

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Notes 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 Notes 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.

**NEW ISSUE**  
**Book-Entry**

**PRELIMINARY OFFICIAL STATEMENT**

Rating: Moody's - "Aa2"  
(See "Miscellaneous - Ratings")

**DATED: JUNE 4, 2025**

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Notes 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 Notes 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 Notes and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. See "LEGAL MATTERS - Tax Matters" herein.*

**\$72,285,000\***

**WASHINGTON COUNTY, TENNESSEE**  
**GENERAL OBLIGATION CAPITAL OUTLAY NOTES, SERIES 2025**

Dated: June 23, 2025\*

Due: June 1 (as shown below)

The \$72,285,000\* General Obligation Capital Outlay Notes, Series 2025 (the "Notes") of Washington County, Tennessee (the "County") shall be issued as fully registered Notes in denominations of \$5,000 and authorized integral multiples thereof. The Notes will be issued in book-entry only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") except as otherwise described herein. DTC will act as securities depository of the Notes. So long as Cede & Co. is the registered owner of the Notes, as the nominee for DTC, principal and interest with respect to the Notes shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Notes. Individual purchases of the Notes will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Notes will be payable semi-annually on each June 1 and December 1 beginning on December 1, 2025, by check or draft mailed to the owners thereof as shown on the books and records of U.S. Bank Trust Company, National Association, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry system, principal of and interest on the Notes are payable at the designated corporate trust office of the Registration Agent.

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

The Notes are subject to redemption prior to maturity as described herein.

| <u>June 1*</u> | <u>Principal*</u> | <u>Rate</u> | <u>Yield</u> | <u>CUSIP</u> | <u>June 1*</u> | <u>Principal*</u> | <u>Rate</u> | <u>Yield</u> | <u>CUSIP</u> |
|----------------|-------------------|-------------|--------------|--------------|----------------|-------------------|-------------|--------------|--------------|
| 2029           | \$8,880,000       |             |              |              | 2033           | \$10,790,000      |             |              |              |
| 2030           | 9,320,000         |             |              |              | 2034           | 11,330,000        |             |              |              |
| 2031           | 9,790,000         |             |              |              | 2035           | 11,895,000        |             |              |              |
| 2032           | 10,280,000        |             |              |              |                |                   |             |              |              |

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Preliminary Official Statement to obtain information essential to make an informed investment decision.

The Notes are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Notes. Certain legal matters will be passed upon for the County by its counsel, Allyson Wilkinson, Esq., Jonesborough, Tennessee. It is expected that the Notes will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about June 23, 2025\*.

**RAYMOND JAMES®**

**Municipal Advisor**

\_\_\_\_\_, 2025\*

\* Subject to revision and adjustment as outlined in the "Official Notice of Sale" which is an integral part hereof and incorporated herein by reference.

This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Preliminary Official Statement may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Preliminary Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Preliminary Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Preliminary Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the County, the Notes, the Resolution (as defined herein), the Disclosure Certificate, and the security and sources of payment for the Notes. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Notes are qualified in their entirety to the forms thereof included in the Resolution.

The Notes have not been registered under the Securities Act of 1933 and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County or the Municipal Advisor to give any information or to make any representations other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the County or Municipal Advisor. Except where otherwise indicated, all information contained in this Preliminary Official Statement has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor. The information contained herein is subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Any CUSIP data included in this Preliminary Official Statement is subject to Copyright, American Bankers Association (the “ABA”), and is provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed herein are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity 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 Notes.

## WASHINGTON COUNTY, TENNESSEE

### COUNTY MAYOR

Joe Grandy

### BOARD OF COUNTY COMMISSIONERS

Ben Carder  
Bryan Davenport  
Daniel Edens  
Larry England  
Jerome Fitzgerald

Kenny Huffine  
Marty Johnson  
Jodi Jones  
Freddie Malone  
Greg Matherly

David Stout  
David Tomita  
Richard Tucker  
Lewis Wexler, Jr.  
James Wheeler

### ADMINISTRATION

Cheryl Storey, County Clerk  
Robbie McGuire, Property Assessor  
Teresa Bowman, Register of Deeds

Keith Sexton, Sheriff  
Jerry S. Boyd, Director of Schools  
Rick Storey, Trustee

### COUNSEL TO THE COUNTY

Allyson Wilkinson, Esq.

### BOND COUNSEL

Bass, Berry & Sims PLC  
Nashville, Tennessee

### REGISTRATION AND PAYING AGENT

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

### MUNICIPAL ADVISOR

Raymond James & Associates, Inc.  
Nashville, Tennessee

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**APPENDIX A: PROPOSED FORM OF LEGAL OPINION**

**APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT**

**APPENDIX C: FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX D: ELECTRONIC LINK TO 2024 ANNUAL FINANCIAL REPORT**

## SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this Preliminary Official Statement. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this Preliminary Official Statement.

The Issuer ..... Washington County, Tennessee (the “County”). See the “APPENDIX B: Supplemental Information Statement” for more information.

Securities Offered ..... \$72,285,000\* General Obligation Capital Outlay Notes, Series 2025 (the “Notes”) of the County, dated June 23, 2025\*. The Notes will mature each June 1 beginning June 1, 2029, through June 1, 2035, inclusive\*. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.

Security ..... The Notes 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 Notes, the full faith and credit of the County are irrevocably pledged. See the section entitled “SECURITIES OFFERED – Security”.

Purpose..... The Notes are being issued to finance the (i) acquisition, construction, repair, renovation, maintenance and/or equipping of and extensions and improvements to and for (a) public lands, buildings, facilities, roads, streets and bridges of the County, including but not limited to sidewalks, signage, signalization, related facilities, lighting, drainage improvements and riverbank improvements and (b) equipment, including vehicles, for the County; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund(s) of the County for prior expenditures for the Projects, if applicable; and (v) payment of costs incident to the issuance and sale of the Notes. See the sections entitled “SECURITIES OFFERED – Authority and Purpose” and “SECURITIES OFFERED – Plan of Finance” for additional information.

Optional Redemption ..... The Notes are subject to optional redemption prior to maturity on and after June 1, 2028, at the redemption price of par and accrued interest. See the section entitled “SECURITIES OFFERED - Optional Redemption”.

Rating ..... Moody’s Ratings – “Aa2”. See the section entitled “MISCELLANEOUS – Rating” for more information.

Underwriter ..... \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Underwriter”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.

Municipal Advisor ..... Raymond James & Associates, Inc., Nashville, Tennessee (“Raymond James”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.

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\* Subject to revision and adjustment as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated herein by reference.

|                                     |   |
|-------------------------------------|---|
| Bond Counsel .....                  | Bass, Berry & Sims PLC, Nashville, Tennessee (the “Bond Counsel”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.   |
| Registration and Paying Agent ..... | U.S. Bank Trust Company, National Association, Nashville, Tennessee (the “Registration Agent”). Also see the section entitled “MISCELLANEOUS –Financial Professionals”.   |
| Book-Entry Only.....                | The Notes will be issued under the Book-Entry System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION – Book Entry System”   |
| 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 Notes 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 Notes 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 Notes and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. See “LEGAL MATTERS – Tax Matters” herein. See also “APPENDIX A: Proposed Form of Legal Opinion” included herein. |
| General.....                        | The Notes are being issued in full compliance with Sections 9-21-101 <u>et seq.</u> , <u>Tennessee Code Annotated</u> , as supplemented and revised. The Notes will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York. See the section entitled “SECURITIES OFFERED – Authority and Purpose” for more information.  |
| Disclosure .....                    | In accordance with Rule 15c2-12 of the Securities and Exchange Commission as amended (the “Rule”), the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State information depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including the Annual Financial Reports, see the section entitled “MISCELLANEOUS - Continuing Disclosure”   |
| Other Information .....             | The information in the Preliminary Official Statement is deemed “final” within the meaning of Rule 15c2-12(b)(5) of the SEC (the “Rule”) as of the date which appears on the cover except for information allowed to be omitted pursuant to the Rule. For more information concerning the County or the Preliminary Official Statement, contact the Honorable Joe Grandy, County Mayor, Telephone: 423-753-1850, Mitch Meredith, Director of Finance and Administration, Telephone: 423-753-1847, P.O. Box 219 Jonesborough, Tennessee 37659, or the County’s Municipal Advisor, Raymond James & Associates, Inc., 30 Burton Hills Blvd., Suite 100, Nashville, Tennessee 37215, Telephone: 615-665-6917.   |

**\$72,285,000\***  
**WASHINGTON COUNTY, TENNESSEE**  
**General Obligation Capital Outlay Notes, Series 2025**

**SECURITIES OFFERED**

**AUTHORITY AND PURPOSE**

This Preliminary Official Statement which includes the “Summary Statement” and “Appendices” is furnished in connection with the offering by Washington County, Tennessee (the “County”) of its \$72,285,000\* General Obligation Capital Outlay Notes, Series 2025 (the “Notes”).

The Notes are authorized to be issued pursuant to the provisions of Sections 9-21-101 et seq., Tennessee Code Annotated, as supplemented and amended (collectively, the “Act”), and other applicable provisions of law. The Notes were authorized by the Board of County Commissioners of the County (the “Governing Body”) pursuant to a resolution duly adopted on April 28, 2025 (the “Resolution”).

The Notes are being issued to finance the (i) acquisition, construction, repair, renovation, maintenance and/or equipping of and extensions and improvements to and for (a) public lands, buildings, facilities, roads, streets and bridges of the County, including but not limited to sidewalks, signage, signalization, related facilities, lighting, drainage improvements and riverbank improvements and (b) equipment, including vehicles, for the County; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund(s) of the County for prior expenditures for the Projects, if applicable; and (v) payment of costs incident to the issuance and sale of the Notes.

**DESCRIPTION OF THE NOTES**

The Notes initially will be dated the date of their issuance estimated to be June 23, 2025\*. Interest on the Notes will be payable semiannually on June 1 and December 1, commencing December 1, 2025.\* Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Notes 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 Notes.

See the section entitled “BASIC DOCUMENTATION - The Book-Entry System” and the “Registration Agent” for additional information.

**PLAN OF FINANCE**

Pursuant to the Resolution, a portion of the Note proceeds will be deposited in the Construction Fund established by the Resolution to be held and invested by the County and used

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\*Subject to revision and adjustment as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated herein by reference.



to pay costs of the Projects and related costs of the Notes. Monies in the Construction Fund may be invested as permitted by Tennessee law.

In September 2024, the County experienced severe flooding after heavy rainfall caused by Hurricane Helene. The flooding resulted in significant damage to, among other things, County roads, bridges and other infrastructure. The Projects are being financed to address damage in the County caused by such destruction.

The County was included in the federal disaster declaration resulting from Hurricane Helene and, as such, is eligible to receive certain federal and state financial assistance in connection with its recovery efforts. If received, the County anticipates using such financial assistance for those County purposes to which such assistance may be allocated under applicable rules, including the Projects and the Notes. Pursuant to Section 9-4-215, Tennessee Code Annotated, as amended, the County may be reimbursed by the State of Tennessee for up to three (3) years for the interest costs paid on the Notes; provided, however, that such reimbursement shall not exceed the amount of interest costs paid for Notes bearing interest at five percent (5%) or the prime interest rate, whichever is lower. Over the course of the next few years, the County also anticipates receiving financial assistance from federal and state agencies, including the Federal Emergency Management Agency, the Natural Resources Conservation Service, the Tennessee Emergency Management Agency and other state initiatives, to aid with its Hurricane Helene recovery efforts, including reimbursement for certain Project costs. Though the County is actively working on securing the above-described financial assistance, the majority of such financial assistance has not yet been obligated. The timing and amount of any federal and state financial assistance depend upon the relevant federal and state entities, and the activities and priorities of such entities may change as government administrations and leadership change. For example, under the current U.S. Presidential administration, there have been discussions regarding reducing the scope and/or abolishing the Federal Emergency Management Agency. As such, any financial assistance from such entities cannot be assured.

For additional information regarding the impact of Hurricane Helene on the County and the potential impact of adverse weather events, generally, on the County, see “INVESTMENT CONSIDERATIONS – Adverse Weather Events” herein.

## **SECURITY**

The Notes 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 Notes, the full faith and credit of the County are irrevocably pledged.

## **REDEMPTION**

*Optional Redemption.* Notes maturing on or before June 1, 2028, shall mature without option of prior redemption, and Notes maturing June 1, 2029, and thereafter, shall be subject to redemption prior to maturity at the option of the County on June 1, 2028, and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body of the County, in its discretion. If less than all the principal

amount of the Notes of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Notes are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Notes to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

*Mandatory Redemption.* Subject to the credit hereinafter provided, the County shall redeem Notes maturing on June 1, 20\_\_, on the redemption dates set forth below opposite the maturity dates, 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. DTC, as securities depository for the series of Notes of which this Note is one, or such Person as shall then be serving as the securities depository for the Notes, shall determine the interest of each Participant in the Notes to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Notes, the Notes to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Notes to be redeemed on said dates are as follows:

| <u>Final Maturity</u> | <u>Redemption Date</u> | <u>Principal Amount<br/>of Notes Redeemed</u> |
|-----------------------|------------------------|---|
|-----------------------|------------------------|---|

\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note 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 Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and

confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

*Notice of Redemption.* Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County 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 Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 redemption of any of the Notes 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 Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, 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 or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Notes 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 herein. 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 Noteholders that the redemption did not occur and that the Notes called for redemption and not so paid remain outstanding.

