Office Supplies		15,907	
Periodicals		104	
Total Chancery Court			\$ 828,761

Juvenile Court

Probation Officer(s)	\$	18,047
Guidance Personnel		434,546
Secretary(ies)		101,196
Clerical Personnel		50,787
Social Security		36,074
Pensions		43,291
Life Insurance		406

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Medical Insurance	\$	107,911	
Dental Insurance		3,590	
Employer Medicare		8,437	
Communication		1,239	
Data Processing Services		1,200	
Dues and Memberships		1,600	
Evaluation and Testing		762	
Legal Services		18,000	
Licenses		109	
Maintenance and Repair Services - Office Equipment		580	
Maintenance and Repair Services - Vehicles		105	
Printing, Stationery, and Forms		969	
Travel		6,721	
Disposal Fees		308	
Data Processing Supplies		194	
Drugs and Medical Supplies		834	
Food Supplies		1,321	
Gasoline		319	
Library Books/Media		269	
Office Supplies		2,068	
Data Processing Equipment		25,781	
Total Juvenile Court			\$ 866,664

District Attorney General

Assistant(s)	\$	327,301
Supervisor/Director		8,320
Salary Supplements		4,256
Secretary(ies)		37,598
Social Security		22,203
Pensions		27,786
Life Insurance		206
Medical Insurance		53,302
Dental Insurance		1,480
Employer Medicare		5,192
Data Processing Services		1,944
Maintenance and Repair Services - Equipment		827

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Travel	\$	5,872	
Tuition		50	
Total District Attorney General			\$ 496,337

Office of Public Defender

Paraprofessionals	\$	169,365	
Social Security		9,449	
Pensions		11,661	
Life Insurance		81	
Medical Insurance		12,994	
Dental Insurance		420	
Employer Medicare		2,383	
Licenses		425	
Travel		606	
Other Contracted Services		226	
Total Office of Public Defender			207,610

Judicial Commissioners

Other Salaries and Wages	\$	87,030	
Social Security		5,344	
Employer Medicare		1,250	
Dues and Memberships		400	
Office Supplies		301	
Total Judicial Commissioners			94,325

Other Administration of Justice

Jury and Witness Expense	\$	80,159	
Legal Services		2,311	
Total Other Administration of Justice			82,470

Courtroom Security

Deputy(ies)	\$	315,345	
Part-time Personnel		41,497	
Social Security		21,485	
Pensions		28,681	
Life Insurance		226	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

Medical Insurance	\$	44,078	
Dental Insurance		1,766	
Employer Medicare		5,025	
Maintenance and Repair Services - Equipment		15	
Data Processing Supplies		6,825	
Law Enforcement Supplies		1,390	
Office Supplies		2,111	
Uniforms		7,124	
Building Improvements		25,400	
Total Courtroom Security			\$ 500,968

Victim Assistance Programs

Remittance of Revenue Collected	\$	74,792	
Total Victim Assistance Programs			74,792

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	144,981	
Assistant(s)		297,947	
Deputy(ies)		3,528,386	
Captain(s)		485,090	
Lieutenant(s)		775,667	
Sergeant(s)		2,150,022	
Mechanic(s)		175,720	
Dispatchers/Radio Operators		753,793	
Secretary(ies)		673,370	
School Resource Officer		928,845	
Social Security		591,440	
Pensions		843,577	
Life Insurance		6,175	
Medical Insurance		1,764,878	
Dental Insurance		50,909	
Employer Medicare		138,320	
Advertising		1,392	
Bank Charges		44	
Communication		102,704	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Services	\$ 102,055
Dues and Memberships	15,896
Evaluation and Testing	4,921
Freight Expenses	857
Licenses	49,405
Maintenance and Repair Services - Buildings	1,039
Maintenance and Repair Services - Equipment	64,961
Maintenance and Repair Services - Office Equipment	13,288
Maintenance and Repair Services - Vehicles	13,619
Medical and Dental Services	9,215
Pest Control	484
Postal Charges	8,918
Printing, Stationery, and Forms	712
Rentals	3,362
Towing Services	1,296
Transportation - Other than Students	312,271
Travel	80,771
Tuition	85,201
Veterinary Services	11,841
Disposal Fees	3,238
Permits	120
Other Contracted Services	16,219
Animal Food and Supplies	4,295
Custodial Supplies	20,149
Data Processing Supplies	100,688
Diesel Fuel	992
Electricity	28,583
Equipment and Machinery Parts	18,867
Food Supplies	5,203
Garage Supplies	28,224
Gasoline	417,768
General Construction Materials	31,006
Instructional Supplies and Materials	2,217
Law Enforcement Supplies	201,252
Lubricants	10,000
Office Supplies	42,627

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Small Tools	\$	160	
Tires and Tubes		42,257	
Uniforms		122,372	
Vehicle Parts		79,953	
Water and Sewer		2,190	
Software		8,563	
Other Supplies and Materials		2,724	
Law Enforcement Equipment		3,710	
Motor Vehicles		2,204	
Other Construction		2,791	
Total Sheriff's Department			\$ 15,391,744

Administration of the Sexual Offender Registry

Communication	\$	71	
Maintenance and Repair Services - Office Equipment		1,116	
Other Contracted Services		5,359	
Office Supplies		1,910	
Total Administration of the Sexual Offender Registry			8,456

Jail

Assistant(s)	\$	187,468	
Deputy(ies)		6,361,222	
Captain(s)		156,000	
Lieutenant(s)		558,973	
Sergeant(s)		459,687	
Psychological Personnel		60,068	
Medical Personnel		643,605	
Secretary(ies)		70,669	
Cafeteria Personnel		296,257	
Board and Committee Members Fees		11,825	
Social Security		525,754	
Pensions		775,338	
Life Insurance		5,969	
Medical Insurance		1,211,925	
Dental Insurance		41,357	
Unemployment Compensation		16,257	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Employer Medicare	\$ 122,959
Advertising	7,121
Communication	22,923
Contracts with Private Agencies	164,654
Data Processing Services	202,793
Dues and Memberships	2,415
Evaluation and Testing	11,604
Freight Expenses	284
Licenses	4,980
Maintenance and Repair Services - Buildings	750
Maintenance and Repair Services - Equipment	91,874
Maintenance and Repair Services - Office Equipment	10,860
Maintenance and Repair Services - Vehicles	1,250
Medical and Dental Services	746,712
Pest Control	5,018
Postal Charges	121
Printing, Stationery, and Forms	1,244
Transportation - Other than Students	22,745
Travel	22,626
Tuition	3,876
Disposal Fees	17,272
Other Contracted Services	145,592
Custodial Supplies	54,990
Data Processing Supplies	26,488
Diesel Fuel	2,494
Drugs and Medical Supplies	47,465
Electricity	317,743
Equipment and Machinery Parts	82,691
Food Preparation Supplies	736,174
Food Supplies	836,466
Gasoline	83,523
General Construction Materials	14,092
Law Enforcement Supplies	147,876
Lubricants	500
Natural Gas	73,517
Office Supplies	14,760

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Prisoners Clothing	\$	80,822	
Tires and Tubes		1,909	
Uniforms		90,445	
Vehicle Parts		13,226	
Water and Sewer		286,515	
Software		4,611	
Other Supplies and Materials		4,600	
Food Service Equipment		1,724	
Law Enforcement Equipment		34,018	
Motor Vehicles		63,680	
Total Jail			\$ 16,012,376

Workhouse

Deputy(ies)	\$	103,977	
Social Security		6,089	
Pensions		9,561	
Life Insurance		78	
Medical Insurance		26,893	
Dental Insurance		908	
Employer Medicare		1,424	
Disposal Fees		2,029	
Custodial Supplies		3,384	
Total Workhouse			154,343

Juvenile Services

Contracts with Government Agencies	\$	476,843	
Contributions		307,180	
Total Juvenile Services			784,023

