



JASON E. MUMPOWER
Comptroller

September 19, 2024

Honorable Rogers Anderson, Mayor
and Honorable Board of Commissioners
Williamson County
1320 W. Main Suite 125
Franklin, TN 37064

Dear Mayor Anderson and Board of Commissioners:

This letter acknowledges receipt of a certified copy of the fiscal year 2025 budget.

We have reviewed the budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received. With regard to programs included in the budget such as education, roads, and corrections, we have not attempted to determine that the local government has complied with specific program statutes or guidelines, or with any financing requirements prescribed by any state or federal agency. Please note local officials are required to ensure the budget remains balanced throughout the fiscal year and that all maintenance of effort requirements are met – our office has not reviewed or approved any maintenance of effort programs in this budget. Budget amendments must be sent to our office for formal acknowledgement after they are approved by the local governing body (submit to: LGF@cot.tn.gov).

This letter constitutes approval, by this office, for the County's fiscal year 2025 budget as adopted by the County Commission.

Fiscal Trends and Metrics Infographics

Taking the fiscal health of Tennessee's local governments seriously, the Comptroller's Office has created internal metrics and trends to help evaluate and monitor the financial position of counties and metropolitan governments in Tennessee. We sent a dashboard of the metrics and trends to local and state officials earlier this year and you can also find this resource on our website at tncot.cc/fisco.

Budget Considerations

During our review of the budget we identified the following items for your attention.

Component Unit - Williamson Health

The most recent audit indicates that the County annually provides a subsidy to the County Hospital District. For all future budget submissions, please include a detailed budget for this Component Unit.

Structurally Balanced Budget

A budget is structurally balanced when recurring revenues that can be relied on every year are sufficient to pay recurring expenditures required for normal governmental operations. As a best practice, we recommend officials adopt a structurally balanced budget that ensures there are sufficient recurring revenues to pay for recurring expenditures for all funds.

Cash Management - General Purpose School Fund

As part of the annual budget submission process, you provided projected beginning and ending cash balances for each fund and have projected to end the budget year with an ending cash balance for the General Purpose School Fund (the “Fund”) that is less than one month’s average spending. The Fund appears to have sufficient cash during the fiscal year to remain balanced; however, to ensure this continues, your finance staff should provide the following information to the governing body, if it does not already do so:

- An updated cash flow analysis for the Fund showing actual data from the prior month and any changes to forecasted data, and
- A budget-to-actual report for the Fund including both revenue collections and expenditures.

These reports should be presented to and reviewed by the governing body at each regular meeting. We recommend that the finance staff provide the governing body these reports for all funds.

Fund Balance Policy - General Purpose School Fund

During our review we noted that the General Purpose School Fund is budgeted to end the fiscal year with a fund balance that is significantly less than two months of expenditures. We recommend the governing body adopt a fund balance policy for all fund types with a requirement to maintain not less than two months of the regular operating revenue or expenditures for operating funds. You may determine more than two months is appropriate and the nature of each fund will determine the appropriate minimum amount that should be maintained.

Commendation

We commend the governing body for adopting this year’s budget prior to the beginning of the budget year. Timely adoption will result in better management of public dollars in the coming year by immediately instituting appropriate budgetary controls. It also allows your financial staff more time to close the official accounting records and have those records available for audit no later than two months after the close of your fiscal year as required by Tenn. Code Ann. § 9-2-102.

Williamson County
Budget Review Letter
September 19, 2024

If you should have questions or need assistance, please refer to our online resources on our website or feel free to contact your financial analyst, Charlie Lester, at 615.401.7762 or Charlie.Lester@cot.tn.gov.

Sincerely,



Sheila Reed, Director
Division of Local Government Finance



Charlie Lester, Financial Analyst
Division of Local Government Finance

cc: Ms. Phoebe Reilly, Williamson County

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