## BASIC DOCUMENTATION

### **BOOK ENTRY-ONLY SYSTEM**

The Registration Agent, U.S. Bank Trust Company, National Association, Nashville, Tennessee, its successor or the County will make all interest payments with respect to the Notes on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Note 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 owner at its address shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made, except as described above. Payment of principal of the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Notes, as nominee of DTC, references herein to the Noteholders, Holders or Registered Owners of the Notes shall mean Cede & Co. and shall not mean the Beneficial Owners of the Notes. For additional information, see the following section.

The Notes, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Notes are issued, ownership interests will be available to purchasers only through a book entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully registered bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Notes and will be deposited with DTC.

*DTC and its Participants.* DTC is a limited purpose trust company organized under the New York Bank 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 securities that its participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry-only changes in DTC Participants' accounts, thereby eliminating 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 its Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (the "NSCC", "**GSCC**", "**MBSCC**", and "**EMCC**", also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc. (the "**NYSE**"), 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 and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (the "**Indirect Participants**" and, together with the Direct Participants, the "**Participants**"). DTC has S&P's rating of "**AA+**." The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtc.com](http://www.dtc.com).

*Purchase of Ownership Interests.* Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note (a "**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, but beneficial owners are 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 whom such beneficial owners entered into the transaction. Transfers of ownership interests in the Notes 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 the Notes, except as specifically provided in the Notes in the event that use of the book-entry-only system is discontinued.

*Payments of Principal and Interest.* Principal and interest payments on the Notes 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 the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal 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 County or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

*Notices.* 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. Beneficial owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to beneficial owners, or in the alternative, beneficial owners may wish to provide their names and addresses to the Registration Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE COUNTY, THE MUNICIPAL ADVISOR, THE BOND COUNSEL OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

*Transfers of Notes.* To facilitate subsequent transfers, all Notes 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 the Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts

such Notes 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.

None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Note on the registration books of the Registration Agent.

*Discontinuance of Book-Entry-Only System.* In the event that (i) DTC determines not to continue to act as securities depository for the Notes or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry System; the Book-Entry System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Note certificates will be printed and delivered to beneficial owners.

*No Assurance Regarding DTC Practices.* The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Notes as nominee of DTC, references herein to the holders or registered owners of the Notes will mean Cede & Co. and will not mean the beneficial owners of the Notes. None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Notes.

## **TRANSFERS AND EXCHANGES**

The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any

notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled “SECURITIES OFFERED – Redemption.”

## **SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds relating to the proceeds from the Notes:

### **Sources of Funds:**

Par Amount  
[Plus: Net Premium]:  
TOTAL SOURCES:

### **Uses of Funds:**

Deposit to the Construction Fund  
Underwriter's Discount  
Costs of Issuance  
TOTAL USES:

## **DISCHARGE AND SATISFACTION OF BONDS**

If the County shall pay and discharge the indebtedness evidenced by the Notes in any one of more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes 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 Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Notes, respectively, and to pay interest thereon when due until the maturity or redemption date (provided, if such Notes, respectively, 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 Notes, to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Notes 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 the Notes, when due, then and in that case

the indebtedness evidenced by the Notes, shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of the Notes, shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Notes, in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided, neither Federal Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on the Notes, respectively, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

## **INVESTMENT CONSIDERATIONS**

### **GENERAL**

The purchase of the Notes 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 Notes and which could also affect the marketability of, or the market price for, the Notes. 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 Note 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 Notes.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the holders or beneficial owners of the Notes 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 Notes 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 Notes 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.

## **ADDITIONAL DEBT OBLIGATIONS**

The County may issue additional bonds, notes or other debt obligations in accordance with the provisions of the Act. The issuance of additional debt obligations would increase the debt service requirements and could adversely affect the sources of funds available to service the Notes.

## **SECONDARY MARKET PRICES**

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

The Notes may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Notes in the event a holder or beneficial owner thereof determines to solicit purchasers of the Notes. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Notes may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Notes, 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, including the Nolichucky River which flows through approximately 20 miles of the County, increases the County's 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.

Severe weather and natural disasters, generally, including floods, droughts, extreme heat, wildfires, tornadoes and other storm events, can affect the County and its residents in number of ways, including by damaging County property, causing the temporary or permanent displacement of County residents and interrupting County services. As hereinabove provided, Hurricane Helene struck the County in late September 2024 and caused widespread damage across East Tennessee, including heavy rainfall, flooding, and significant infrastructure destruction in the County. The County was among the hardest-hit areas in the region. The storm's severe flooding resulted in the

loss of at least two County bridges, damage to several County roads, disruption of essential utility services, and tragic loss of life. In response, the U.S. President declared the County a federal disaster zone on October 2, 2024. Despite flooding destroying or damaging over 200 homes and eroding many acres of land, damage in the County was mostly limited to residential properties, agriculture production and County infrastructure. There was minimal impact on the County's commercial and industrial sector, and the impact on the County's property tax base has been determined to be minimal. As recovery from Hurricane Helene continues, the County remains committed to enhancing the local economy and expanding the tax base through strategic investments in school facilities, retail development, public infrastructure, and other economic initiatives. These efforts aim to drive private sector investment, stimulate long-term growth in property and sales tax revenues, create and retain jobs, and enhance the quality of the County's workforce. Although final damage estimates are still being compiled, it is anticipated that, with federal and state financial assistance, the majority of the costs to rebuild the County infrastructure will be ultimately paid from such assistance and not borne by the County. The timing and amount of any governmental financial assistance cannot be assured. See "SECURITIES OFFERED – PLAN OF FINANCE" above.

The County cannot predict the timing, extent or severity of any future 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 or disrupt its operations. 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, though the County does not maintain insurance against cyber security incidents, 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. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

## **PUBLIC HEALTH EMERGENCIES**

The global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and may continue to affect the entire world, including the County. The spread of COVID-19 led, from time to time, to quarantine and other “social distancing” measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The World Health Organization declared an end to COVID-19 as a global health emergency in May 2023. The County is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the County.

Various types of information regarding employment, income trends, and business activity in the County are detailed in Appendix B, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the County may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix B to the Official Statement.

## **OTHER RISK FACTORS**

In the future, the following additional factors, among others, may adversely affect the operations of the County to an extent that cannot be determined at this time:

(1) The ability of the County to insure or otherwise protect itself against property damage and general liability claims due to cost or other unknown factors.

(2) Proposals to eliminate the tax-exempt status of debt instruments issued by the County or to limit the use of such tax-exempt bonds, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the County of financing future capital needs. See also “TAX MATTERS – Changes in Federal and State Tax Law” regarding possible changes to federal and state tax law that may affect the tax-exemption of the Notes.

## **LEGAL MATTERS**

### **LITIGATION**

*General.* There are no suits threatened or pending challenging the legality or validity of the Notes or the right of the County to sell or issue the Notes or to collect its ad valorem taxes to pay principal of and interest on the Notes.

At the time of delivery of and payment for the Notes, the County will deliver, or cause to be delivered, a certificate of the County stating that there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the County taken with respect to the authorization, issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Notes or the existence, boundaries or powers of the County, or the title of its officials to their respective offices. See the subsection in this section entitled “Closing Certificates” for additional information.

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, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims presently 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.

## **REMEDIES OF NOTEHOLDERS**

Under Tennessee law, any Noteholder 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 Noteholder.

## **TAX MATTERS**

### **Federal**

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

- 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 Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

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

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

If a noteholder 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 Notes or affect the market price of the Notes. 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 Notes, or under State, local or foreign tax law.

**Note Premium.** If a noteholder purchases a Note for a price that is more than the principal amount, generally the excess is “Note premium” on that Note. The tax accounting treatment of Note premium is complex. It is amortized over time and as it is amortized a noteholder’s tax basis in that Note will be reduced. The holder of a Note 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 Notes. A noteholder in certain circumstances may realize a taxable gain upon the sale of a Note with Note premium, even though the Note is sold for an amount less than or equal to the owner’s original cost. If a noteholder owns any Notes with Note premium, it should consult its tax advisor regarding the tax accounting treatment of Note premium.

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

***Information Reporting and Backup Withholding.*** Unless the recipient is otherwise exempt, interest on the Notes is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Notes, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Noteholder's Federal income tax.

## **State Taxes**

Under existing law, the Notes and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Notes during the period the Notes 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 Notes 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 and Congressional 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 Notes or otherwise prevent holders of the Notes from realizing all or any benefit of the tax-exemption of interest on the Notes. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on debt obligations, such as the Notes, that is otherwise excludable from gross income for federal income tax purposes, to a tax payable by certain noteholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Notes simply by being proposed. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Notes 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 Notes. 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 Notes would be impacted. Purchasers of the Notes 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 Notes, 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.

## **Miscellaneous**

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

The form of the opinion of Bond Counsel is attached as “APPENDIX A: Proposed Form of Opinion”. Copies of the opinion will be available at the time of the initial delivery of the Notes.

## **CLOSING CERTIFICATES**

Upon delivery of the Notes, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the Official Statement, in final form (as defined herein), signed by the County Mayor and the County Clerk acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the Official Statement, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, not misleading, (b) since the date of the Official Statement, in final form, no event has occurred which should have been set forth in such a memo or supplement, and (c) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Notes, or contesting the validity of the Notes or any proceeding taken pursuant to which the Notes were authorized; (ii) certificates as to the delivery and payment, signed by the County Mayor and County Trustee acting in their official capacities evidencing delivery of and payment for the Notes; (iii) a signature identification and incumbency certificate, signed by the County Mayor, County Clerk and County Trustee acting in their official capacities certifying as to the due execution of the Notes; and (iv) a Continuing Disclosure Agreement regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain events, if any.

For additional information, see the section entitled “MISCELLANEOUS – Underwriting”, “MISCELLANEOUS - Additional Information” and MISCELLANEOUS - Continuing Disclosure”.

## **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters relating to the authorization and the validity of the Notes are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, bond counsel (“Bond Counsel”). Bond Counsel has not verified the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement, in final form. Accordingly, Bond Counsel expresses no opinion of any kind concerning the Preliminary Official Statement or Official Statement, in final form, except for the information under the section entitled “TAX MATTERS”. The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Notes as described above. The legal opinion will be delivered with the Notes, and the form of the legal opinion is included in APPENDIX A.

Certain legal matters will be passed upon for the County by its counsel, Allyson Wilkinson, Esq., Jonesborough, Tennessee.

## MISCELLANEOUS

### RATING

Moody's Investors Service, Inc. ("Moody's") has assigned the Notes the credit rating of "Aa2", which rating appears on the cover of this Preliminary Official Statement.

The County furnished Moody's certain information and materials and had due diligence meetings concerning the Notes and the County. Generally, Moody's bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. The County undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating or other actions by Moody's may have an adverse effect on the market price of the Notes.

Any explanation of the significance of the ratings may be obtained only from Moody's.

### COMPETITIVE PUBLIC SALE

The Notes will be offered for sale at competitive public bidding on June 11, 2025\*. Details concerning the public sale were provided to potential bidders and others through the Preliminary Official Statement that is dated June 4, 2025.

Through IHS Markit's IPREO's BiDCOMP®/Parity® system, \_\_\_ of the original \_\_\_ firms which indicated an interest in bidding for the Notes submitted proposals ranging from the best bid of \_\_\_% on a true interest cost basis ("TIC") to \_\_\_%.

The successful bidder for the Notes was an account led by \_\_\_\_\_ (the "Underwriter") who contracted with the County, subject to the conditions set forth in the "Official Notice of Sale" including permitted adjustments, to purchase the Notes at a price of \$ \_\_\_\_\_ (consisting of the par amount of the Notes of \$ \_\_\_\_\_, plus a premium of \$ \_\_\_\_\_, less an underwriter's discount of \$ \_\_\_\_\_) or a bid price of \_\_\_\_\_% of par.

### FINANCIAL PROFESSIONALS

*Municipal Advisor.* Raymond James & Associates, Inc., ("Raymond James") Nashville, Tennessee has served as Municipal Advisor to the County in connection with the Notes and will receive compensation for duties performed in that role conditioned upon the sale and issuance of the Notes.

*Bond Counsel.* Bass, Berry & Sims PLC presently represents the Municipal Advisor on legal matters unrelated to the County and may continue to do so in the future.

*Investments.* Among other services, Raymond James also assists local jurisdictions in the investment of idle funds and may serve in various other capacities. If the County chooses to use one or more of these other services, then Raymond James may be entitled to separate compensation



for such services, which may be shared with other divisions of the firm including Public Finance. Whether such fees are shared or not, the standard fees will be the same.

*Dissemination Agent.* Raymond James has been employed to serve the County as its dissemination agent with respect to its continuing disclosure undertakings for the Notes and other debt obligations. For such services, Raymond James receives a separate annual fee.

## **DEBT LIMITATIONS**

Under the legal authority under which the Notes are sold and issued, there is no limit on the amount of debt obligations that may be issued by the County. (See DEBT STRUCTURE - Indebtedness and Debt Ratios for more information).

## **ADDITIONAL DEBT OBLIGATIONS**

The County has not authorized the sale or issuance of any additional debt obligations at this time, though circumstances and funding plans for the County's capital needs may change.

## **OFFICIAL STATEMENT**

Certain information relative to the location, economy and finances of the County is found in the Preliminary Official Statement and the Official Statement. While not guaranteed as to completeness or accuracy, the Preliminary Official Statement and the Official Statement are believed to be correct as of their respective dates based on information supplied by the County and other reliable sources and by the certification by the County as to the Official Statement.