Fire Prevention and Control

Contributions	\$	2,303,968	
Total Fire Prevention and Control			2,303,968

Civil Defense

Supervisor/Director	\$	78,439	
Medical Personnel		494,283	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Secretary(ies)	\$	40,896	
Part-time Personnel		50,774	
Social Security		39,182	
Pensions		44,974	
Life Insurance		422	
Medical Insurance		110,806	
Dental Insurance		3,856	
Employer Medicare		9,164	
Bank Charges		90	
Communication		5,713	
Dues and Memberships		7,177	
Licenses		888	
Maintenance and Repair Services - Vehicles		150	
Medical and Dental Services		475	
Postal Charges		98	
Travel		537	
Tuition		700	
Other Contracted Services		50	
Data Processing Supplies		4,801	
Food Supplies		212	
Gasoline		2,691	
General Construction Materials		345	
Instructional Supplies and Materials		217	
Office Supplies		6,487	
Uniforms		2,908	
Vehicle Parts		239	
Other Supplies and Materials		232	
Other Equipment		5,665	
Total Civil Defense		<u> </u>	\$ 912,471
Rescue Squad			
Contributions	\$	<u>1,625,475</u>	
Total Rescue Squad			1,625,475
Disaster Relief			
Other Contracted Services	\$	18,000	
Other Supplies and Materials		<u>68,493</u>	
Total Disaster Relief			86,493

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	129,193	
Communication		1,033	
Contributions		409,998	
Licenses		48	
Maintenance and Repair Services - Vehicles		156	
Other Contracted Services		125,550	
Drugs and Medical Supplies		3,060	
Gasoline		3,957	
Tires and Tubes		772	
Uniforms		109	
Vehicle Parts		750	
Other Charges		4,200	
Total County Coroner/Medical Examiner			\$ 678,826

Other Public Safety

Communication	\$	2,047	
Maintenance and Repair Services - Equipment		27,042	
Pest Control		1,096	
Electricity		12,717	
Equipment Parts - Light		15,295	
Gasoline		1,259	
Natural Gas		686	
Office Supplies		1,966	
Propane Gas		4,401	
Tires and Tubes		705	
Vehicle Parts		205	
Other Supplies and Materials		940	
Building Improvements		5,838	
Total Other Public Safety			74,197

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	112,052	
Assistant(s)		684,690	
Supervisor/Director		419,479	
Teachers		898,568	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Data Processing Personnel	\$ 93,918
Medical Personnel	1,806,866
Clerical Personnel	713,407
Custodial Personnel	53,848
Social Security	279,394
Pensions	342,493
Life Insurance	2,831
Medical Insurance	705,512
Dental Insurance	23,533
Unemployment Compensation	325
Employer Medicare	66,643
Advertising	48,962
Bank Charges	14,063
Communication	65,174
Contracts with Government Agencies	252,322
Contracts with Private Agencies	39,102
Data Processing Services	3,240
Freight Expenses	183
Licenses	1,575
Maintenance and Repair Services - Buildings	3,646
Maintenance and Repair Services - Equipment	91,213
Maintenance and Repair Services - Vehicles	540
Medical and Dental Services	12,867
Pest Control	2,676
Postal Charges	3,208
Printing, Stationery, and Forms	10,608
Rentals	8,811
Travel	32,213
Tuition	25,717
Disposal Fees	6,804
Other Contracted Services	163,579
Custodial Supplies	7,348
Data Processing Supplies	213,573
Drugs and Medical Supplies	196,634
Electricity	105,211
Equipment and Machinery Parts	3,760

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Food Supplies	\$	9,204	
General Construction Materials		18,200	
Instructional Supplies and Materials		80,375	
Natural Gas		3,523	
Office Supplies		29,926	
Periodicals		958	
Uniforms		4,040	
Vehicle Parts		547	
Water and Sewer		26,005	
Other Supplies and Materials		22,111	
Building Improvements		221,866	
Data Processing Equipment		8,212	
Health Equipment		162,372	
Total Local Health Center			\$ 8,103,927

Rabies and Animal Control

Truck Drivers	\$	64,868
Laborers		102,315
Clerical Personnel		91,658
Part-time Personnel		111,339
Social Security		26,964
Pensions		19,339
Life Insurance		264
Medical Insurance		60,278
Dental Insurance		2,375
Employer Medicare		6,306
Bank Charges		2,179
Communication		6,850
Licenses		1,776
Maintenance and Repair Services - Equipment		1,570
Maintenance and Repair Services - Vehicles		1,835
Pest Control		1,001
Postal Charges		551
Travel		1,295
Veterinary Services		43,648
Disposal Fees		2,152

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Contracted Services	\$	6,131	
Animal Food and Supplies		6,924	
Custodial Supplies		6,478	
Data Processing Supplies		1,168	
Drugs and Medical Supplies		32,899	
Electricity		14,065	
Food Supplies		610	
Gasoline		10,800	
General Construction Materials		1,151	
Natural Gas		3,750	
Office Supplies		1,643	
Tires and Tubes		110	
Uniforms		154	
Vehicle Parts		749	
Water and Sewer		2,486	
Total Rabies and Animal Control			\$ 637,681

Ambulance/Emergency Medical Services

Other Capital Outlay	\$	910,685	
Total Ambulance/Emergency Medical Services			910,685

Other Local Health Services

Contributions	\$	17,666	
Total Other Local Health Services			17,666

Regional Mental Health Center

Contracts with Government Agencies	\$	3,200	
Contributions		48,666	
Total Regional Mental Health Center			51,866

General Welfare Assistance

Other Supplies and Materials	\$	174,548	
Motor Vehicles		104,968	
Total General Welfare Assistance			279,516

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Aid to Dependent Children

Contributions	\$ 22,758	
Total Aid to Dependent Children		\$ 22,758

Other Local Welfare Services

Pauper Burials	\$ 15,375	
Total Other Local Welfare Services		15,375

Other Public Health and Welfare

Contributions	\$ 44,499	
Total Other Public Health and Welfare		44,499

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$ 128,601
Clerical Personnel	350,127
Custodial Personnel	10,645
Part-time Personnel	195,737
Social Security	41,135
Pensions	38,300
Life Insurance	457
Medical Insurance	111,782
Dental Insurance	3,642
Employer Medicare	9,620
Advertising	2,043
Bank Charges	8
Communication	28,356
Contributions	37,600
Data Processing Services	1,467
Dues and Memberships	575
Janitorial Services	133
Licenses	96
Maintenance and Repair Services - Buildings	5,879
Maintenance and Repair Services - Equipment	3,543
Maintenance and Repair Services - Office Equipment	597
Matching Share	11,601
Pest Control	1,208

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Postal Charges	\$	1,074	
Printing, Stationery, and Forms		311	
Travel		4,597	
Tuition		430	
Disposal Fees		282	
Other Contracted Services		6,595	
Custodial Supplies		2,571	
Data Processing Supplies		3,523	
Electricity		21,073	
Food Supplies		965	
General Construction Materials		1,414	
Instructional Supplies and Materials		46,223	
Library Books/Media		32,856	
Natural Gas		4,692	
Office Supplies		2,714	
Periodicals		1,108	
Water and Sewer		1,979	
Other Supplies and Materials		7,009	
Other Charges		9,788	
Furniture and Fixtures		7,500	
Total Libraries			\$ 1,139,856

Parks and Fair Boards

Supervisor/Director	\$	46,511
Laborers		700
Temporary Personnel		86,107
Social Security		8,380
Pensions		3,603
Life Insurance		44
Medical Insurance		16,014
Dental Insurance		513
Unemployment Compensation		38
Employer Medicare		1,960
Communication		2,736
Contributions		73,332
Data Processing Services		166

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Freight Expenses	\$	283	
Licenses		48	
Maintenance and Repair Services - Equipment		2,148	
Maintenance and Repair Services - Vehicles		241	
Rentals		42	
Travel		574	
Disposal Fees		4,529	
Permits		230	
Other Contracted Services		27,743	
Crushed Stone		6,843	
Custodial Supplies		246	
Diesel Fuel		106	
Electricity		72,341	
Equipment Parts - Light		2,217	
Gasoline		2,462	
General Construction Materials		15,398	
Ice		2,090	
Office Supplies		728	
Propane Gas		2,144	
Road Signs		699	
Vehicle Parts		1,047	
Water and Sewer		60,670	
Other Supplies and Materials		6,509	
Refunds		4,043	
Other Charges		10,404	
Other Equipment		2,250	
Other Capital Outlay		6,500	
Total Parks and Fair Boards			\$ 472,639

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	942	
Matching Share		142,225	
Total Agricultural Extension Service			143,167

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Forest Service

Contributions	\$ 1,000	
Total Forest Service	<u>1,000</u>	\$ 1,000

Soil Conservation

Secretary(ies)	\$ 50,650	
Social Security	4,042	
Pensions	4,811	
Life Insurance	64	
Medical Insurance	9,722	
Dental Insurance	315	
Employer Medicare	945	
Total Soil Conservation	<u>70,549</u>	70,549

Other Operations

Tourism

Contributions	\$ 754,902	
Total Tourism	<u>754,902</u>	754,902

Industrial Development

Contributions	\$ 353,940	
Electricity	440	
Site Development	44,782	
Other Capital Outlay	125,000	
Total Industrial Development	<u>524,162</u>	524,162

Other Economic and Community Development

Contributions	\$ 19,854	
Total Other Economic and Community Development	<u>19,854</u>	19,854

Veterans' Services

Supervisor/Director	\$ 49,335	
Clerical Personnel	58,453	
Social Security	5,938	
Pensions	7,935	
Life Insurance	95	
Medical Insurance	30,406	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Dental Insurance	\$	948	
Unemployment Compensation		2,673	
Employer Medicare		1,389	
Communication		3,929	
Contributions		25,000	
Licenses		174	
Maintenance and Repair Services - Equipment		1,344	
Postal Charges		99	
Printing, Stationery, and Forms		29	
Travel		1,776	
Data Processing Supplies		1,075	
Office Supplies		2,832	
Total Veterans' Services			\$ 193,430

Employee Benefits

Employee and Dependent Insurance	\$	143,155	
Other Fringe Benefits		5,702	
Consultants		23,750	
Medical and Dental Services		40,394	
Total Employee Benefits			213,001

Miscellaneous

Contracts with Other Public Agencies	\$	10,342	
Dues and Memberships		32,715	
Other Charges		350	
Total Miscellaneous			43,407

Instruction

Other

Contracts with Other Public Agencies	\$	189,220	
Total Other			189,220

Principal on Debt

General Government

Principal on Notes	\$	381,247	
Principal on Other Loans		185,095	
Total General Government			566,342

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 37,198	
Interest on Other Loans	6,217	
Total General Government	\$ 43,415	\$ 43,415

Capital Projects

Social, Cultural, and Recreation Projects

Contracts with Government Agencies	\$ 10,092	
Other Construction	1,069,167	
Total Social, Cultural, and Recreation Projects	1,079,259	1,079,259

Capital Projects - Donated

Capital Projects Donated to Other Entities

Other Supplies and Materials	\$ 1,991	
Total Capital Projects Donated to Other Entities	1,991	1,991

Total General Fund \$ 76,039,616

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Communication	\$ 5,125	
Printing, Stationery, and Forms	117	
Travel	1,734	
Tuition	100	
Other Contracted Services	4,464	
Instructional Supplies and Materials	1,270	
Office Supplies	2,908	
Total Sanitation Education/Information	\$ 15,718	\$ 15,718

Transfer Stations

Supervisor/Director	\$ 243,429
Mechanic(s)	59,265
Truck Drivers	290,846
Guards	90,411
Clerical Personnel	46,080
Maintenance Personnel	256,316

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Part-time Personnel	\$	37,397
Social Security		60,930
Pensions		72,953
Employee and Dependent Insurance		8,938
Life Insurance		756
Medical Insurance		170,641
Dental Insurance		5,369
Unemployment Compensation		7,790
Employer Medicare		14,250
Communication		11,303
Dues and Memberships		9,886
Evaluation and Testing		4,795
Licenses		3,656
Maintenance Agreements		36
Maintenance and Repair Services - Buildings		52,420
Maintenance and Repair Services - Equipment		34,628
Maintenance and Repair Services - Office Equipment		898
Maintenance and Repair Services - Vehicles		36,234
Medical and Dental Services		285
Postal Charges		154
Printing, Stationery, and Forms		355
Rentals		38,674
Towing Services		4,019
Travel		5,157
Disposal Fees		314,266
Permits		6,300
Other Contracted Services		3,336
Custodial Supplies		1,240
Data Processing Supplies		20,226
Electricity		32,248
Equipment Parts - Light		15,694
Equipment and Machinery Parts		17,076
Food Supplies		108
Fuel Oil		5,553
Garage Supplies		32,049
Gasoline		9,758

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

General Construction Materials	\$	3,698	
Instructional Supplies and Materials		293	
Lubricants		94,238	
Office Supplies		12,757	
Propane Gas		1,037	
Road Signs		2,306	
Structural Steel		5,123	
Tires and Tubes		15,820	
Uniforms		8,059	
Vehicle Parts		14,950	
Water and Sewer		7,057	
Gravel and Chert		2,750	
Fencing		22,130	
Other Supplies and Materials		50,594	
Trustee's Commission		59,089	
Workers' Compensation Insurance		4,072	
Other Charges		3,145	
Building Improvements		278,076	
Furniture and Fixtures		8,791	
Motor Vehicles		83,898	
Solid Waste Equipment		150,497	
Total Transfer Stations			\$ 2,854,105

Recycling Center

Solid Waste Equipment	\$	97,803	
Total Recycling Center			97,803

Total Solid Waste/Sanitation Fund \$ 2,967,626

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Captain(s)	\$	505,074	
Lieutenant(s)		440,995	
Medical Personnel		4,643,104	
Clerical Personnel		472,411	

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Part-time Personnel	\$	427,886
Social Security		395,119
Pensions		453,542
Employee and Dependent Insurance		1,246
Life Insurance		3,400
Medical Insurance		799,272
Dental Insurance		27,941
Employer Medicare		92,407
Architects		10,350
Bank Charges		8,295
Communication		68,464
Consultants		26,000
Data Processing Services		444,179
Dues and Memberships		3,837
Evaluation and Testing		8,984
Freight Expenses		1,161
Legal Services		633
Licenses		8,383
Maintenance Agreements		3,378
Maintenance and Repair Services - Buildings		15,497
Maintenance and Repair Services - Equipment		33,007
Maintenance and Repair Services - Vehicles		36,976
Medical and Dental Services		1,150
Pest Control		3,045
Postal Charges		547
Printing, Stationery, and Forms		1,625
Rentals		214
Towing Services		1,578
Travel		4,611
Tuition		3,040
Disposal Fees		11,000
Other Contracted Services		263,854
Custodial Supplies		3,924
Data Processing Supplies		15,761
Diesel Fuel		169,732
Drugs and Medical Supplies		293,911

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Electricity	\$	52,692	
Equipment Parts - Light		9,209	
Equipment and Machinery Parts		34,539	
Food Supplies		4,438	
Gasoline		32,742	
Lubricants		6,825	
Natural Gas		6,923	
Office Supplies		4,615	
Textbooks - Bound		512	
Tires and Tubes		23,423	
Uniforms		35,756	
Utilities		2,762	
Vehicle Parts		162,669	
Water and Sewer		7,665	
Other Supplies and Materials		25,213	
Liability Insurance		43	
Trustee's Commission		109,325	
Total Ambulance/Emergency Medical Services		<u>109,325</u>	\$ 10,224,884

Total Ambulance Service Fund \$ 10,224,884

Special Purpose Fund

Public Health and Welfare

Alcohol and Drug Programs

Contributions	\$	<u>1,631,223</u>	
Total Alcohol and Drug Programs			\$ 1,631,223