Raymond James has not been engaged by County to provide or validate any information in this Official Statement relating to County, including (without limitation) any of County's financial and operating data, whether historical or projected. Raymond James is not a public accounting or auditing firm and has not been engaged by County to review or audit any information in this Official Statement in accordance with accounting standards.

## **CONTINUING DISCLOSURE**

At the time the Notes are delivered, the County will execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Notes to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years (the "Annual Report"), commencing with the fiscal year ending June 30, 2025, and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and with any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of events will be filed by the County with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events is included in the Form of Continuing Disclosure Agreement attached hereto as APPENDIX C. These

covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b) (the “Rule”).

The Director of Finance and Administration is the designated official responsible for the County’s continuing disclosure obligations. The County employs a Dissemination Agent to assist it in all filings.

See “APPENDIX C: Form of Continuing Disclosure Agreement” for additional information.

## **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 the County 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.

## **ADDITIONAL INFORMATION**

References, excerpts and summaries contained herein of certain provisions of the laws of the State and any documents referred to herein do not purport to be complete statements of the provisions for such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Notes, the security for the payment of the Notes and the rights of the holders thereof. The Preliminary Official Statement and the Official Statement, in final form, and any advertisement of the Notes are not to be construed as a contract or agreement between the County and the purchasers of any of the Notes. Any statements or information printed in the Preliminary Official Statement and the Official Statement, in final forms, involving matters of opinion or of estimates, whether or not expressly so identified, is intended merely as such and not representations of fact.

The County has deemed this Preliminary Official Statement as “final” as of its date within the meaning of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”) (the “Rule”) except for certain information allowed to be omitted by the Rule.

## CERTIFICATION OF THE COUNTY

At the time of payment for and delivery of the Notes, the County will furnish the purchaser a certificate, signed by the County Mayor and the County Clerk, to the effect that (a) the descriptions and statements of or pertaining to the County contained in its Official Statement and any addendum thereto, for its Notes, on the date of such Official Statement, on the date of sale of the Notes and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the County, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since June 30, 2024, the date of the last audited financial statements of the County, the electronic link to which appears in “APPENDIX D: Annual Financial Report”.

/s/ \_\_\_\_\_  
County Mayor

ATTEST:

/s/ \_\_\_\_\_  
County Clerk

## **APPENDIX A**

### **PROPOSED FORM OF LEGAL OPINION**

(Proposed Form of Opinion of Bond Counsel)

21 Platform Way South, Suite 3500  
Nashville, TN 37203  
(615) 742-6200

(Closing Date)

Board of County Commissioners  
of Washington County, Tennessee

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Ladies and Gentlemen:

We have acted as bond counsel to Washington County, Tennessee (the “Issuer”) in connection with the issuance of \$\_\_\_\_\_ General Obligation Capital Outlay Notes, Series 2025, dated the date hereof (the “Notes”). 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 Notes have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.
2. The resolution of the County Commission of the Issuer authorizing the Notes has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.
3. The Notes constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Notes are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.
4. Interest on the Notes 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 Notes 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 Notes 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 Notes to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Notes.

5. Under existing law, the Notes and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Notes during the period such Notes 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 Notes 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.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes and the resolution authorizing the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

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**

### **SUPPLEMENTAL INFORMATION STATEMENT**

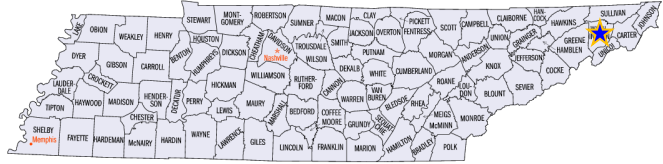
# WASHINGTON COUNTY, TENNESSEE

## GENERAL

Washington County, Tennessee (the “County”) is named after George Washington. The County was organized as Tennessee’s first county in November 1777. The County has a land area of approximately 210,000 acres and a rich agricultural and historical heritage. The historic Town of Jonesborough is the seat of County government.

## LOCATION AND POPULATION

The County is located in the ridge and valley area of Northeast Tennessee and covers approximately 323 square miles. Jonesborough is located several miles southeast of the center of Johnson City, but immediately adjacent to its border. Johnson City and Jonesborough are located approximately 90 miles northeast of Knoxville near Interstate 81, about 160 miles southwest of Roanoke, Virginia on Interstate 81, and around 67 miles due north of Asheville, North Carolina on Interstate 26. The Cherokee National Forest is located along the southeastern border.



As Tennessee's oldest county, the Washington County has contributed more than its share of significant events and people to the history of the region, state and nation. European settlers began pouring into the area in the mid-1700s, populating the river valleys, hills and mountains that had been the sole domain of Native Americans. Names like Boone, Crockett, Jackson, Sevier and others aren't attached to area sites without meaning — the pioneers and leaders from the early national history who held these names knew the County well. From the Revolutionary period through the Civil War — when the County was riven by sectarian strife, but also managed to produce some of the strongest Abolitionist publications and sentiment in the South — the County played an important role in regional affairs.

The rise of the industrial era was the crucible in which Johnson City was formed. The relative latecomer to Washington County history, Johnson's Depot took full advantage of the railroad's rise to economic prominence, and grew rapidly into Johnson City. The founding of East Tennessee State University (1911) and establishment of a National Soldiers Home at Mountain Home several years before gave Johnson City a further push in growth.

Source: Washington County website



The following table depicts the growth in the County over the last 40 years. The U.S. Census Bureau estimated that the County population in 2024 was 138,420.

| <u>Census</u><br><u>Population</u> | <u>Washington</u><br><u>County</u> | <u>%</u><br><u>Increase</u> | <u>Tennessee</u> | <u>%</u><br><u>Increase</u> |
|------------------------------------|------------------------------------|-----------------------------|------------------|-----------------------------|
| 2024*                              | 138,420                            | 4.07%                       | 7,126,489        | 3.10%                       |
| 2020                               | 133,001                            | 8.15%                       | 6,910,840        | 8.90%                       |
| 2010                               | 122,979                            | 14.72%                      | 6,346,105        | 11.50%                      |
| 2000                               | 107,198                            | 16.12%                      | 5,689,283        | 16.70%                      |
| 1990                               | 92,315                             | 4.01%                       | 4,877,185        | 6.20%                       |
| 1980                               | 88,755                             | 20.06%                      | 4,591,120        | 16.90%                      |

Source: US Census Bureau

\*Estimated

Johnson City is the largest city in the County. Other major cities in the immediate region include Kingsport, Elizabethton, Jonesborough, Erwin, Church Hill, Mount Carmel and Bristol, Tennessee and Bristol, Virginia.

The Tri-Cities area enjoys the amenities of a large population without the problems that often follow a large central city. The educational and health care facilities in the County are modern and have received recognition on state and national levels. Housing is abundant and moderately priced. Recreation of many types including professional baseball, NASCAR and IHRA racing, NCAA football and basketball, golfing and white water rafting are available.

For additional information regarding the County, see the County's website: [www.washingtoncountyttn.org](http://www.washingtoncountyttn.org)

## GOVERNMENT

The chief administrative officer of the County is the County Mayor who is elected to a four-year term. The County legislative body is the Board of County Commissioners which currently consists of 15 members serving 15 districts for four-year terms. The County Mayor and all members of the County Commission were elected to their current term of office in August 2022 and took office on September 1, 2022.

The County provides traditional services and performs typical activities that are characteristic of most Tennessee counties including: general government, public highways and streets, public safety, sanitation, culture and recreation and economic development. The elected Board of Education provides a comprehensive K-12 educational system for County residents. The only business type

activity of the County is the emergency communications district. Most utility services are provided by local municipalities and utility districts.

## **TRANSPORTATION**

Several large interstates intersect both in the County and surrounding region. Interstate 26 connects the County to the south. This highway opens the region to the South Carolina seacoast and an easy connection to eastbound Interstate 40 in Asheville. Additionally, Interstate 81 in the northwest portion of the County provides access to Virginia and the northeast. U.S. 11-E provides four lane access to Greeneville (Greene County), 30 miles to the southwest; and U.S. 11-E to Bristol, Tennessee/Virginia, 22 miles to the northeast. Four lane or interstate quality highways now connect the County to all neighboring communities and counties in Northeast Tennessee. The County also is traversed by U.S. highways 19-W, 23, 321 and State highways 34, 36, 67, 91, 354, 359, 381 and 400.

The main lines of the Norfolk Southern, Tennessee Railway Corporation and the CSX Systems traverse the County, allowing one of the easiest transitions between Norfolk and New Orleans on the Norfolk Southern line and Chicago and the eastern seaboard on the CSX rail line.

Commercial air, air cargo and general aviation services are provided to the region through the Tri-Cities Airport Authority jointly sponsored by the County, Sullivan County and the cities of Johnson City, Kingsport and Bristol, Tennessee and Bristol, Virginia. Flights connect the region to major airline hubs located in Atlanta and Charlotte and make business and recreational travel easy and convenient. Tri-Cities Airport is also a port-of-entry for international goods and services with a 35-acre Aerospace Park with approximately 160 additional acres available for future development. Several air cargo carriers serve the region using the Authority's Air Cargo Logistics Center.

Source: Tri-Cities Airport Authority website

## **EDUCATION**

There are two school public systems in the County that offer K-12 educational opportunities to residents of the County.

*Johnson City School System.* The Johnson City School System has 13 schools with an enrollment of 8,001 students during the 2024-2025 year. There are 8 elementary schools (K-4), 1 intermediate school (5-6), 1 middle school (7-8) and 1 high school (9-12). Science Hill High School is comprised of a grade 10-12 campus, a 9th Grade Academy, Vocation/Technical Center and the Henry Johnson Alternative Learning Center. There are over 500 teachers employed by the school system.

*Washington County School System.* The Washington County School System includes 16 schools: 1 elementary school, 9 K-8 schools, 2 middle schools, 2 high schools, a K-12 laboratory school located on the campus of East Tennessee State University and Asbury Optional High School. For the 2024-2025 year, there were 8,281 students enrolled with over 580 teachers in the

## County School System.

Source: Johnson City School System and Washington County System

*East Tennessee State University ("ETSU").* ETSU was founded in 1911 in the northeast corner of Tennessee. The more than 350-acre campus is located in southwest Johnson City, adjacent to the 31-acre campus that is home to the James H. Quillen College of Medicine. The Johnson City Medical Center Hospital is also located nearby. ETSU offers 74 majors of study in its undergraduate program and 30 degree fields in its master's programs and doctorates in education, education administration and biomedical sciences. There were approximately 14,300 undergraduate, graduate and professional students registered for the fall 2025 semester. Extended regional campuses are in Kingsport, Elizabethton and Greeneville. In addition, the Quillen College of Medicine offers eight Doctor of Medicine degrees.

Instead of having only one teaching hospital, the Quillen College of Medicine has a broad patient base in the Tri-Cities region with training in every area of primary and tertiary care medicine. Students are provided access to more than 3,000 patient beds in the ten affiliated hospitals in the Tri-Cities area. The Quillen College of Medicine ranked third in the nation for excellence in rural medicine education by U.S. News & World Report in its "America's Best Graduate Schools" 2007 edition. For several consecutive years, ETSU has been ranked among the top 10 schools in the country for rural medicine. U.S. News also ranked ETSU in the top 25% of medical schools for primary care education. The Medical College has also brought specialties to Johnson City that normally could not be expected in a community of this size. The first in-vitro fertilization in Tennessee was done in Johnson City. One of five prenatal intensive care facilities in the state is manned by pediatric specialists of the Medical College faculty. Kidney transplants and open heart surgery are available in Johnson City as result of the medical college being located here.

ETSU's Bill Gatton College of Pharmacy is Tennessee's second state supported college of pharmacy. It opened in early 2007 with 72 students. The average class size is about 80 students with approximately 50 faculty and staff employed. Students have routinely scored above state and national average on licensure exams. The Pharmacy College received full accreditation status from the Accreditation Council for Pharmacy Education in 2010. The Bill Gatton College of Pharmacy offers the PharmD degree but is in current conversation with other colleges with the division of health sciences and the University at large investigating the development of joint degree programs (PharmD/MPH, PharmD/MBA and PharmD/Phd). College enrollment is more than 300 in 4 classes.

Source: East Tennessee State University and TN Higher Education Commission

*Milligan University.* Milligan University is a private, four-year Christian liberal arts university which was founded in 1866 as the Buffalo Male and Female Institute of Carter County, Tennessee. In 2020 Milligan transitioned from a college to an accredited university to better align with its comprehensive academic structure. Milligan's 181-acre campus is located between

Johnson City and Elizabethton just minutes from the Tri-Cities (Johnson City, Kingsport and Bristol) region and an hour's drive to historic Asheville, North Carolina. The school has an enrollment of approximately 1,200 students. The College offers numerous academic majors, including a new engineering program, 4 master's degree programs and several adult degree completion programs.

*Northeast State Technical Community College.* Northeast State was founded in 1966 as the Tri-Cities State Area Vocational-Technical. The main campus is located at Blountville adjacent to Tri-Cities Airport in nearby Sullivan County, Tennessee. The College is a comprehensive two-year community college under the governance of the Tennessee Board of Regents of the State University and Community College System of Tennessee. As a comprehensive community college, Northeast State provides university parallel programs designed for students desiring to transfer to another college or university. It also has career programs for students planning to enter the workforce immediately upon graduation and continuing education and community service programs for professional growth and personal enrichment. The College serves the citizens of Carter, Johnson, Sullivan, Unicoi, and Washington Counties and has educational sites located at Elizabethton, Mountain City, Gray, Kingsport and Johnson City.