Other Operations

Miscellaneous

Trustee's Commission	\$	<u>5,039</u>	
Total Miscellaneous			<u>5,039</u>

Total Special Purpose Fund 1,636,262

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund

Public Safety

Sheriff's Department

Communication	\$	6,499	
Data Processing Services		42,578	
Freight Expenses		125	
Matching Share		9,800	
Rentals		3,000	
Travel		6,603	
Tuition		2,300	
Other Contracted Services		6,976	
Data Processing Supplies		8,887	
Law Enforcement Supplies		1,550	
Office Supplies		4,482	
Tires and Tubes		1,704	
Uniforms		46	
Vehicle Parts		144	
Trustee's Commission		360	
Law Enforcement Equipment		7,940	
Motor Vehicles		28,689	
Total Sheriff's Department			\$ 131,683

Total Drug Control Fund \$ 131,683

Other General Government Fund

Other Operations

American Rescue Plan Act Grant #1

Architects	\$	29,672	
Data Processing Services		237,249	
Engineering Services		6,004	
Legal Notices, Recording, and Court Costs		205	
Permits		50	
Other Contracted Services		146,761	
Uniforms		154,829	
Building Construction		2,571,184	
Heating and Air Conditioning Equipment		35,850	
Motor Vehicles		471,029	
Solid Waste Equipment		120,919	
Other Equipment		42,772	
Other Capital Outlay		33,389	
Total American Rescue Plan Act Grant #1			\$ 3,849,913

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Other General Government Fund (Cont.)

Other Operations (Cont.)

American Rescue Plan Act Grant #2

Maintenance and Repair Services - Records	\$ 12,108	
Building Improvements	<u>24,980</u>	
Total American Rescue Plan Act Grant #2		\$ 37,088

American Rescue Plan Act Grant #3

Contracts with Other Public Agencies	\$ <u>129,653</u>	
Total American Rescue Plan Act Grant #3		129,653

Capital Projects - Donated

Capital Projects Donated to Other Entities

Other Capital Outlay	\$ <u>3,365,917</u>	
Total Capital Projects Donated to Other Entities		<u>3,365,917</u>

Total Other General Government Fund \$ 7,382,571

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ <u>155</u>	
Total Register of Deeds		\$ 155

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ <u>2,520</u>	
Total County Clerk's Office		2,520

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ <u>948</u>	
Total Circuit Court		948

General Sessions Court

Constitutional Officers' Operating Expenses	\$ <u>4,667</u>	
Total General Sessions Court		4,667

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Constitutional Officers' Operating Expenses	\$ 761	
Total Chancery Court		\$ 761

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 1,270	
Total Sheriff's Department		<u>1,270</u>

Total Constitutional Officers - Fees Fund		\$ 10,321
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 143,381	
Social Security	8,860	
Pensions	10,710	
Life Insurance	41	
Medical Insurance	6,497	
Dental Insurance	210	
Employer Medicare	2,072	
Communication	22,035	
Data Processing Services	3,156	
Dues and Memberships	4,912	
Evaluation and Testing	5,085	
Licenses	2,374	
Maintenance and Repair Services - Buildings	2,669	
Maintenance and Repair Services - Office Equipment	1,753	
Postal Charges	54	
Rentals	332	
Other Contracted Services	570	
Custodial Supplies	188	
Electricity	29,867	
General Construction Materials	457	
Natural Gas	7,278	
Office Supplies	234	
Water and Sewer	5,403	
Trustee's Commission	151,894	
Total Administration		<u>\$ 410,032</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Assistant(s)	\$	324,460
Supervisor/Director		232,184
Paraprofessionals		53,369
Foremen		838,627
Mechanic(s)		324,857
Equipment Operators - Heavy		823,777
Equipment Operators - Light		750,776
Truck Drivers		992,129
Dispatchers/Radio Operators		92,495
Laborers		103,450
Clerical Personnel		43,617
Custodial Personnel		34,742
Temporary Personnel		14,093
Part-time Personnel		173,812
Social Security		284,915
Pensions		340,263
Employee and Dependent Insurance		51,264
Life Insurance		3,724
Medical Insurance	1,132,718	
Dental Insurance		32,502
Unemployment Compensation		711
Employer Medicare		66,634
Data Processing Services		1,120
Evaluation and Testing		841
Freight Expenses		213
Licenses		2,218
Maintenance and Repair Services - Buildings		718
Maintenance and Repair Services - Equipment		6,015
Postal Charges		102
Rentals		880
Tuition		505
Contracts for Landfill Facilities		366
Concrete		21,887
Crushed Stone		95,503
Custodial Supplies		3,858
Data Processing Supplies		15

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Equipment Parts - Light	\$	2,149	
Fertilizer, Lime, and Seed		1,320	
General Construction Materials		30,057	
Office Supplies		4,597	
Other Road Materials		376	
Pipe		7,755	
Salt		240,873	
Small Tools		280	
Structural Steel		93,392	
T&I Construction Materials		13,513	
Uniforms		31,278	
Chemicals		22,815	
Other Supplies and Materials		500	
Total Highway and Bridge Maintenance			\$ 7,298,265

Operation and Maintenance of Equipment

Evaluation and Testing	\$	1,200	
Freight Expenses		200	
Maintenance and Repair Services - Equipment		2,299	
Maintenance and Repair Services - Vehicles		674	
Disposal Fees		2,558	
Custodial Supplies		3,292	
Diesel Fuel		134,953	
Equipment Parts - Heavy		55,771	
Equipment Parts - Light		92,220	
Equipment and Machinery Parts		34,850	
Garage Supplies		50,607	
Gasoline		164,098	
General Construction Materials		793	
Lubricants		23,961	
Small Tools		2,831	
Structural Steel		3,271	
Tires and Tubes		69,073	
Uniforms		99	
Vehicle Parts		69,530	
Other Supplies and Materials		3,145	
Total Operation and Maintenance of Equipment			715,425

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Asphalt Plant Operations

Engineering Services	\$	3,923	
Maintenance and Repair Services - Buildings		405	
Maintenance and Repair Services - Equipment		5,695	
Rentals		12,057	
Asphalt		1,100,841	
Crushed Stone		358,577	
Electricity		53,520	
Equipment Parts - Heavy		35,463	
Equipment Parts - Light		148,613	
Lubricants		14,193	
Natural Gas		30,274	
Water and Sewer		991	
Total Asphalt Plant Operations			\$ 1,764,552

Traffic Control

Other Road Materials	\$	6,517	
Road Signs		42,591	
Total Traffic Control			49,108

Other Charges

Vehicle and Equipment Insurance	\$	295,783	
Workers' Compensation Insurance		142,113	
Total Other Charges			437,896

Capital Outlay

Communication Equipment	\$	3,938	
Highway Equipment		1,274,062	
Motor Vehicles		176,138	
Other Capital Outlay		8,850	
Total Capital Outlay			1,462,988

Capital Projects

Highway and Street Capital Projects

State Aid Projects	\$	1,432,631	
Total Highway and Street Capital Projects			1,432,631

Total Highway/Public Works Fund \$ 13,570,897

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund

Finance

Other Finance

Trustee's Commission	\$ 314,695	
Total Other Finance		\$ 314,695

Principal on Debt

General Government

Principal on Bonds	\$ 5,855,000	
Total General Government		5,855,000

Education

Principal on Bonds	\$ 3,290,000	
Principal on Other Loans	1,719,635	
Total Education		5,009,635

Interest on Debt

General Government

Interest on Bonds	\$ 3,033,651	
Total General Government		3,033,651

Education

Interest on Bonds	\$ 4,578,631	
Interest on Other Loans	483,893	
Total Education		5,062,524

Other Debt Service

General Government

Nonexchange Financial Guarantees	\$ 158,850	
Other Debt Service	2,600	
Total General Government		161,450

Education

Other Debt Service	\$ 19,938	
Total Education		19,938

Total General Debt Service Fund		\$ 19,456,893
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(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund

Finance

Other Finance

Trustee's Commission	\$ 76,519	
Total Other Finance		<u>\$ 76,519</u>

Total General Capital Projects Fund \$ 76,519

Other Capital Projects Fund

Public Safety

Jail

Electricity	\$ 225,739	
Building and Contents Insurance	18,492	
Total Jail		<u>\$ 244,231</u>

Other Debt Service

General Government

Underwriter's Discount	\$ 199,869	
Other Debt Issuance Charges	155,034	
Total General Government		354,903

Capital Projects

General Administration Projects

Architects	\$ 68,536	
Maintenance and Repair Services - Buildings	825	
Permits	1,000	
Building and Contents Insurance	2,000	
Building Improvements	377,092	
Furniture and Fixtures	31,884	
Total General Administration Projects		<u>481,337</u>

Public Safety Projects

Architects	\$ 802,627	
Permits	500	
Natural Gas	27,031	
Excess Risk Insurance	16,673	
Building Construction	25,947,403	
Data Processing Equipment	15,732	
Furniture and Fixtures	193,224	
Total Public Safety Projects		<u>27,003,190</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Other Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Health and Welfare Projects

Architects	\$	13,601	
Evaluation and Testing		640	
Permits		500	
Total Public Health and Welfare Projects		<u>14,741</u>	\$ 14,741

Social, Cultural, and Recreation Projects

Architects	\$	418,880	
Evaluation and Testing		3,275	
Water and Sewer		10,100	
Other Supplies and Materials		639	
Other Construction		467,793	
Total Social, Cultural, and Recreation Projects		<u>900,687</u>	

Total Other Capital Projects Fund \$ 28,999,089

Total Governmental Funds - Primary Government \$ 160,496,361

SULLIVAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Sullivan County School Department
For the Year Ended June 30, 2025

General Purpose School Fund

Instruction

Regular Instruction Program

ADA Coordinator	\$	316,876	
Teachers		30,554,575	
Career Ladder Program		37,800	
Homebound Teachers		79,761	
Salary Supplements		790,702	
Educational Assistants		886,765	
Other Salaries and Wages		647,316	
Social Security		1,941,998	
Pensions		2,195,593	
Life Insurance		19,708	
Medical Insurance		4,884,382	
Dental Insurance		85,021	
Employer Medicare		459,239	
Contracts with Government Agencies		160,672	
Contributions		594,328	
Evaluation and Testing		47,704	
Travel		320	
Other Contracted Services		833,482	
Equipment and Machinery Parts		4,477	
Instructional Supplies and Materials		288,159	
Textbooks - Bound		48,778	
Other Supplies and Materials		23,857	
TISA - On-behalf Payments		118,340	
Other Charges		92,796	
Data Processing Equipment		13,633	
Regular Instruction Equipment		129,379	
Other Equipment		4,025	
Total Regular Instruction Program			\$ 45,259,686

Special Education Program

Teachers	\$	3,334,665
Career Ladder Program		3,000
Homebound Teachers		21,935
Educational Assistants		540,266
Speech Pathologist		855,686

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	2,142	
Certified Substitute Teachers		23,000	
Non-certified Substitute Teachers		44,000	
Social Security		278,741	
Pensions		328,595	
Life Insurance		802	
Medical Insurance		720,359	
Dental Insurance		11,911	
Employer Medicare		65,934	
Contracts with Private Agencies		43,815	
Evaluation and Testing		17,343	
Maintenance and Repair Services - Equipment		96	
Other Contracted Services		4,399	
Instructional Supplies and Materials		23,830	
Other Supplies and Materials		954	
TISA - On-behalf Payments		28,446	
Special Education Equipment		213	
Total Special Education Program			\$ 6,350,132

Career and Technical Education Program

Teachers	\$	2,697,786
Certified Substitute Teachers		14,000
Non-certified Substitute Teachers		16,000
Social Security		157,476
Pensions		202,449
Life Insurance		1,563
Medical Insurance		432,233
Dental Insurance		8,575
Employer Medicare		36,829
Maintenance Agreements		91,888
Maintenance and Repair Services - Equipment		1,382
Travel		9,662
Other Contracted Services		30,797
General Construction Materials		157
Instructional Supplies and Materials		150,454

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Textbooks - Bound	\$	5,951	
Software		20,000	
Other Supplies and Materials		7,838	
Vocational Instruction Equipment		261,126	
Total Career and Technical Education Program			\$ 4,146,166

Support Services

Health Services

Supervisor/Director	\$	147,909	
Medical Personnel		842,039	
Social Security		58,242	
Pensions		82,813	
Life Insurance		802	
Medical Insurance		127,448	
Dental Insurance		2,550	
Employer Medicare		13,622	
Communication		1,105	
Maintenance Agreements		19,025	
Travel		6,220	
Other Contracted Services		248	
In Service/Staff Development		1,930	
Health Equipment		19,386	
Total Health Services			1,323,339

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		1,975,126	
Social Security		115,354	
Pensions		146,683	
Life Insurance		1,169	
Medical Insurance		325,918	
Dental Insurance		5,842	
Employer Medicare		26,978	
Total Other Student Support			2,598,070

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	736,327	
Career Ladder Program		3,000	
Librarians		1,137,869	
Secretary(ies)		130,509	
Other Salaries and Wages		248,819	
Social Security		129,751	
Pensions		154,606	
Life Insurance		1,176	
Medical Insurance		387,939	
Dental Insurance		5,558	
Employer Medicare		30,875	
Communication		3,510	
Lease/SBITA Payments		13,820	
Maintenance Agreements		328,226	
Maintenance and Repair Services - Equipment		1,585	
Travel		7,235	
Other Contracted Services		151,850	
Gasoline		10,386	
Instructional Supplies and Materials		44,240	
Library Books/Media		17,485	
Office Supplies		3,264	
Propane Gas		141	
Other Supplies and Materials		9,791	
In Service/Staff Development		14,420	
Other Charges		3,648	
Administration Equipment		140	
Data Processing Equipment		8,976	
Motor Vehicles		4,300	
Total Regular Instruction Program			\$ 3,589,446

Special Education Program

Psychological Personnel	\$	9,999	
Other Salaries and Wages		270,887	
Social Security		14,580	
Pensions		22,543	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	203	
Medical Insurance		67,571	
Dental Insurance		1,137	
Employer Medicare		3,410	
Communication		2,628	
Maintenance and Repair Services - Equipment		96	
Travel		20,019	
Office Supplies		329	
Other Supplies and Materials		1,953	
In Service/Staff Development		12,165	
Total Special Education Program			\$ 427,520

Career and Technical Education Program

Supervisor/Director	\$	91,639	
Social Security		5,560	
Pensions		5,828	
Life Insurance		41	
Medical Insurance		11,000	
Dental Insurance		240	
Employer Medicare		1,300	
Licenses		320	
Travel		1,713	
In Service/Staff Development		2,755	
Office Equipment		350	
Total Career and Technical Education Program			120,746

Other Programs

On-behalf Payments to OPEB	\$	547,772	
Total Other Programs			547,772

Board of Education

Board and Committee Members Fees	\$	74,810	
Social Security		3,881	
Pensions		1,574	
Unemployment Compensation		16,441	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Employer Medicare	\$	1,085	
Advertising		499	
Audit Services		74,875	
Dues and Memberships		14,633	
Legal Services		219,808	
Maintenance Agreements		5,500	
Travel		19,228	
Other Contracted Services		3,336	
Other Supplies and Materials		1,683	
Building and Contents Insurance		599,975	
Liability Insurance		301,781	
Trustee's Commission		702,602	
Workers' Compensation Insurance		312,543	
Total Board of Education			\$ 2,354,254

Director of Schools

County Official/Administrative Officer	\$	149,500	
Secretary(ies)		55,276	
Other Salaries and Wages		12,000	
Social Security		12,371	
Pensions		13,637	
Life Insurance		81	
Medical Insurance		48,029	
Dental Insurance		480	
Employer Medicare		2,893	
Communication		86,395	
Dues and Memberships		4,726	
Lease/SBITA Payments		4,143	
Postal Charges		2,936	
Travel		14,019	
Other Contracted Services		5,640	
Equipment and Machinery Parts		4,400	
Office Supplies		2,973	
Other Supplies and Materials		595	
Total Director of Schools			420,094