Source: Northeast State Technical Community College and TN Higher Education Commission

*The Tennessee College of Applied Technology at Elizabethton.* The Tennessee College of Applied Technology at Elizabethton is part of a statewide system of 27 vocational-technical schools. The College meets a Tennessee mandate that no resident is more than 50 miles from a vocational technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at Elizabethton serves the northeast region of the state including Carter, Johnson, Sullivan, Unicoi, and Washington Counties. The College began operations in 1963, and the main campus is located in Carter County. In October of 1999, the school opened an instructional site in Mountain City, offering Business Systems Technology, and later in Kingsport, offering classes in Practical Nursing. In 2023, the Washington County school's transferred the former Boones Creek Elementary School to the TCAT for use an extension of the Elizabethton's offering. The facility, known as the Boones Creek Extension Campus, provides a range of programs designed to meet the regional workforce needs, including , practical nursing, building construction technology, cosmetology, industrial electricity, diesel technology and heavy equipment operator training. The Boones Creek Extension Campus serves as a vital resource for both adult learners and high school students in Washington County and surrounding areas. It offers dual enrollment opportunities, allowing high school students to gain industry-specific skills and certifications, thereby enhancing their competitiveness in the job market.

## **HEALTHCARE FACILITIES**

*Ballad Health System.* The merger between Mountain States Health Alliance and Wellmont Health System was officially completed on February 2, 2018, resulting in the formation

of Ballad Health. This consolidation created a 21-hospital system serving Northeast Tennessee and Southwest Virginia. These facilities encompass tertiary medical centers, a dedicated children's hospital, community hospitals, critical access hospitals, a behavioral health hospital, and an addiction treatment facility. The merger was facilitated through the issuance of a Certificate of Public Advantage (COPA) by Tennessee on January 31, 2018, and a similar cooperative agreement by Virginia. Ballad Health is the only hospital system in Northeast Tennessee and Southwest Virginia

Ballad Health is actively engaged in several significant projects aimed at enhancing healthcare services in the region:

- Johnson City Medical Center Emergency Department Expansion: A \$60 million investment to expand the emergency department from 37,000 to 50,000 square feet, increasing adult patient rooms from 36 to 55 and adding two trauma rooms. Completion is anticipated by 2027.
- Niswonger Children's Hospital Expansion: The current 69-bed, 82,600-square-foot facility includes pediatric operating rooms, pediatric radiology units, pediatric physical therapy space and the region's first pediatric emergency room. A \$30 million, 40,000-square-foot vertical expansion to house the Regional Center for Neonatal Care, with completion expected by October 2025. The facility is affiliated with St. Jude Children's Research Hospital.
- Indian Path Community Hospital Renovation: An \$8 million renovation project focusing on the main entrance and lobby, marking the final phase of comprehensive updates to the hospital.
- Cancer Care Expansion in Johnson City: Investments to expand oncology and hematology services, enhancing access to high-quality cancer treatment in the Appalachian Highlands.
- Community Health Initiatives: Over \$2 million invested in 20 regional, community-based organizations to improve health outcomes, support children and families, and address social determinants of health.

Ballad Health owns and operates various physician groups and medical practices across multiple specialties:

- Ballad Health Hospitalists Group: Employs over 120 hospitalist physicians practicing in six hospitals, including Johnson City Medical Center, Holston Valley Medical Center, and others.
- Ballad Health Medical Associates: Encompasses a range of specialties such as gastroenterology, neurology, pediatrics, and behavioral health, providing comprehensive outpatient services.
- CVA Heart Institute: Specializes in cardiovascular care, operating in locations including Johnson City, Greeneville, and Bristol.

Additionally, Ballad Health collaborates with physician-led groups like State of Franklin

Healthcare Associates (SOFHA) through joint ventures, enhancing access to primary and specialty care services.

*VA Medical Center at Mountain Home (the "VAMC").* Since 1903, VAMC serves more than 170,000 veterans from a 41-county area of Northeast Tennessee, Southwest Virginia, Western North Carolina, and Southeastern Kentucky. The VAMC at Mountain Home is located in Johnson City on 207 landscaped acres and shares the west end of its campus with ETSU's College of Medicine. The VAMC is a teaching hospital and has affiliations with the James H. Quillen College of Medicine as well as numerous other institutions of higher learning for various internships. VAMC Mountain Home has 468 general and 646 domiciliary beds. In addition to the main facility in Mountain Home, services are offered in several community-based outpatient clinics. There are seven clinics in Tennessee and thirteen in Virginia. In recent years, the VAMC completed many renovations including a \$70,000,000 modernization project in conjunction with the facility's role with ETSU's James H. Quillen College of Medicine.

Source: United States Department of Veterans Affairs.

## RECREATION

There are four TVA lakes located in the area that offer opportunities for water skiing, boating and fishing. There are numerous golf courses and other recreational opportunities both indoor and outdoor located in the region. There are many playgrounds and parks as well as college and high school athletics. The Appalachian Fair is held in late summer at Gray, Tennessee, five miles north of Johnson City, and annually attracts thousands of fair goers.

*Appalachian National Scenic Trail (the "AT").* The Appalachian Trail is a 2,175-mile long footpath stretching through 14 eastern states from Maine to Georgia. It can be accessed in nearby Carter County through the Roan Mountain State Park at Carters Gap. Conceived in 1921 and first completed in 1937, it traverses the wild, scenic, wooded, pastoral, and culturally significant lands of the Appalachian Mountains. The AT is enjoyed by an estimated 4 million people each year.

Source: National Park Service

*Boone Dam and Reservoir.* TVA's Boone Dam is located in Johnson City, Tennessee on the South Fork Holston River. Boone Reservoir is located in both Washington and Sullivan Counties. The reservoir is operated for a number of purposes, including power production, flood control, water supply, water quality, aquatic ecology and recreation. Compared with similar reservoirs on tributaries of the Tennessee, Boone generally maintains more stable water levels through the summer season.

Source: Tennessee Valley Authority

*Cherokee National Forest (the "CNF").* The Cherokee National Forest is located in Eastern Tennessee and stretches from Polk, Monroe, Cocke, Greene, Unicoi, Carter, and Johnson Counties along the North Carolina border. The 640,000-acre forest is the largest tract of public land in Tennessee. It lies in the heart of the Southern Appalachian mountain range, one of the world's most diverse areas. These mountains are home to more than 20,000 species of plants and animals. Also

popular are the 650 miles of hiking trails and the 500 miles of streams for fishing. Each year millions of people visit Tennessee's Cherokee National Forest. The area is the former homeland of the Cherokee Indians and is Tennessee's only National Forest. National forests are lands of many uses. The original purpose for their creation was to protect water quality and provide a continuous supply of timber. Today the national forest mission includes outdoor recreation, wildlife and fish habitat, wilderness, water quality, minerals, wood products, and much more.

Source: USDA Forest Service

*ETSU's Memorial Center.* ETSU's Memorial Center has 12,000 comfortable seats, each with an unimpeded view of the action. The "minidome" is climate controlled and designed for fan comfort. The Center has a tartan basketball floor, with two auxiliary floors, a six-lane ¼-mile tartan track, 6 handball courts, 6 tennis courts, a volleyball court, rifle range, and a physical education laboratory.

Source: Johnson City Economic Development Board

*Freedom Hall Civic Center.* The 7,000 seat arena-style Freedom Hall Civic Center is one of Johnson City's biggest attractions. It serves as a center for entertainment, cultural and educational activities, and conventions.

Source: Johnson City Economic Development Board

*Millennium Centre.* The Millennium Centre is the City's continuing education conference facility. This facility and Millennium Park are under the development and management of The Public Building Authority of the City of Johnson City on behalf of the City. Millennium Centre is located on approximately 6 ½ acres of a 21 acre site known as Millennium Park. Millennium Park is located on the State of Franklin Road across from the main campus of ETSU and is surrounded by the VA Medical Center (Mountain Home) and the Johnson City Regional Medical Center which anchor the City's Med - Tech corridor and numerous other businesses and institutions.

Millennium Centre provides approximately 76,000 square feet of meeting space and amenities and a parking garage suitable for approximately 550 vehicles. Immediately adjacent to Millennium Centre is the 137 room Carnegie Hotel which serves the Centre and the region. The Martin Center is a 1,200 seat Fine and Performing Arts Center on land located adjacent to Millennium Centre complete with a 200-seat recital hall. Additionally, the Center includes rehearsal areas for chorus, percussion and other instruments and shops for scene and costume productions. Source: The City of Johnson City and Johnson City Press.

*Jonesborough Historic District.* In 1969, Jonesborough became Tennessee's first town to be listed on the national Register of Historic Places. Visitors to Jonesborough begin tours of Tennessee's oldest town at the Visitor's Center, where monthly exhibits feature the works of local artists and craftsmen. The Washington County History Museum is also housed in the Visitor's Center. The International Storytelling Center in Jonesborough annually hosts the world-famous National Storytelling Festival.

Source: Johnson City Economic Development Board

*Roan Mountain State Park.* Roan Mountain State Park encompasses 2,006 acres of southern Appalachian forest at the base of 6,285 foot Roan Mountain in Carter County. Park elevation ranges from 3,000 feet in the valley to approximately 3,700 feet on surrounding ridges. Park guests have opportunities to hike along creeks and ridges, fish for trout in the Doe River, play tennis, swim, tour a century-old farmhouse, join rangers and naturalists for educational programs, and enjoy mountain music concerts. Guests who wish to stay overnight have a choice of RV and tent camping or fully equipped AAA cabins. The Appalachian Trail and famous Rhododendron Gardens of Roan Mountain can be accessed at Carver's Gap, an 8 mile drive from the park. A naturalist is on hand year-round to provide programs for visitors to the park and special groups.

Source: Tennessee State Parks

*South Holston Dam and Reservoir.* TVA's South Holston Dam is located Sullivan County on the South Fork Holston River. South Holston Reservoir extends in Sullivan County 24 miles east of the Dam into Virginia. South Holston is operated for many purposes, including flood control, power production, and aquatic ecology. Water levels in the reservoir vary about 30 feet during normal years to provide for flood storage and augmentation of the flow of water during the drier seasons of the year. In 1991 TVA built a weir immediately below South Holston Dam to add oxygen to the river when the hydropower plan is not generating electricity. Oxygen-rich water helps create a sustained habitat for aquatic insects, vegetation, and fish.

Source: Tennessee Valley Authority

*Warriors' Path State Park.* Warriors' Path State Park is located in Kingsport in Sullivan County. It was named for the park's proximity to the ancient war and trading path used by the Cherokee. Since that time, the park land has known a long history of travelers and is still a pathway for modern-day outdoor enthusiasts. The 950-acre area was acquired from TVA in 1952 to serve the people who live in or visit this section of Northeast Tennessee. It is situated on the shores of TVA's Patrick Henry Reservoir on the Holston River. The park offers boating, fishing, many hiking trails, campsites, picnic facilities and a swimming pool.

Source: Tennessee State Parks

*Watauga Reservoir.* TVA's Watauga Dam is located in Carter County on the Watauga River. Watauga Reservoir extends 16 miles east from Watauga Dam toward the North Carolina border through Carter and Johnson Counties. Watauga holds the distinction of being the highest reservoir (more than 1,900 feet above sea level) in the Tennessee River system. The reservoir is operated for many uses, including flood control, power generation, water quality, and aquatic ecology.

Source: Tennessee Valley Authority



## EMPLOYMENT INFORMATION

The chart below depicts the average annual employment and unemployment trends in the County and State (on a seasonally adjusted basis):

| <u>LOCATION</u>      | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| United States        | 4.1%        | 3.8%        | 3.6%        | 5.4%        | 6.9%        |
| Tennessee            | 3.4%        | 3.2%        | 3.4%        | 4.5%        | 7.4%        |
| Washington County    | 3.3%        | 3.1%        | 3.1%        | 3.6%        | 6.0%        |
| Workforce            | 65,858      | 65,353      | 65,225      | 64,655      | 63,647      |
| Employment           | 63,694      | 63,312      | 63,195      | 62,347      | 59,810      |
| Unemployment         | 2,164       | 2,041       | 2,030       | 2,308       | 3,837       |
| Johnson City, TN MSA | 3.5%        | 3.3%        | 3.3%        | 3.9%        | 6.3%        |
| Workforce            | 96,944      | 96,159      | 96,206      | 95,922      | 94,729      |
| Employment           | 93,526      | 92,970      | 93,001      | 92,193      | 88,718      |
| Unemployment         | 3,418       | 3,189       | 3,205       | 3,729       | 6,011       |

(1) Johnson City MSA includes Washington, Carter and Unicoi Counties.

Source: Tennessee Department of Labor and Workforce Development "Labor Force and Nonfarm Employment Estimates"

## ANNUAL AVERAGE PER CAPITA PERSONAL INCOME

| <u>LOCATION</u>   | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| National          | \$ 69,810   | \$ 66,244   | \$ 64,645   | \$ 66,722   | \$ 56,611   |
| Tennessee         | 62,229      | 59,210      | 57,508      | 51,959      | 48,905      |
| Washington County | 68,675      | 64,741      | 62,049      | 54,303      | 52,325      |
| County vs U.S.    | 98%         | 98%         | 96%         | 81%         | 92%         |
| County vs TN      | 110%        | 109%        | 108%        | 105%        | 107%        |
| Johnson City MSA  | 51,590      | 48,918      | 48,683      | 44,051      | 41,354      |
| MSA vs. National  | 74%         | 74%         | 75%         | 66%         | 73%         |
| MSA vs. Tennessee | 83%         | 83%         | 85%         | 85%         | 85%         |

Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Economic Analysis via FRED

## MANUFACTURING AND COMMERCE

The County's economy has a strong base of institutional employment that has traditionally helped insulate the area from downturns on the national and state level. Ballad Health, ETSU, the Veterans Administration Medical Center and local government all rank among the ten largest employers in the County.

The following chart depicts major sources of employment in the County:

TOP 10 EMPLOYERS - WASHINGTON COUNTY

| <u>EMPLOYER</u>   | Fiscal Year 2024 |      |                                       | Fiscal Year 2015 |      |                                       |
|---|------------------|------|---------------------------------------|------------------|------|---------------------------------------|
|   | Employees        | Rank | Percentage of Total County Employment | Employees        | Rank | Percentage of Total County Employment |
| East Tennessee State University   | 4,000            | 1    | 6.43%                                 | 2,370            | 2    | 4.43%                                 |
| Ballad Health Corporation, formerly Mountain States Health Alliance (JC) and Wellmont (Kingsport) | 3,300            | 2    | 5.31%                                 | 8,610            | 1    | 16.10%                                |
| Veteran Health Administration   | 2,896            | 3    | 4.66%                                 | 2,188            | 3    | 4.09%                                 |
| Advanced Call Center Technologies, LLC  | 1,802            | 4    | 2.90%                                 | 1,179            | 6    | 2.20%                                 |
| CITI-Gray   | 1,847            | 5    | 2.97%                                 | 1,700            | 4    | 3.18%                                 |
| Johnson City Board of Education   | 1,457            | 6    | 2.34%                                 | 832              | 9    | 1.56%                                 |
| Washington County Board of Education  | 1,307            | 7    | 2.10%                                 | 1,200            | 5    | 2.24%                                 |
| Frontier Health   | 1,212            | 8    | 1.95%                                 | 1,016            | 8    | 1.90%                                 |
| A. O. Smith (American Water Heater)   | 1,150            | 9    | 1.85%                                 | 1,076            | 7    | 2.01%                                 |
| City of Johnson City  | 1,080            | 10   | 1.74%                                 |                  |      |                                       |
| Kelly Services, Inc.  | -                |      | -                                     | 650              | 10   | 1.22%                                 |
|   | <u>20,051</u>    |      | <u>32.23%</u>                         | <u>20,821</u>    |      | <u>38.93%</u>                         |

Source: U.S. Bureau of Labor Statistics, Local Agencies, Washington County Board of Education and City Government

## RECENT DEVELOPMENTS

*MD Carts.* MD Carts officials announced on August 13, 2024, the company will invest more than \$14 million to establish a high-tech EV golf cart manufacturing facility in Johnson City, Tennessee. MD Carts will create 225 new jobs over the next five years as the company ramps up in an existing nearly 400,000 square foot facility on Eddie Williams Road.

With the newest acquisition, MD Carts and its sister company, LPI Inc., have amassed more than 750,000 square feet of manufacturing space in the city. MD Carts will sell its products directly to consumers at its more than 80 retail locations across the USA.

*PVS Plastics Technology Corporation.* PVS Plastics Technology Corporation officials announced on June 15, 2023, the company will invest \$6.9 million to establish its second U.S. facility

in Johnson City, Tennessee. PVS will create 26 new jobs in Washington County as the company establishes manufacturing operations in an existing 54,000-square-foot facility on Wesinpar Drive.

This expansion into Tennessee will bring PVS closer to one of its long-time customers, ebm-papst, and allow the company to manufacture and supply injection molding plastics for industries needing high-tech solutions. Headquartered in Niedernhall, Germany, PVS is an environmentally friendly plastics company that specializes in manufacturing electric motor and fan components for the automotive and commercial HVAC industries. Since 2019, TNECD has supported more than 30 economic development projects in the Northeast Tennessee region, resulting in approximately 3,400 job commitments and nearly \$973 million in capital investment.

Source: TN Economic Development Council

*Sungwoo Hitech.* Sungwoo Hitech officials announced on August 25, 2021, that the company will invest \$40 million to locate its first U.S. manufacturing operations, Sungwoo Hitech America Corp, in Telford. Sungwoo Hitech America, a Korean automotive supplier, has purchased the former Alo Tennessee building in the Washington County Industrial Park, where the company will create 117 new jobs.

Sungwoo Hitech manufactures metal stamped components for the automotive industry. The company's Telford facility will produce bumpers, rear components and side framing for customers including General Motors, Hyundai, Kia, Volkswagen and BMW. Renovations on the 380,000-square-foot facility are underway and manufacturing is slated to begin in early 2022. Founded in 1977 and headquartered in Seoul, Korea, Sungwoo Hitech employs nearly 18,000 people across 26 facilities in 10 countries around the globe. Over the last five years, TNECD has supported 40 economic development projects in Northeast Tennessee, accounting for 3,350 job commitments and more than \$1 billion in capital investment.

Source: TN Economic Development Council

*ebm-Papst, Inc.* In anticipation of expanding their manufacturing facility in the Washington County Industrial Park located in Telford, Tennessee, ebm-Papst Inc officials purchased in September 2024, an 18-acre site adjacent to the company's existing manufacturing facility.

The company originally located their manufacturing facility in Washington County Industrial Park, a [Select Tennessee Certified Site](#), in May 2019. Ebm-papst is the world market leader in fan and motor manufacturing. The company produces motors and fans for many industries including agriculture, air-conditioning and ventilation, appliance, commercial refrigeration and others. Ebm-papst has an international reach with its global headquarters in Germany and employs more than 15,000 employees worldwide. The company's U.S. headquarters is located in Connecticut, where it employs approximately 300 people. Ebm-papst ~~will~~ manufactures fans for refrigeration, air conditioning and ventilation applications in Washington County and currently employees nearly 225 full time employees.

Source: TN Economic Development Council

## SUMMARY OF BONDED INDEBTEDNESS

### WASHINGTON COUNTY, TENNESSEE SUMMARY OF BONDED INDEBTEDNESS As of June 30, 2024

| Amount Issued<br>(1)  | Purpose  | Due Date      | Interest Rates | Debt Outstanding      |
|-----------------------|--|---------------|----------------|-----------------------|
| \$ 115,970,000        | G.O. Refunding Bonds, Series 2016A                 | June 1, 2037  | 2.875-4.00%    | \$ 94,080,000         |
| 15,535,000            | G.O. School Bonds, Series 2017A                    | June 1, 2037  | 2.875-5.00%    | 12,355,000            |
| 14,565,000            | G.O. Improvement Bonds, Series 2017B               | June 1, 2037  | 2.875-5.00%    | 11,220,000            |
| 1,850,000             | G.O. Improvement Bonds, Series 2017C (Taxable)     | June 1, 2025  | 2.300-5.00%    | 260,000               |
| 5,000,000             | G.O. Capital Outlay Note, Series 2024              | June 1, 2031  | 4.59%          | 5,000,000             |
| 33,750,000            | Jonesborough K-8 Building                          | Oct. 25, 2051 | 2.125%-2.25%   | 33,163,896            |
| 4,038,693             | Jonesborough K-8 Facilities                        | Dec. 4, 2033  | 4.50%          | 3,865,264             |
| 7,747,739             | Johnson City Financing Agreement                   | Nov. 17, 2047 | 4.50%          | 7,247,739             |
| 2,331,726             | Energy Efficient Schools Initiative (Rural School) | July 1, 2029  | 0.50%          | 1,701,380             |
| \$ 200,788,158        | <b>Total Existing Debt</b>                         |               |                | \$ 168,893,279        |
| <u>(2,331,726)</u>    | Less Rural School Bonds                            |               |                | <u>(1,701,380)</u>    |
| \$ 198,456,432        | <b>Sub-Total: County-Wide Net Direct Debt</b>      |               |                | \$ 167,191,899        |
| \$ 72,285,000         | PLUS: GO Capital Outlay Notes, Series 2025         |               |                | \$ 72,285,000         |
| <u>\$ 270,741,432</u> |  |               |                | <u>\$ 239,476,899</u> |

<sup>(1)</sup> Does not include internal loans, compensated absences or capitalized leases. See the Notes included in the Comprehensive Annual Financial Reports of Washington County for additional details.

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# WASHINGTON COUNTY, TENNESSEE INDEBTEDNESS AND DEBT RATIOS

## INTRODUCTION

The information set forth in the following table is based upon information derived from the Comprehensive Annual Financial Reports of Washington County and the table should be read in conjunction with those statements. The table does not include internal loans, compensated absences, capital leases, if any, or similar items.

| INDEBTEDNESS                            | 2020           | 2021           | 2022           | 2023           | 2024           | Post Issuance  |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TAX SUPPORTED <sup>(1)</sup></b>     |                |                |                |                |                |                |
| G.O. Bonds and Notes - County-Wide      | \$ 149,145,000 | \$ 141,640,000 | \$ 132,405,000 | \$ 124,970,000 | \$ 167,191,899 | \$ 239,476,899 |
| G.O. Bonds and Notes - Rural            | 1,415,000      | 1,195,000      | 2,331,726      | 2,031,008      | 1,701,380      | 1,701,380      |
| <b>TOTAL TAX SUPPORTED DEBT</b>         | \$ 150,560,000 | \$ 142,835,000 | \$ 134,736,726 | \$ 127,001,008 | \$ 168,893,279 | \$ 241,178,279 |
| Less: Rural Debt                        | (\$1,415,000)  | (\$1,195,000)  | (\$2,331,726)  | (\$2,031,008)  | (\$1,701,380)  | (\$1,701,380)  |
| Less: General Debt Service Fund Balance | \$ (6,992,125) | \$ (6,836,321) | \$ (6,144,478) | \$ (5,869,413) | \$ (9,033,859) | \$ (9,033,859) |
| <b>NET DIRECT DEBT - County Wide</b>    | \$ 142,152,875 | \$ 134,803,679 | \$ 126,260,522 | \$ 119,100,587 | \$ 158,158,040 | \$ 230,443,040 |
| <b>TOTAL RURAL DEBT</b>                 | \$ 1,415,000   | \$ 1,195,000   | \$ 2,331,726   | \$ 2,031,008   | \$ 1,701,380   | \$ 1,701,380   |
| Less: Rural Debt Service Fund Balance   | (251,164)      | (251,164)      | -              | -              | -              | -              |
| <b>NET DIRECT DEBT - Rural</b>          | \$ 1,163,836   | \$ 943,836     | \$ 2,331,726   | \$ 2,031,008   | \$ 1,701,380   | \$ 1,701,380   |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROPERTY TAX BASE <sup>(2)</sup></b>                       |                  |                  |                  |                  |                  |                  |
| <u>County-Wide</u>  |                  |                  |                  |                  |                  |                  |
| Estimated Actual Value  | \$11,768,138,888 | \$11,948,478,017 | \$13,429,644,769 | \$13,777,499,765 | \$19,154,192,094 | \$19,154,192,094 |
| Appraised Value   | 11,768,138,888   | 11,948,478,017   | 12,063,849,896   | 12,376,328,039   | 12,501,941,180   | 12,501,941,180   |
| Assessed Value  | 3,391,599,321    | 3,441,645,850    | 3,478,349,485    | 3,570,211,703    | 3,617,853,139    | 3,617,853,139    |
| <u>Rural <sup>(3)</sup></u>                                   |                  |                  |                  |                  |                  |                  |
| Estimated Actual Value  | \$5,099,599,268  | \$5,229,284,554  | \$5,253,826,063  | \$6,766,164,251  | \$7,560,682,304  | \$7,560,682,304  |
| Appraised Value   | 5,099,599,268    | 5,229,284,554    | 4,719,511,952    | 6,078,045,347    | 4,934,857,340    | 4,934,857,340    |
| Assessed Value  | 1,274,878,365    | 1,384,678,647    | 1,236,321,901    | 1,266,406,532    | 1,300,171,538    | 1,300,171,538    |
| Source: Tennessee Tax Aggregate Reports and Washington County |                  |                  |                  |                  |                  |                  |

\*Does not include new debt authorized, if any. For additional information, the the section entitled "MISCELLANEOUS - Additional Debt Obligations".

<sup>(2)</sup> Includes all property in the County.

<sup>(3)</sup> Values outside Johnson City.