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	1,631,125	
Career Ladder Program		7,000	
Accountants/Bookkeepers		620,343	
Assistant Principals		1,759,498	
Secretary(ies)		858,439	
Social Security		284,111	
Pensions		283,721	
Life Insurance		3,217	
Medical Insurance		848,853	
Dental Insurance		15,295	
Employer Medicare		66,759	
Travel		556	
Other Contracted Services		163,046	
Office Supplies		3,654	
Data Processing Equipment		8,115	
Total Office of the Principal			\$ 6,553,732

Fiscal Services

Medical Insurance	\$	15,389	
Accounting Services		379,325	
Other Contracted Services		2,464	
Other Charges		872	
Total Fiscal Services			398,050

Human Services/Personnel

Secretary(ies)	\$	46,382	
Clerical Personnel		99,206	
Social Security		8,310	
Pensions		10,875	
Life Insurance		122	
Medical Insurance		39,463	
Dental Insurance		180	
Employer Medicare		1,944	
Lease/SBITA Payments		651	
Travel		546	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Other Contracted Services	\$	5,821	
Office Supplies		1,441	
Total Human Services/Personnel			\$ 214,941

Operation of Plant

Custodial Personnel	\$	2,481,871	
Social Security		144,769	
Pensions		181,126	
Life Insurance		2,915	
Medical Insurance		678,006	
Dental Insurance		11,694	
Employer Medicare		33,857	
Licenses		7,991	
Maintenance and Repair Services - Buildings		82,367	
Maintenance and Repair Services - Equipment		4,659	
Disposal Fees		111,586	
Other Contracted Services		811,875	
Custodial Supplies		196,366	
Electricity		2,729,843	
Equipment Parts - Light		3,511	
Fuel Oil		51,443	
Natural Gas		147,064	
Propane Gas		96,411	
Tires and Tubes		1,055	
Uniforms		2,386	
Water and Sewer		371,940	
Plant Operation Equipment		43,578	
Total Operation of Plant			8,196,313

Maintenance of Plant

Supervisor/Director	\$	130,256	
Foremen		121,814	
Secretary(ies)		75,703	
Maintenance Personnel		1,661,844	
Social Security		114,265	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$	142,624	
Life Insurance		1,598	
Medical Insurance		436,829	
Dental Insurance		6,739	
Employer Medicare		27,311	
Architects		224	
Communication		7,639	
Dues and Memberships		475	
Maintenance Agreements		43,139	
Maintenance and Repair Services - Buildings		143,967	
Maintenance and Repair Services - Equipment		10,035	
Maintenance and Repair Services - Vehicles		9,455	
Rentals		38,922	
Towing Services		270	
Travel		168	
Concrete		8,082	
Equipment Parts - Light		8,340	
Equipment and Machinery Parts		114,293	
Garage Supplies		7,833	
Gasoline		75,881	
General Construction Materials		203,233	
Office Supplies		890	
Salt		6,290	
Small Tools		4,726	
Tires and Tubes		3,510	
Uniforms		19,605	
Vehicle Parts		42,589	
Wood Products		1,900	
Chemicals		8,500	
In Service/Staff Development		1,643	
Administration Equipment		23,503	
Motor Vehicles		151,145	
Plant Operation Equipment		9,412	
Other Equipment		7,353	
Total Maintenance of Plant			\$ 3,672,005

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	495,158	
Social Security		28,982	
Pensions		1,370	
Medical Insurance		3,831	
Employer Medicare		7,152	
Contracts with Private Agencies		125,192	
Contracts with Parents		716	
Contracts with Vehicle Owners		4,942,798	
Maintenance and Repair Services - Vehicles		15,181	
Towing Services		1,625	
Other Contracted Services		1,200	
Garage Supplies		8,658	
Gasoline		62,251	
Tires and Tubes		1,567	
Vehicle Parts		26,154	
Motor Vehicles		112,237	
Total Transportation			\$ 5,834,072

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	6,900	
Social Security		428	
Employer Medicare		100	
Total Food Service			7,428

Community Services

Other Salaries and Wages	\$	11,483	
Social Security		702	
Pensions		703	
Employer Medicare		164	
Total Community Services			13,052

Early Childhood Education

Teachers	\$	651,907	
Educational Assistants		184,704	

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Certified Substitute Teachers	\$	1,120	
Social Security		49,344	
Pensions		46,297	
Life Insurance		448	
Medical Insurance		109,458	
Dental Insurance		2,111	
Employer Medicare		11,540	
Travel		829	
Instructional Supplies and Materials		26,361	
Other Supplies and Materials		4,530	
Regular Instruction Equipment		14,991	
Total Early Childhood Education			\$ 1,103,640

Capital Outlay

Regular Capital Outlay

Architects	\$	130,356	
Administration Equipment		152,395	
Building Construction		2,506,742	
Building Improvements		702,368	
Other Construction		2,256,641	
Other Capital Outlay		31,774	
Total Regular Capital Outlay			5,780,276

Principal on Debt

Education

Principal on Leases	\$	18,606	
Total Education			18,606

Interest on Debt

Education

Interest on Leases	\$	6,394	
Total Education			6,394

(Continued)

SULLIVAN COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Sullivan County School Department (Cont.)

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government

\$ 440,592

Total Education

\$ 440,592

Total General Purpose School Fund

\$ 99,376,326

School Federal Projects Fund

Instruction

Regular Instruction Program

Educational Assistants

\$ 787,337

Other Salaries and Wages

361,124

Social Security

53,719

Pensions

10,412

Life Insurance

82

Medical Insurance

18,125

Dental Insurance

482

Employer Medicare

16,573

Other Contracted Services

11,141

Instructional Supplies and Materials

843,232

Other Supplies and Materials

134,573

Regular Instruction Equipment

950,109

Total Regular Instruction Program

\$ 3,186,909

Special Education Program

Teachers

\$ 825,241

Educational Assistants

1,131,487

Social Security

114,586

Pensions

89,689

Life Insurance

1,289

Medical Insurance

227,621

Dental Insurance

5,221

Employer Medicare

27,013

Contracts with Private Agencies

61,700

Evaluation and Testing

4,597

Instructional Supplies and Materials

32,146

Other Supplies and Materials

48

Special Education Equipment

8,478

Total Special Education Program

2,529,116

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Instructional Supplies and Materials	\$	21,726	
Software		9,110	
Other Supplies and Materials		27,948	
Other Charges		6,000	
Vocational Instruction Equipment		73,567	
Total Career and Technical Education Program			\$ 138,351

Support Services

Health Services

Medical Personnel	\$	6,092	
Social Security		378	
Pensions		487	
Employer Medicare		88	
Total Health Services			7,045

Other Student Support

Other Salaries and Wages	\$	320,535	
Social Security		19,574	
Pensions		23,568	
Life Insurance		162	
Medical Insurance		23,368	
Dental Insurance		540	
Employer Medicare		4,578	
Communication		1,753	
Travel		4,713	
Other Contracted Services		600	
Other Supplies and Materials		36,418	
In Service/Staff Development		36,444	
Other Charges		40,507	
Other Equipment		387	
Total Other Student Support			513,147

Regular Instruction Program

Supervisor/Director	\$	110,736	
Clerical Personnel		39,892	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	311,558	
Social Security		27,688	
Pensions		28,989	
Life Insurance		217	
Medical Insurance		41,159	
Dental Insurance		939	
Employer Medicare		6,476	
Travel		283	
Other Supplies and Materials		373,824	
In Service/Staff Development		75,866	
Other Charges		200	
Other Equipment		44,498	
Total Regular Instruction Program			\$ 1,062,325

Special Education Program

Supervisor/Director	\$	103,385	
Psychological Personnel		210,619	
Other Salaries and Wages		353,963	
Social Security		34,840	
Pensions		39,626	
Life Insurance		318	
Medical Insurance		103,501	
Dental Insurance		1,589	
Employer Medicare		8,925	
Other Supplies and Materials		40	
In Service/Staff Development		13,189	
Other Equipment		1,099	
Total Special Education Program			871,094