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**WASHINGTON COUNTY, TENNESSEE  
INDEBTEDNESS AND DEBT RATIOS  
Continued**

| COUNTY-WIDE   |             |             |             |             |             |                           |
|---|-------------|-------------|-------------|-------------|-------------|---------------------------|
| <b>DEBT RATIOS - COUNTY-WIDE</b>                                      | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2024 Post Issuance</b> |
| TOTAL COUNTY-WIDE DEBT to Estimated Actual Value                      | 1.28%       | 1.20%       | 1.00%       | 0.92%       | 0.88%       | 1.26%                     |
| TOTAL COUNTY-WIDE DEBT to Appraised Value                             | 1.28%       | 1.20%       | 1.12%       | 1.03%       | 1.35%       | 1.93%                     |
| TOTAL COUNTY-WIDE DEBT to Assessed Value                              | 4.44%       | 4.15%       | 3.87%       | 3.56%       | 4.67%       | 6.67%                     |
| NET DIRECT DEBT - County-wide to Estimated Actual Value               | 1.21%       | 1.13%       | 0.94%       | 0.86%       | 0.83%       | 1.20%                     |
| NET DIRECT DEBT - County-Wide to Appraised Value                      | 1.21%       | 1.13%       | 1.05%       | 0.96%       | 1.27%       | 1.84%                     |
| NET DIRECT DEBT - County-Wide to Assessed Value                       | 4.19%       | 3.92%       | 3.63%       | 3.34%       | 4.37%       | 6.37%                     |
| <b>PER CAPITA DEBT RATIOS - COUNTY-WIDE</b>                           |             |             |             |             |             |                           |
| POPULATION <sup>(1)</sup>   | 133,001     | 134,003     | 135,005     | 136,007     | 136,007     | 136,007                   |
| PER CAPITA PERSONAL INCOME <sup>(2)</sup>                             | \$42,236    | \$43,299    | \$47,667    | \$52,089    | \$52,089    | \$52,089                  |
| Estimated Actual Value to POPULATION                                  | 88,482      | 89,166      | 99,475      | 101,300     | 140,832     | 140,832                   |
| Appraised Value to POPULATION   | 88,482      | 89,166      | 89,359      | 90,998      | 91,921      | 91,921                    |
| Assessed Value to POPULATION  | 25,501      | 25,683      | 25,765      | 26,250      | 26,600      | 26,600                    |
| Total Debt to POPULATION  | 1,132       | 1,066       | 998         | 934         | 1,242       | 1,773                     |
| Net Direct Debt to POPULATION   | 1,069       | 1,006       | 935         | 876         | 1,163       | 1,694                     |
| Total Debt Per Capita as a percent of PER CAPITAL PERSONAL INCOME     | 2.68%       | 2.46%       | 2.09%       | 1.79%       | 2.38%       | 3.40%                     |
| Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME | 2.53%       | 2.32%       | 1.96%       | 1.68%       | 2.23%       | 3.25%                     |

<sup>(1)</sup> Estimates for the County are from the Comprehensive Annual Financial Reports of the County.

<sup>(2)</sup> PER CAPITA PERSONAL INCOME is based upon data available from the U.S. Department of Commerce for Washington County.

| RURAL CITY OUTSIDE OF JOHNSON CITY                                    |             |             |             |             |             |                           |
|---|-------------|-------------|-------------|-------------|-------------|---------------------------|
| <b>DEBT RATIOS - RURAL</b>  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2024 Post Issuance</b> |
| TOTAL RURAL DEBT to Estimated Actual Value                            | 0.03%       | 0.02%       | 0.04%       | 0.03%       | 0.02%       | 0.02%                     |
| TOTAL RURAL DEBT to Appraised Value                                   | 0.03%       | 0.02%       | 0.05%       | 0.03%       | 0.03%       | 0.03%                     |
| TOTAL RURAL DEBT to Assessed Value                                    | 0.11%       | 0.09%       | 0.19%       | 0.16%       | 0.13%       | 0.13%                     |
| NET DIRECT DEBT - Rural to Estimated Actual Value                     | 0.02%       | 0.02%       | 0.04%       | 0.03%       | 0.02%       | 0.02%                     |
| NET DIRECT DEBT - Rural to Appraised Value                            | 0.02%       | 0.02%       | 0.05%       | 0.03%       | 0.03%       | 0.03%                     |
| NET DIRECT DEBT - Rural to Assessed Value                             | 0.09%       | 0.07%       | 0.19%       | 0.16%       | 0.13%       | 0.13%                     |
| <b>PER CAPITA DEBT RATIOS - RURAL</b>                                 |             |             |             |             |             |                           |
| POPULATION <sup>(1)</sup>   | 66,386      | 63,190      | 63,190      | 63,190      | 63,190      | 63,190                    |
| PER CAPITA PERSONAL INCOME <sup>(2)</sup>                             | \$42,236    | \$43,299    | \$47,667    | \$52,089    | \$52,089    | \$52,089                  |
| Estimated Actual Value to POPULATION                                  | 76,817      | 82,755      | 83,143      | 107,077     | 119,650     | 119,650                   |
| Appraised Value to POPULATION   | 76,817      | 82,755      | 74,688      | 96,187      | 78,096      | 78,096                    |
| Assessed Value to POPULATION  | 19,204      | 21,913      | 19,565      | 20,041      | 20,576      | 20,576                    |
| Total Debt to POPULATION  | 21          | 19          | 37          | 32          | 27          | 27                        |
| Net Direct Debt to POPULATION   | 18          | 15          | 37          | 32          | 27          | 27                        |
| Total Debt Per Capita as a percent of PER CAPITAL PERSONAL INCOME     | 0.05%       | 0.04%       | 0.08%       | 0.06%       | 0.05%       | 0.05%                     |
| Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME | 0.04%       | 0.03%       | 0.08%       | 0.06%       | 0.05%       | 0.05%                     |

<sup>(1)</sup> Population of the County outside the territorial limits of Johnson City as provided by the U. S. Census Bureau. Not available for Johnson City after 2013. Estimates for the County are from the Comprehensive Annual Financial Reports.

<sup>(2)</sup> PER CAPITA PERSONAL INCOME is based upon data available from the U.S. Department of Commerce for Washington County.

**WASHINGTON COUNTY, TENNESSEE**  
**General Obligation Debt Service Requirements - County-Wide**  
**As of June 30, 2024**

| Year<br>Ending<br>June 30 | Existing Principal    | Plus: Series<br>2025 | Total Principal      | Existing<br>Interest | Plus: Series<br>2025 | Total Interest      | Total Debt Service<br>Requirements | Percent<br>Total Debt<br>Retired |
|---------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|------------------------------------|----------------------------------|
| 2025                      | \$ 9,362,345          | \$ -                 | \$ 9,362,345         | \$ 5,655,054         | \$ -                 | \$ 5,655,054        | \$ 15,017,399                      |                                  |
| 2026                      | 9,490,157             | -                    | 9,490,157            | 5,279,828            | 3,513,854            | 8,793,682           | 14,769,985                         |                                  |
| 2027                      | 9,860,579             | -                    | 9,860,579            | 4,894,631            | 3,614,250            | 8,508,881           | 14,755,210                         |                                  |
| 2028                      | 10,267,750            | -                    | 10,267,750           | 4,494,510            | 3,614,250            | 8,108,760           | 14,762,260                         | 23.32%                           |
| 2029                      | 10,690,741            | 8,880,000            | 19,570,741           | 4,074,570            | 3,614,250            | 7,688,820           | 14,765,311                         |                                  |
| 2030                      | 11,129,307            | 9,320,000            | 20,449,307           | 3,639,604            | 3,170,250            | 6,809,854           | 14,768,911                         |                                  |
| 2031                      | 11,542,143            | 9,790,000            | 21,332,143           | 3,221,018            | 2,704,250            | 5,925,268           | 14,763,161                         |                                  |
| 2032                      | 11,123,376            | 10,280,000           | 21,403,376           | 2,805,062            | 2,214,750            | 5,019,812           | 13,928,438                         |                                  |
| 2033                      | 11,529,925            | 10,790,000           | 22,319,925           | 2,394,431            | 1,700,750            | 4,095,181           | 13,924,356                         | 56.82%                           |
| 2034                      | 11,623,679            | 11,330,000           | 22,953,679           | 2,048,427            | 1,161,250            | 3,209,677           | 13,672,106                         |                                  |
| 2035                      | 11,707,697            | 11,895,000           | 23,602,697           | 1,708,459            | 594,750              | 2,303,209           | 13,416,156                         |                                  |
| 2036                      | 12,209,179            | -                    | 12,209,179           | 1,370,127            | -                    | 1,370,127           | 13,579,306                         |                                  |
| 2037                      | 12,573,697            | -                    | 12,573,697           | 1,004,391            | -                    | 1,004,391           | 13,578,088                         |                                  |
| 2038                      | 1,502,454             | -                    | 1,502,454            | 618,446              | -                    | 618,446             | 2,120,900                          | 86.50%                           |
| 2039                      | 1,543,019             | -                    | 1,543,019            | 577,881              | -                    | 577,881             | 2,120,900                          |                                  |
| 2040                      | 1,584,296             | -                    | 1,584,296            | 536,604              | -                    | 536,604             | 2,120,900                          |                                  |
| 2041                      | 1,628,330             | -                    | 1,628,330            | 492,570              | -                    | 492,570             | 2,120,900                          |                                  |
| 2042                      | 1,672,205             | -                    | 1,672,205            | 448,695              | -                    | 448,695             | 2,120,900                          |                                  |
| 2043                      | 1,717,909             | -                    | 1,717,909            | 402,991              | -                    | 402,991             | 2,120,900                          | 91.37%                           |
| 2044                      | 1,764,661             | -                    | 1,764,661            | 356,239              | -                    | 356,239             | 2,120,900                          |                                  |
| 2045                      | 1,813,873             | -                    | 1,813,873            | 307,027              | -                    | 307,027             | 2,120,900                          |                                  |
| 2046                      | 1,863,593             | -                    | 1,863,593            | 257,307              | -                    | 257,307             | 2,120,900                          |                                  |
| 2047                      | 1,915,179             | -                    | 1,915,179            | 205,721              | -                    | 205,721             | 2,120,900                          |                                  |
| 2048                      | 1,968,194             | -                    | 1,968,194            | 152,706              | -                    | 152,706             | 2,120,900                          | 96.95%                           |
| 2049                      | 1,523,352             | -                    | 1,523,352            | 97,548               | -                    | 97,548              | 1,620,900                          |                                  |
| 2050                      | 1,557,264             | -                    | 1,557,264            | 63,636               | -                    | 63,636              | 1,620,900                          |                                  |
| 2051                      | 1,592,083             | -                    | 1,592,083            | 28,817               | -                    | 28,817              | 1,620,900                          |                                  |
| 2052                      | 434,911               | -                    | 434,911              | 1,730                | -                    | 1,730               | 436,641                            | 100.00%                          |
|                           | <u>\$ 167,191,898</u> | <u>\$72,285,000</u>  | <u>\$239,476,898</u> | <u>\$47,138,030</u>  | <u>\$25,902,604</u>  | <u>\$73,040,634</u> | <u>\$ 214,329,928</u>              |                                  |

(1) Does not include internal loans, capital lease obligations, compensated absences, if any, or the Rural School Bonds, Series 2013

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**WASHINGTON COUNTY, TENNESSEE**  
**Debt Service Requirements - Rural School Bonds**  
**As of June 30, 2024**

| Year<br>Ending<br>June 30 | Total Principal     | Total Interest   | Total Debt Service<br>Requirements | Percent<br>Total Debt<br>Retired |
|---------------------------|---------------------|------------------|------------------------------------|----------------------------------|
| 2025                      | \$ 331,285          | \$ 7,608         | \$ 338,893                         |                                  |
| 2026                      | 332,940             | 5,952            | 338,892                            |                                  |
| 2027                      | 334,608             | 4,284            | 338,892                            |                                  |
| 2028                      | 336,288             | 2,604            | 338,892                            | 78.47%                           |
| 2029                      | 338,052             | 840              | 338,892                            |                                  |
| 2030                      | 28,208              | 55               | 28,263                             | 100.00%                          |
|                           | <u>\$ 1,701,381</u> | <u>\$ 21,343</u> | <u>\$ 1,722,724</u>                |                                  |

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**WASHINGTON COUNTY, TENNESSEE**  
**Five Year Summary of Revenues, Expenditures and**  
**Changes In Fund Balances - General Fund**

|   | <u>2024</u>          | <u>2023</u>           | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                           |                      |                       |                      |                      |                      |
| Taxes                                     | \$ 36,225,814        | \$ 26,527,560         | \$ 25,540,240        | \$ 25,526,539        | \$ 25,029,990        |
| Licenses and Permits                      | 1,088,729            | 955,236               | 1,017,339            | 938,296              | 781,380              |
| Fines, Forfeitures and Penalties          | 408,914              | 533,431               | 529,285              | 402,310              | 506,266              |
| Charges for Services                      | 1,038,140            | 800,000               | 734,003              | 595,443              | 609,433              |
| Other Local Revenues                      | 508,717              | 897,791               | 264,999              | 306,917              | 1,209,904            |
| Fees - County Officials                   | 6,826,444            | 6,905,722             | 6,775,553            | 6,790,007            | 6,416,734            |
| State of Tennessee                        | 6,941,426            | 5,431,864             | 8,949,222            | 5,640,870            | 4,216,497            |
| Federal Government                        | 1,895,808            | 1,925,893             | 1,748,906            | 3,285,023            | 1,417,837            |
| Other Grant & Citizen Groups              | <u>1,177,640</u>     | <u>582,402</u>        | <u>257,286</u>       | <u>301,685</u>       | <u>322,404</u>       |
| <b>Total Revenues</b>                     | \$ 56,111,632        | \$ 44,559,899         | \$ 45,816,833        | \$ 43,787,090        | \$ 40,510,445        |
| <b>Expenditures</b>                       |                      |                       |                      |                      |                      |
| General Government                        | \$ 5,632,172         | \$ 5,939,949          | \$ 5,216,707         | \$ 4,841,127         | \$ 4,926,724         |
| Finance                                   | 3,677,849            | 3,619,086             | 3,343,850            | 3,130,966            | 3,029,411            |
| Administration of Justice                 | 5,744,004            | 5,087,672             | 4,727,702            | 4,649,731            | 4,569,640            |
| Public Safety                             | 31,942,230           | 26,472,004            | 22,726,467           | 21,512,444           | 20,487,545           |
| Public Health & Welfare                   | 4,588,237            | 8,067,760             | 3,919,424            | 3,830,748            | 4,024,941            |
| Social, Cultural, & Recreational Services | 1,201,121            | 1,134,634             | 1,091,842            | 1,062,067            | 1,041,938            |
| Agricultural & Natural Resources          | 744,263              | 729,688               | 673,755              | 577,190              | 568,847              |
| Other Operations                          | 1,627,819            | 1,406,545             | 1,645,489            | 2,889,863            | 1,588,249            |
| Education                                 | -                    | -                     | -                    | -                    | -                    |
| Debt Service                              | 88,248               | 88,248                | 88,247               | -                    | -                    |
| Capital Outlay                            | <u>148,520</u>       | <u>134,443</u>        | <u>77,735</u>        | <u>98,953</u>        | <u>109,202</u>       |
| <b>Total Expenditures</b>                 | \$ 55,394,463        | \$ 52,680,029         | \$ 43,511,218        | \$ 42,593,089        | \$ 40,346,497        |
| <b>Excess of Revenues</b>                 |                      |                       |                      |                      |                      |
| <b>Over (Under) Expenditures</b>          | <u>\$ 717,169</u>    | <u>\$ (8,120,130)</u> | <u>\$ 2,305,615</u>  | <u>\$ 1,194,001</u>  | <u>\$ 163,948</u>    |
| <b>Other Financing Sources (Uses):</b>    |                      |                       |                      |                      |                      |
| Transfers In                              | \$ 6,337,049         | \$ 2,500,000          | \$ -                 | \$ 2,000,000         | \$ -                 |
| Capital Lease Proceeds                    | -                    | -                     | -                    | -                    | -                    |
| Insurance Recovery                        | 55,414               | 77,730                | 7,522                | 11,210               | 5,520                |
| Transfers Out                             | <u>(58,616)</u>      | <u>(211,483)</u>      | <u>(225,620)</u>     | <u>(216,400)</u>     | <u>(49,000)</u>      |
| <b>Total Other Financing Sources</b>      | \$ 6,333,847         | \$ 2,366,247          | \$ (218,098)         | \$ 1,794,810         | \$ (43,480)          |
| <b>Net Changes in Fund Balance</b>        | \$ 7,051,016         | \$ (5,753,883)        | \$ 2,087,517         | \$ 2,988,811         | \$ 120,468           |
| <b>Fund Balance July 1</b>                | <u>16,020,471</u>    | <u>21,774,354</u>     | <u>20,408,682</u>    | <u>17,419,871</u>    | <u>17,299,403</u>    |
| Prior Period Adjustment <sup>(1)</sup>    |                      |                       | <u>(721,845)</u>     |                      |                      |
| <b>Fund Balance June 30</b>               | <u>\$ 23,071,487</u> | <u>\$ 16,020,471</u>  | <u>\$ 21,774,354</u> | <u>\$ 20,408,682</u> | <u>\$ 17,419,871</u> |

Source: Comprehensive Annual Financial Reports of the County

# WASHINGTON COUNTY, TENNESSEE

## Fund Balances

### GOVERNMENTAL FUNDS

|                                     | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                 |                      |                      |                      |                      |                      |
| Nonspendable                        | \$20,997             | \$104,894            | \$75,855             | \$68,845             | \$65,844             |
| Restricted                          | 899,558              | 770,257              | 1,035,349            | 1,883,509            | 2,337,115            |
| Committed                           | -                    | 721,845.00           | -                    | 227,981.00           | 426,442              |
| Assigned                            | 2,106,376            | 3,064,962            | 7,361,874            | 1,554,681            | 2,805,299            |
| Unassigned                          | 14,392,940           | 15,746,724           | 13,301,276           | 12,285,455           | 17,436,787           |
| Reserved                            | -                    | -                    | -                    | -                    | -                    |
| Unreserved                          | -                    | -                    | -                    | -                    | -                    |
| <b>Total General Fund</b>           | <u>\$ 17,419,871</u> | <u>\$ 20,408,682</u> | <u>\$ 21,774,354</u> | <u>\$ 16,020,471</u> | <u>\$ 23,071,487</u> |
| <b>All Other Governmental Funds</b> |                      |                      |                      |                      |                      |
| <b>Nonspendable</b>                 |                      |                      |                      |                      |                      |
| Highways                            | -                    | -                    | \$124                | \$79                 | -                    |
| Debt Service                        | -                    | -                    | 2,226                | 0                    | -                    |
| Other Purposes                      | -                    | -                    | 25                   | 31                   | 28,269               |
| <b>Restricted</b>                   |                      |                      |                      |                      |                      |
| Highways                            | \$1,353,805          | \$1,236,908          | \$1,437,378          | \$2,092,858          | \$3,205,498          |
| Public Health and Welfare           | -                    | -                    | -                    | 559,852.00           | \$824,799            |
| Debt Service                        | 7,243,289            | 7,090,072            | 6,152,179            | 5,869,413            | 9,033,859            |
| Public Safety                       | 358,743              | 334,554              | 353,766              | 340,345              | 160,383              |
| Education                           | -                    | -                    | 6,502,453.00         | 8,460,511.00         | 7,903,857            |
| Capital Projects                    | 10,713,542           | 12,177,760           | 7,474,243            | 10,760,542           | 3,276,629            |
| <b>Committed</b>                    |                      |                      |                      |                      |                      |
| Highway Fund                        | 5,582,006            | 5,982,776            | 6,602,476            | 6,703,893            | 7,224,920            |
| Public Health and Welfare           | 245,932              | 356,677              | 648,540              | 720,219              | 1,090,102            |
| Capital Projects                    | -                    | -                    | 1,442,608.00         | 3,014,791.00         | 2,352,569            |
| Other Purposes                      | -                    | 190.00               | 22,593,305.00        | 10,223,570.00        | 6,128,215            |
| <b>Assigned</b>                     |                      |                      |                      |                      |                      |
| Highways                            | -                    | -                    | -                    | -                    | -                    |
| Public Safety                       | -                    | -                    | -                    | -                    | -                    |
| Debt Service                        | -                    | -                    | -                    | -                    | -                    |
| Capital Projects                    | -                    | -                    | -                    | -                    | -                    |
| <b>Reserved</b>                     | -                    | -                    | -                    | -                    | -                    |
| <b>Unreserved</b>                   |                      |                      |                      |                      |                      |
| Highway Fund                        | -                    | -                    | -                    | -                    | -                    |
| Capital Projects Fund - (1)         | -                    | -                    | -                    | -                    | -                    |
| Debt Service Fund                   | -                    | -                    | -                    | -                    | -                    |
| Special Revenue Funds               | -                    | -                    | -                    | -                    | -                    |
| <b>Total All Governmental Funds</b> | <u>\$25,497,317</u>  | <u>\$27,178,937</u>  | <u>\$53,209,323</u>  | <u>\$48,746,104</u>  | <u>41,229,100.00</u> |

Note: The County implemented GASB Statement No. 54, Fund Balancer Reporting a Governmental Fund Type Definition, during FY 2011. These changes were not retroactively applied.

Source: Comprehensive Annual Financial Reports of the County

## FINANCIAL INFORMATION

### BUDGETARY PROCESS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees fund (special revenue fund) which are not budgeted, and the capital projects fund, which adopt project length budgets. 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 State 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, 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 generally accepted accounting principles (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.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Washington County Primary Government exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$26,357,040 (net position). Washington County has the obligation on 100% of the debt while all the buildings owned by the Board of Education are recorded as assets on their books.
- Washington County Primary Government's total net position increased by \$5,375,245 primarily as the result of increases in capital assets net of depreciation and the retirement of long-term debt.

- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$64,300,587, a decrease of \$465,988 over the prior year combined fund balances. The decrease was due primarily to inflationary impacts on salaries, services and materials over and above increased revenues and net pension asset. Of the \$64,300,587 of combined governmental ending fund balances, \$17,436,787 (27%) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the general fund unassigned fund balance was \$17,436,787 or 31% of the total general fund expenditures.

## **ADOPTION OF CAPITAL INVESTMENT PLAN**

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

Source: Comprehensive Annual Financial Report

## **INVESTMENT AND CASH MANAGEMENT PRACTICES**

The County Trustee is the treasurer of the County and in this capacity, is responsible for receiving, disbursing, depositing and investing most County funds.

Various restrictions on deposits and investments, including repurchase agreements, are imposed by state statutes. These restrictions are summarized as follows:

**Deposits - Legal Provisions.** All deposits with financial institutions must be secured by one of two 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 be equal at least 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund

accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105% 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.

**INVESTMENTS** - Counties are authorized to make direct investments in bonds, notes or treasury bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and 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 the State law are followed. Counties are also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2% below the market value of the securities on the day of purchase.

Source: Comprehensive Annual Financial Report.

For additional information, see the County's Investment Policy at the following web address:  
[http://www.washingtoncountyttn.org/sites/default/files/investment\\_policy.pdf](http://www.washingtoncountyttn.org/sites/default/files/investment_policy.pdf)

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

*Taxation of Property.* Under the Tennessee Constitution (the "Constitution") and laws of the State, 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 provided under Tennessee law.

Under the Constitution and laws of the State, 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 by the Constitution to be classified into four sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property - 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 - 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 - 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 - 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 sub classifications and assessed at the rates as follows:

- (a) Public Utility Property - assessed at 55% of its value;
- (b) Industrial and Commercial Property - assessed at 30% of its value; and
- (c) All other Tangible Personal Property - 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 empowers the General Assembly to classify Intangible Personal Property into sub classifications 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 for purposes of taxation.

The Constitution requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State 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.

The Constitution empowers the General Assembly to authorize the several counties and

incorporated municipalities in the State to impose taxes for county and municipal purposes in the manner prescribed by law. Under Tennessee Code Annotated, the General Assembly has authorized the counties and incorporated municipalities 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 legislative body of each jurisdiction based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

*Assessment of Property.* All assessments 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 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 boards of equalization begin their annual sessions.

The boards of equalization are required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

*State Assessments of Public Utility Property.* The State Comptroller of the Treasury (the "Comptroller") is authorized and directed under State law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by law.

On or before the first Monday in August of each year, the assessments are required to be completed and the Comptroller is required to send a notice of assessment to each company assessable. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the Comptroller, who may change or affirm the valuation. On or before the first Monday in September of each year, the Comptroller is required to file with the State Board of Equalization ("State Board") assessments so made. The State Board is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the Comptroller.

The State Board has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board is final and conclusive as to all matters passed upon by the State Board, subject to judicial review consisting of a new hearing in chancery court.

*Periodic Reappraisal and Equalization.* Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State.

*Certified Tax Rate.* Upon a general reappraisal of property as determined by the State Board, the county assessor of property is required to (1) certify to the governing bodies of the county and each County within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate ("Certified Tax Rate") which will provide the same ad valorem revenue for that jurisdiction as was levied during the previous year. The governing body of a county or County may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

No tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any County until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

*Tax Freeze for the Elderly Homeowner.* The Constitution was amended in November, 2006 to authorize the General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax



Freeze Act permitting local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible.

*Tax Collection and Tax Lien.* County Property taxes are payable the first Monday in October of each year although cities and towns may follow different calendars based on their Charter requirements. Unless a city or town collects its own taxes as it is permitted to do, the county trustee of each county acts as the collector of all county property taxes.

The taxes assessed by the State, a county, a County, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

*Assessed Valuations.* Real and personal property assessment values increased 1.3% in calendar year 2023 as compared to 2022. The tax rate for calendar year 2023 remained unchanged from 2022 at \$2.15 per \$100 of assessed value. Calendar 2024 was a reappraisal year under Tennessee statutes and as a result the assessed values increased 56% and resulted in an equalized tax rate of \$1.4071 per \$100 of assessed value. The County Commission adopted a tax rate of \$1.71 per \$100 of assessed value for fiscal year 2025.

*County-Wide Assessed Values and Estimated Actual Values.* The following table depicts historical data for the current tax year and the ten most recent tax years.

| WASHINGTON COUNTY, TENNESSEE                |          |                                       |                         |  |                                  |   |                         |                 |  |                 |
|---|----------|---------------------------------------|-------------------------|--|----------------------------------|---|-------------------------|-----------------|--|-----------------|
| Assessed Values and Estimated Actual Values |          |                                       |                         |  |                                  |   |                         |                 |  |                 |
| Real Property                               |          |                                       |                         |  |                                  |   |                         |                 |  |                 |
| FY  | Tax Year | Commercial/<br>Industrial/<br>Mineral | Residential<br>Property | Farm / Other<br>Real Property <sup>(1)</sup> | Tangible<br>Personal<br>Property | Public Utility<br>Property <sup>(2)</sup> | Total Assessed<br>Value | Appraisal Ratio | Estimated Actual<br>Value <sup>(3)</sup> | County Tax Rate |
| 2025  | 2024*    | \$1,402,195,640                       | \$3,685,860,205         | \$204,625,728                                | \$245,355,686                    | \$95,173,902                              | \$5,633,211,161         | 1.0000          | \$20,170,025,899                         | 1.7100          |
| 2024  | 2023     | 1,115,752,385                         | 2,152,838,085           | 140,528,450                                  | 148,813,573                      | 59,920,646                                | 3,617,853,139           | 0.6527          | 19,154,192,094                           | 2.1500          |
| 2023  | 2022     | 1,084,686,745                         | 2,101,449,310           | 137,768,050                                  | 168,550,139                      | 77,757,459                                | 3,570,211,703           | 0.8983          | 13,777,499,765                           | 2.1500          |
| 2022  | 2021     | 1,056,392,485                         | 2,051,716,525           | 134,610,275                                  | 162,439,149                      | 73,191,051                                | 3,478,349,485           | 0.8983          | 13,429,644,769                           | 2.1500          |
| 2021  | 2020     | 1,041,727,310                         | 2,007,386,825           | 133,178,075                                  | 179,593,009                      | 79,760,631                                | 3,441,645,850           | 1.0000          | 11,948,478,017                           | 2.1500          |
| 2020  | 2019*    | 1,038,845,130                         | 1,975,990,450           | 131,731,075                                  | 170,522,959                      | 74,509,707                                | 3,391,599,321           | 1.0000          | 11,768,138,888                           | 2.1500          |
| 2019  | 2018     | 934,312,440                           | 1,772,807,375           | 125,167,150                                  | 152,706,327                      | 70,296,853                                | 3,032,014,002           | 0.9366          | 11,296,265,324                           | 2.3798          |
| 2018  | 2017     | 928,829,800                           | 1,745,781,350           | 124,000,325                                  | 161,124,436                      | 72,278,091                                | 3,005,452,272           | 0.9750          | 10,765,793,329                           | 2.3798          |
| 2017  | 2016     | 893,931,640                           | 1,740,527,050           | 124,849,300                                  | 167,254,286                      | 78,889,996                                | 2,954,795,793           | 0.9750          | 10,694,449,172                           | 2.3798          |
| 2016  | 2015     | 875,114,160                           | 1,725,525,350           | 123,412,600                                  | 153,579,251                      | 77,159,432                                | 2,919,526,608           | 1.0000          | 10,272,244,951                           | 1.9798          |
| 2015  | 2014*    | 865,898,920                           | 1,705,610,950           | 125,446,875                                  | 145,210,621                      | 77,359,242                                | 2,987,458,037           | 1.0000          | 10,150,232,672                           | 1.9798          |
| Rate  |          | 40%                                   | 25%                     | 25%/40%                                      | 30%                              | 55%                                       |                         |                 |  |                 |

\* Appraisal year

(1) Includes mineral assessments, if any.