Career and Technical Education Program

Clerical Personnel	\$	2,284	
Social Security		142	
Pensions		171	
Employer Medicare		33	
Travel		3,570	
In Service/Staff Development		4,019	
Total Career and Technical Education Program			10,219

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Contracts with Parents	\$	11,475	
Contracts with Vehicle Owners		701	
Total Transportation			\$ 12,176

Capital Outlay

Regular Capital Outlay

Architects	\$	31,778	
Building Improvements		2,592,133	
Total Regular Capital Outlay			2,623,911

Total School Federal Projects Fund

\$ 10,954,293

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	87,932	
Accountants/Bookkeepers		44,432	
Truck Drivers		44,137	
Secretary(ies)		40,339	
Cafeteria Personnel		1,622,429	
Other Salaries and Wages		77,129	
Social Security		114,744	
Pensions		65,120	
Life Insurance		1,055	
Medical Insurance		320,132	
Dental Insurance		4,856	
Employer Medicare		26,897	
Communication		948	
Contracts with Other School Systems		18,317	
Data Processing Services		23,644	
Dues and Memberships		53	
Licenses		2,650	
Maintenance and Repair Services - Equipment		24,811	
Travel		12,258	
Other Contracted Services		1,511	

(Continued)

SULLIVAN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Sullivan County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Equipment and Machinery Parts	\$	43,657	
Food Preparation Supplies		251,097	
Food Supplies		2,711,247	
Gasoline		2,381	
Office Supplies		2,776	
USDA - Commodities		384,667	
Other Supplies and Materials		20	
In Service/Staff Development		8,377	
Data Processing Equipment		5,286	
Food Service Equipment		55,857	
Motor Vehicles		32,308	
Total Food Service			<u>\$ 6,031,067</u>

Total Central Cafeteria Fund \$ 6,031,067

Other Education Special Revenue Fund

Operation of Non-Instructional Services

Early Childhood Education

Regular Instruction Equipment	\$	236	
Other Equipment		8,057	
Total Early Childhood Education			<u>\$ 8,293</u>

Total Other Education Special Revenue Fund 8,293

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	3,120,481	
Total Community Services			<u>\$ 3,120,481</u>

Total Internal School Fund 3,120,481Total Governmental Funds - Sullivan County School Department \$ 119,490,460

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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*

Sullivan County Mayor and
Board of County Commissioners
Sullivan 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 Sullivan County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 5, 2025. Our report includes a reference to other auditors who audited the financial statements of Internal School Fund of the discretely presented Sullivan County School Department, as described in our report on Sullivan County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sullivan County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sullivan County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sullivan 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sullivan 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: 2025-001.


Sullivan County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Sullivan County's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Sullivan County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Sullivan County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 5, 2025



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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

Sullivan County Mayor and
Board of County Commissioners
Sullivan 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 Sullivan 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 Sullivan County's major federal programs for the year ended June 30, 2025. Sullivan 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, Sullivan 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, 2025.

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; the standards applicable to financial audits (*Government Auditing Standards*) issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) 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 Sullivan 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 Sullivan 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 Sullivan 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 Sullivan 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 generally accepted auditing standards, *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 noncompliance 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 Sullivan County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Sullivan 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 Sullivan 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 Sullivan 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 Sullivan County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements. We issued our report thereon dated December 5, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 5, 2025

JEM/gc

SULLIVAN COUNTY, TENNESSEE, AND THE SULLIVAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8)
For the Year-Ended June 30, 2025

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Direct Award:				
Forest Service Schools and Roads Cluster: (4) Schools and Roads - Grants to States	10.665	N/A	\$ 0	\$ 8,815
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	0	1,000,443
National School Lunch Program	10.555	N/A	0	3,296,404 (6)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	384,667 (6)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(5)	0	995,497
Total U.S. Department of Agriculture				<u>\$ 5,685,826</u>
U.S. Department of Housing and Urban Development:				
Passed through the State Department of Economic and Community Development:				
Community Development Block Grant/State's Program - CV Addressing Food Insecurity	14.228	(3)	0	\$ 205,187
Total U.S. Department of Housing and Urban Development				<u>\$ 205,187</u>
U.S. Department of Interior:				
Direct Award:				
Payments in Lieu of Taxes	15.226	N/A	0	\$ 92,840
Total U.S. Department of Interior				<u>\$ 92,840</u>
U.S. Department of Justice:				
Direct Award:				
Equitable Sharing Program	16.922	N/A	0	\$ 7,993
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention	16.540	61342	0	4,500
Passed-through State Department of Finance and Administration:				
Crime Victim Assistance	16.575	39101	0	10,802
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0178	0	20,721
Total U.S. Department of Justice				<u>\$ 44,016</u>
U.S. Department of Transportation:				
Passed-through State Department of Safety:				
Alcohol Open Container Requirements	20.607	Z-22THS271	0	\$ 11,376
Total U.S. Department of Transportation				<u>\$ 11,376</u>
U.S. Department of Treasury:				
Direct Award:				
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	0	\$ 37,088
Passed-through State Department of Environment and Conservation:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	(7) 3,365,917	3,495,569
Total U.S. Department of Treasury				<u>\$ 3,532,657</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 3,131,197
Special Education Cluster (IDEA): (4)				
Special Education - Grants to States	84.027	N/A	0	3,227,063
Special Education - Preschool Grants	84.173	N/A	0	173,146
Career and Technical Education - Basic Grants to States	84.048	N/A	0	253,025
Education for Homeless Children and Youth	84.196	N/A	0	45,547
Supporting Effective Instruction - State Grants	84.367	N/A	0	393,849
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)				
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425U	N/A	0	3,661,629 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	0	77,237 (6)
Passed-through Niswonger Foundation:				
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Tennessee ALL Corps)	84.425D	(3)	0	269,384 (6)
Total U.S. Department of Education				<u>\$ 11,232,077</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE, AND THE SULLIVAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Hospital Preparedness Program (HPP) and Public Health Emergency				
Preparedness (PHEP) Aligned Cooperative Agreements	93.074	GG-23-74659-00	\$ 0	\$ 169,787
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-82233-00	0	37,089
Family Planning Services	93.217	GG-23-73917-00	0	41,675
Immunization Cooperative Agreements	93.268	GG-22-75894-00	0	118,421
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control				
Programs - Financed in part by 2018 Prevention and Public Health funds (PPHF)	93.305	GG-25-85221-00	0	50,472
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	GG-23-76937-00	0	556,271
COVID 19 - Public Health Emergency Response: Cooperative Agreement for				
Emergency Response: Public Health Crisis Response	93.354	GG-23-74659-00	0	412,913
Temporary Assistance for Needy Families	93.558	(3)	0	148,199
CCDF Cluster: (4)				
Child Care and Development Block Grant	93.575	83585	0	44,360
HIV Prevention Activities Health Department Based	93.940	(5)	0	142,573
Cooperative Agreements to Support State-Based Safe Motherhood and				
Infant Health Initiative Programs	93.946	GU-19-60775-00	0	700
Preventive Health and Health Services Block Grant	93.991	GG-25-80797-00	0	68,203
Maternal and Child Health Services Block Grant to the States	93.994	(5)	0	303,155
Total U.S. Department of Health and Human Services				<u>\$ 2,093,818</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	(3)	0	\$ 122,636
Homeland Security Grant Program	97.067	(3)	0	73,269
Total U.S. Department of Homeland Security				<u>\$ 195,905</u>
Total Expenditures of Federal Grants				<u>\$ 23,093,702</u>
Contract				
Number				
State Grants				
Adolescent Pregnancy - State Department of Health	N/A	GG-25-81749-00	\$	57,901
Community Health Access and Navigation Program - State Department of Health	N/A	GG-25-84115-00		157,096
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	70979		103,399
Evidence Based Home Visiting - State Department of Health	N/A	GG-23-72315-00		516,539
Evidence Based Programming Grant - Department of Finance and Administration	N/A	46616		323,959
Law Enforcement Hiring, Training, and Equipment Grant - State				
Department of Commerce and Insurance	N/A	(3)		91,000
Jail Training Equipment Grant - Tennessee Correction Institute	N/A	(3)		10,482
Family Planning - State Department of Health	N/A	GG-23-73917-00		256,005
Grant in Aid - State Department of Health	N/A	GG-25-85352-00		498,906
HIV Prevention - State Department of Health	N/A	GG-23-71840-00		53,424
Immunization - State Department of Health	N/A	GG-22-75894-00		50,302
Juvenile Services Program - State Commission on Children and Youth	N/A	56471		31,624
Mental Health Transport Grant - State Department of Finance and Administration	N/A	45079		419,521
Prenatal Presumptive Eligibility Expansion Program - State Department of Health	N/A	GG-25-81948-00		50,600
TennCare Dental Prevention - State Department of Health	N/A	GG-23-76048-00		349,538
Tennessee Breast and Cervical Cancer Program - State Department of Health	N/A	GG-24-77863-00		43,197
Tobacco Settlement - State Department of Health	N/A	GG-24-76993-00		75,000
Tuberculosis Control and Prevention Program - State Department of Health	N/A	GG-25-84178-00		16,762
State Aid Program - State Department of Transportation	N/A	(3)		1,498,660
Summer Learning Camps - State Department of Education	N/A	(3)		590,034
Early Childhood Development - State Department of Education	N/A	(3)		768,746
Violent Crime Intervention Fund Grant - State Department of Finance and Administration	N/A	(3)		77,138
AgTrack Cost Share Program - State Department of Agriculture	N/A	AFG25-41		1,200
School Resource Officer - State Department of Education	N/A	(3)		1,072,799
Public School Security Grant - State Department of Education	N/A	(3)		10,936
Innovative School Models Grant - State Department of Education	N/A	(3)		2,617,210
Special Education Preschool Grant - State Department of Education	N/A	(3)		138,422
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)		20,000
Multimodal Access Grant - State Department of Transportation	N/A	(3)		375,161
Court Security - Administrative Office of the Courts	N/A	(3)		32,225
Library Grant - State Department of Secretary of State	N/A	(3)		10,039
Historic Preservation Fund Grant - State Historical Commission	N/A	(3)		25,260
Litter Program - State Department of Transportation	N/A	(3)		112,901
Total State Grants				<u>\$ 10,455,986</u>