(2) Most public utility properties are assessed by the State.

(3) County residents who live in Johnson City or in the Town of Jonesborough also pay a tax to those respective jurisdictions.

Source: Tax Aggregate Reports of Tennessee published by the State Board of Equalization

*Property Tax Collections.* The following table shows County - wide property tax collections of the County for the 10 most recent tax years and the current year as well as the aggregate uncollected balances for each fiscal year ending June 30.

**WASHINGTON COUNTY, TENNESSEE**  
**Property Tax Rates and Collections**

| FY   | Tax Year | Total Tax Levy for Fiscal Year | Subsequent Tax Levy Adjustments | Adjusted Tax Levy | Collected Within Fiscal Year of the Levy |                             | Collections in Subsequent Years | Total Collections to Date |                             |
|------|----------|--------------------------------|---------------------------------|-------------------|--|-----------------------------|---------------------------------|---------------------------|-----------------------------|
|      |          |                                |                                 |                   | Amount                                   | Percentage of Original Levy |                                 | Amount                    | Percentage of Adjusted Levy |
| 2024 | 2023     | \$77,803,912                   | 0                               | \$77,803,912      | \$76,263,820                             | 98.02%                      | -                               | \$76,263,820              | 98.02%                      |
| 2023 | 2022     | 76,502,573                     | 351,339                         | 76,853,912        | 75,377,674                               | 98.53%                      | 727,431                         | 76,105,105                | 99.03%                      |
| 2022 | 2021     | 74,784,917                     | 64,171                          | 74,849,088        | 73,621,672                               | 98.44%                      | 730,143                         | 74,351,815                | 98.36%                      |
| 2021 | 2020     | 73,995,012                     | -42,054                         | 73,952,958        | 72,086,740                               | 97.42%                      | 1,239,592                       | 73,326,332                | 99.12%                      |
| 2020 | 2019*    | 72,921,419                     | 7,407                           | 72,928,826        | 69,875,815                               | 95.82%                      | 2,366,676                       | 72,242,491                | 99.29%                      |
| 2019 | 2018     | 72,709,799                     | 63,572                          | 72,773,371        | 71,080,990                               | 97.76%                      | 2,308,926                       | 73,389,916                | 98.90%                      |
| 2018 | 2017     | 72,155,872                     | -60,610                         | 72,095,262        | 70,595,653                               | 97.84%                      | 1,893,742                       | 72,489,395                | 98.68%                      |
| 2017 | 2016     | 71,523,756                     | -85,851                         | 71,437,905        | 69,122,805                               | 96.64%                      | 1,324,586                       | 70,447,391                | 98.65%                      |
| 2016 | 2015     | 58,640,267                     | 13,124                          | 58,653,391        | 55,994,552                               | 95.49%                      | 1,949,873                       | 57,944,425                | 98.56%                      |
| 2015 | 2014*    | 57,800,792                     | 95,427                          | 57,896,219        | 55,149,235                               | 95.41%                      | 2,004,864                       | 57,154,099                | 98.72%                      |
| 2014 | 2013     | 57,220,894                     | 82,443                          | 57,303,337        | 54,283,260                               | 94.87%                      | 2,194,521                       | 56,477,781                | 98.63%                      |

\* Appraisal year

Note: County residents who live in Johnson City or in the Town of Jonesborough also pay a tax to those respective jurisdictions. There is no rural tax rate levied currently.

Source: Comprehensive Annual Financial Report of the County and County officials

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*Ten Largest Taxpayers.* The ten largest taxpayers in the County during fiscal year 2024 compared to fiscal year 2015 were as follows:

**Washington County, Tennessee**  
**Ten Largest Taxpayers (during FY2024 vs. FY2015)**

| <u>Taxpayer</u>                         | <u>FY2024</u> |                         |                               | <u>FY2015</u> |                         |                               |
|---|---------------|-------------------------|-------------------------------|---------------|-------------------------|-------------------------------|
|   | <u>Rank</u>   | <u>Assessed Value</u>   | <u>% of Total<br/>Town AV</u> | <u>Rank</u>   | <u>Assessed Value</u>   | <u>% of Total<br/>Town AV</u> |
| Glimcher, MJC, LLC                      | 1             | \$ 21,532,280           | 0.60%                         | 1             | \$ 23,575,686           | 0.80%                         |
| Wal-Mart/Sam's Club                     | 2             | 17,070,340              | 0.47%                         | 3             | 21,633,665              | 0.74%                         |
| American Water Heater                   | 3             | 12,736,920              | 0.35%                         | 4             | 15,278,942              | 0.52%                         |
| Knob Creek Apts LLC                     | 4             | 11,301,440              | 0.31%                         | 7             | 10,441,720              | 0.36%                         |
| Wolfe Rentals GP/Wolfe Development      | 5             | 11,205,015              | 0.31%                         |               | -                       | 0.00%                         |
| Atmos Energy Corporation                | 6             | 11,099,068              | 0.31%                         | 6             | 10,429,495              | 0.35%                         |
| Reserve Johnson City LLC                | 7             | 10,334,920              | 0.29%                         |               | -                       | 0.00%                         |
| The Villas at Mockingbird Lane LLC      | 8             | 10,212,400              | 0.28%                         |               | -                       | 0.00%                         |
| RAF Johnson City LLC c/o Chase Property | 9             | 9,811,320               | 0.27%                         | 5             | 12,897,535              | 0.44%                         |
| University Parkway Holdings LLC         | 10            | 8,200,000               | 0.23%                         |               | -                       | 0.00%                         |
| United Telephone Southeast, LLC         |               |                         |                               | 2             | 24,214,062              | 0.82%                         |
| SOFHA Real Estate Partners, LLC         |               |                         |                               | 8             | 9,873,080               | 0.34%                         |
| Lowes Home Center Inc                   |               |                         |                               | 9             | 8,895,711               | 0.30%                         |
| Bank of Tennessee                       |               |                         |                               | 10            | 8,129,199               | 0.28%                         |
| Total                                   |               | <u>\$ 123,503,703</u>   | <u>3.41%</u>                  |               | <u>\$ 145,369,095</u>   | <u>4.95%</u>                  |
| Total Assessment                        |               | <u>\$ 3,617,853,139</u> |                               |               | <u>\$ 2,939,641,783</u> |                               |

Source: Comprehensive Annual Report of the County

## LOCAL OPTION SALES AND USE TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of *Tennessee Code Annotated* as amended, (the "Sales Tax Act"), the County levies a county-wide local option sales and use tax. Under the Sales Tax Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited under State law to 2.75%.

Pursuant to the Sales Tax Act, the levy of a sales tax by a county precludes any city from within the county from levying a sales tax, but a city may levy a sales tax in addition to the county's sales tax a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of 2.75%. If a city is located in more than one county, each portion of the city that is located in a separate county is treated as a separate city for purposes of determining the maximum sales tax rate.

The revenues from county-wide sales taxes are distributed pursuant to the provisions of the Sales Tax Act and other provisions of the *Tennessee Code Annotated*. Fifty percent of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized public school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities in

such county based upon the situs of collection unless a separate agreement has been ratified concerning the distribution of these funds. The distribution of the 2.50% sales tax received by the County for the most recent 10 fiscal years was as follows:

**WASHINGTON COUNTY, TENNESSEE**  
**Local Sales Tax**

| <u>Fiscal Year</u> | <u>Education</u> | <u>General Fund</u> | <u>Total</u> | <u>Percentage<br/>Change</u> |
|--------------------|------------------|---------------------|--------------|------------------------------|
| 2024               | \$21,204,862     | \$4,756,201         | \$25,961,063 | 12.56%                       |
| 2023               | 23,032,425       | 32,236              | 23,064,661   | 8.31%                        |
| 2022               | 21,274,727       | 20,860              | 21,295,587   | 10.71%                       |
| 2021               | 19,215,519       | 19,379              | 19,234,898   | 17.49%                       |
| 2020               | 16,351,793       | 19,379              | 16,371,172   | 6.60%                        |
| 2019               | 15,338,585       | 19,379              | 15,357,964   | 0.27%                        |
| 2018               | 15,297,988       | 19,379              | 15,317,367   | 3.38%                        |
| 2017               | 14,794,330       | 22,609              | 14,816,939   | 0.64%                        |
| 2016               | 14,703,504       | 19,379              | 14,722,883   | 3.83%                        |
| 2015               | 14,160,180       | 19,379              | 14,179,559   | 2.35%                        |
| 2014               | 13,833,965       | 19,379              | 13,853,344   | 2.42%                        |

Source: Comprehensive Annual Financial Report of the County

The Sales Tax Act authorizes a county, by resolution of its governing body, to pledge proceeds raised by the power and authority granted by the Sales Tax Act to the punctual payment of principal of and interest on bonds, notes or other evidence of indebtedness issued for purposes for which such proceeds were intended to be spent. Neither the County or the Board of Education have not entered into any agreements regarding the sale tax. Accordingly, no pledge (in whole or in part) to secure debt has been made for any of the County's sales tax earmarked for education.

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## **PENSION PLANS**

For information on pension and retirement plans offered to County employees and employees of the County Board of Education, see the Comprehensive Financial Report of the County which may be accessed as described in Appendix D.

## **OTHER POST-EMPLOYMENT BENEFITS**

For information on other post-employment benefits offered to County employees and employees of the County Board of Education, see the Comprehensive Financial Report of the County which may be accessed as described in Appendix D.

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**FORM OF CONTINUING DISCLOSURE  
AGREEMENT**

WASHINGTON COUNTY, TENNESSEE

\$\_\_\_\_\_ GENERAL OBLIGATION CAPITAL OUTLAY NOTES, SERIES 2025

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2025, by Washington County, Tennessee (the “Issuer”) in connection with the issuance of its \$\_\_\_\_\_ General Obligation Capital Outlay Notes, Series 2025 (the “Notes”). 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 Notes 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 Notes (including persons holding Notes through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Notes 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 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 \_\_\_\_\_, 2025, relating to the Notes.

“Participating Underwriters” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Registered Owner” means any person who is identified as a holder of Notes on the registration records maintained by or on behalf of the Issuer with respect to the Notes.

“Resolution” shall mean the bond resolution adopted by the Board of County Commissioners of the Issuer on April 28, 2025.

“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, 2025, 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, tabular 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 bonded indebtedness as of the end of such fiscal year;
2. The indebtedness and debt ratios as of the end of such fiscal year, together with information about the property tax base;
3. Information regarding debt service requirements as of the end of such fiscal year;
4. Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund;
5. Net Assets (Fund Equity) for the fiscal year;
6. The estimated assessed value of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;
7. Property tax rates and tax collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year;
8. The ten largest taxpayers of the County; and
9. Information regarding Local Option Sales and Use Tax Receipts.



(b) *Audited Financial Statements.* For Fiscal Years ending on or after June 30, 2025, 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 Notes 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 Notes or other material events affecting the tax status of the Notes;
- (vii) Modifications to rights of Noteholders, if material;
- (viii) Note calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Notes 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.

(a) 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 Notes, 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 Notes.

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 Notes, 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. Dissemination Agent. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement,

and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent.

SECTION 11. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 12. 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.

Dated: \_\_\_\_\_, 2025.

WASHINGTON COUNTY, TENNESSEE

By: \_\_\_\_\_  
County Mayor

**WASHINGTON COUNTY, TENNESSEE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2024**

**ELECTRONIC LINK**

The Annual Financial for the Washington County, Tennessee as of and for the fiscal year ending June 30, 2024, together with the independent auditors' report is available through the Tennessee Comptroller of the Treasury's official website at:

<https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2024/county/FY24WashingtonHotSheet.pdf>

This document is hereby incorporated by reference as APPENDIX D.

To the extent there are any differences between the electronically posted Annual Financial Report of Washington County and the printed Annual Financial Report of Washington County, the printed version shall control.

The County's current independent external auditor has not been engaged to perform and has not performed any procedures on the financial statements addressed in that report since the date of its report referenced herein nor have they performed any procedures relating to this Official Statement.

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