(Continued)

SULLIVAN COUNTY, TENNESSEE, AND THE SULLIVAN COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (Cont.)

ALN = Assistance Listing Number
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sullivan County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Forest Service Schools and Roads Cluster total \$8,815; Child Nutrition Cluster total \$4,681,514;
 Special Education Cluster (IDEA) total \$3,400,209; CCDF Cluster total: \$44,360.
- (5) Grants with multiple pass-through identifying numbers:
 ALN 10.557 GG-22-72192-00: \$915,193; GG-25-84221-00: \$80,304; ALN 93.940 GG-22-76305-00: \$65,000; GG-23-81740-00: \$77,573.
 ALN 93.994 GG-24-77863-00: \$94,911; GG-25-84115-00: \$208,244.
- (6) Total for ALN 10.555, \$3,681,071; ALN 84.425, \$4,008,250.
- (7) SUBRECIPIENTS

The following amounts were paid to subrecipients from the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds:

Subrecipient	ALN	Amount Provided to Subrecipient
City of Kingsport	21.027	\$ 275,420
City of Bluff City	21.027	304,298
Bloomingtondale Utility District	21.027	1,257,337
Blountville Utility District	21.027	792,272
Bristol-Bluff City Utility District	21.027	692,174
South Fork Utility District	21.027	44,416
Total amounts provided to subrecipients		<u>\$ 3,365,917</u>

- (8) CONSOLIDATED ADMINISTRATION
- The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 151,914
Supporting Effective Instruction - State Grants	84.367	22,855
Total amounts consolidated for administration purposes		<u>\$ 174,769</u>

SULLIVAN COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2025

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Sullivan County, Tennessee, for the year ended June 30, 2025.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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OFFICE OF COUNTY MAYOR

2024	249	2024-001	Some county offices did not deposit funds within three days of collection.	N/A	Corrected
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OFFICE OF FINANCE DIRECTOR

2024	250	2024-002	The School Federal Projects Fund had a deficit in unassigned fund balance and budgetary basis fund deficit.	N/A	Corrected
2024	250	2024-003	The actual beginning fund balance of the General Purpose School Fund exceeded the estimated fund balance by a material amount.	N/A	Corrected

Prior-year Federal Award Findings

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

SULLIVAN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Sullivan County is unmodified.
- * Material weakness identified? **NO**
- * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
- * Material weakness identified? **NO**
- * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
- | | |
|---|---|
| * Assistance Listing Numbers: 10.553 and 10.555 | Child Nutrition Cluster: School Breakfast Program and National School Lunch Program |
| * Assistance Listing Number: 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |
| * Assistance Listing Numbers: 84.027 and 84.173 | Special Education Cluster: Special Education - Grants to States, Special Education - Preschool Grants |
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

A finding and recommendation, as a result of our audit, is presented below. We reviewed the finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the 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.

SULLIVAN COUNTY

FINDING 2024-001

THE COUNTY'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

(Noncompliance Under *Government Auditing Standards*)

Sullivan County created an audit committee on January 21, 2014, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, this committee did not meet or present a written committee report to the county commission detailing how it discharged its duties for the year ended June 30, 2025. Without a properly functioning audit committee, the county commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plan to address various risks.

RECOMMENDATION

The county's audit committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full county commission.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I concur with the finding. It is our intention to conduct a called meeting of the Sullivan County Audit Committee during the month of February 2026 to review the results of the fiscal year 2024-2025 audit to ensure this finding is corrected in the current fiscal year.

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, 2025.

SULLIVAN COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF FINANCE DIRECTOR

2025-001	The county's audit committee is not a functioning committee.	262
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SULLIVAN COUNTY

OFFICE OF FINANCE DIRECTOR

155 School Avenue, Suite 311 ▪ Blountville, Tennessee 37617
E-Mail: Larry.bailey@sullivancountyttn.gov
(423) 323-6409 ▪ Fax: (423) 279-2899

Corrective Action Plan

FINDING 2025-001

**THE COUNTY'S AUDIT COMMITTEE IS NOT A
FUNCTIONING COMMITTEE**

(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:

Larry Bailey, Finance Director

Person Responsible for Implementing the Corrective Action:

Larry Bailey, Finance Director

Anticipated Completion Date for Corrective Action:

January 31, 2026

Repeat Finding:

No

Planned Corrective Action:

A meeting of the Sullivan County Audit Committee will be held sometime during the month of February 2026 to review the results of the fiscal year 2024-2025 audit.

Signature: _____

Larry Bailey

APPENDIX D

Form of Continuing Disclosure Agreement

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SULLIVAN COUNTY, TENNESSEE

\$77,405,000* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2026

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this ___ day of _____, 2026 by Sullivan County, Tennessee (the “Issuer”) in connection with the issuance of its \$77,405,000* General Obligation School Refunding Bonds, Series 2026 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated _____, 2026, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond Resolution adopted by the Board of Commissioners of the Issuer on March 19, 2026.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2026, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "Summary of Outstanding Debt ";
2. "Debt Statement ";
3. "Debt Record";
4. "Per Capita Debt Ratios";
5. "Debt Ratios";
6. "Debt Trend";
7. "General Debt Service Requirements";
8. "Tri-Cities Regional Airport Debt Service Requirements";
9. "Property Valuation and Property Tax";
10. "Top County-Wide Taxpayers";
11. "Fund Balances";
12. "Local Sales Tax Collections";
13. "County District Summary of Outstanding Debt";
14. "County District Debt Statement";
15. "County District Debt Record";
16. "County District Per Capita Debt Ratios";
17. "County District Debt Ratios";
18. "County District Debt Trend";
19. "County District Debt Service Requirements"; and
20. "County District Property Valuation and Property Tax".

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2026, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall

have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SULLIVAN COUNTY, TENNESSEE

By: _____
County Mayor