

WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

WASHINGTON COUNTY, TENNESSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
For the Fiscal Year Ended June 30, 2007

---

	<u>PAGE</u>
SECTION I – INTRODUCTORY	
Roster of County Officials	1
SECTION II – BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets – Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Net Assets – Agency Funds	24
Notes to Financial Statements	25
SECTION III – REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Budgetary Comparison Schedule	69
Highway Fund- Budgetary Comparison Schedule	73
Notes to Required Supplementary Information	75
Schedule of Funding Progress (Unaudited)	76

WASHINGTON COUNTY, TENNESSEE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 For the Fiscal Year Ended June 30, 2007

---

	<u>PAGE</u>
<b>SECTION IV – SUPPLEMENTARY INFORMATION</b>	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds - Combining Balance Sheet	77
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	78
Solid Waste/Sanitation Fund - Budgetary Comparison Schedule	79
Library Fund - Budgetary Comparison Schedule	81
Drug Fines Fund - Budgetary Comparison Schedule	82
Discretely Presented Component Unit	
Government-wide Financial Statements	
Statement of Activities	83
Fund Financial Statements	
Balance Sheet – Governmental Funds	84
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	85
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	86
Reconciliation of the Statement of Revenues, Expenditures and Fund Balances of Governmental Funds to the Statement of Activities	87
Budgetary Comparison Schedule	88
Other Supplemental Schedules	
Schedule of Changes in General Long-Term Debt and Other Notes Payable	90
Schedule of Transfers - All Funds	93
Schedule of Salaries and Official Bonds of Principal Officials	94
Schedule of Investments	95
Schedule of Detailed Revenues - All Governmental Fund Types and Discretely Presented Component Units	96
Schedule of Detailed Revenues - Special Revenue Funds	101
Schedule of Detailed Revenues - Discretely Presented Component Units	103
Schedule of Detailed Expenditures - All Governmental Fund Types and Discretely Presented Component Units	105
Constitutional Officers	
Combined Schedule of Assets and Liabilities	139
Combined Schedule of Cash Receipts, Disbursements and Balances	141
Combining Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk	142

WASHINGTON COUNTY, TENNESSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
For the Fiscal Year Ended June 30, 2007

---

	<u>PAGE</u>
SECTION IV – SUPPLEMENTARY INFORMATION (CONTINUED)	
Other Supplemental Schedules (Continued)	
Combining Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master	143
Schedule of Cash Receipts, Disbursements and Balances - County Clerk	144
Schedule of Cash Receipts, Disbursements and Balances - Circuit Court Clerk	145
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Jonesborough	146
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Civil Court - Johnson City	147
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - State Court - Johnson City	148
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Juvenile	149
Schedule of Cash Receipts, Disbursements and Balances - Law Court Clerk - Johnson City	150
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Jonesborough	151
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Johnson City	152
Schedule of Cash Receipts, Disbursements and Balances - Register	153
Schedule of Cash Receipts, Disbursements and Balances - Sheriff	154
Combined Schedule of Changes in Fee and Commission Accounts	155
Schedule of Expenditures of Federal Awards	157
Schedule of Expenditures of State Awards	159
SECTION V – STATISTICAL SECTION (UNAUDITED)	
Net Assets by Component	161
Changes in Net Assets	162
Fund Balances, Governmental Funds	164
Changes in Fund Balances of Governmental Funds	165
Assessed Value and Actual Value of Taxable Property	166

WASHINGTON COUNTY, TENNESSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
For the Fiscal Year Ended June 30, 2007

---

	<u>PAGE</u>
SECTION V – STATISTICAL SECTION (UNAUDITED)	
Direct and Overlapping Property Tax Rates	167
Principal Property Taxpayers	168
Property Tax Levies and Collections	169
Ratios of Outstanding Debt by Type	170
Ratios of General Bonded Debt Outstanding	171
Legal Debt Margin Information	172
Demographic and Economic Statistics	173
Principal Employers	174
Full Time Equivalent County Government Employees by Function	175
Operating Indicators by Function	176
Capital Asset Statistics by Function	177
SECTION VI – INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	178
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	180
Schedule of Findings and Questioned Costs	182

## **SECTION I**

### **INTRODUCTORY**

WASHINGTON COUNTY, TENNESSEE  
ROSTER OF COUNTY OFFICIALS  
June 30, 2007

---

<u>Title</u>	<u>Name</u>
County Mayor	George Jaynes
Superintendent of Highways	John Deakins, Jr.
Director of Schools	Grant Rowland, Jr.
Trustee	Jack Daniels
County Clerk	Doyle Cloyd
Circuit and General Sessions Courts Clerk	Karen Guinn
Clerk and Master	Brenda Sneyd
Register	Ginger Jilton
Sheriff	Ed Graybeal, Jr.
Assessor of Property	Monty Treadway

Board of Commissioners

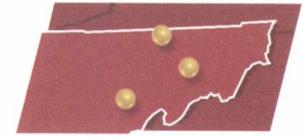
William Biles	Greg Matherly
Frank Bolus	Richard Matherly
Benjamin Bowman	Wendell Messimer
Scott Buckingham	Phillip McPeak
Sid Campbell	James T. Powell
Daniel Edens	Peggy Richardson
Ron England	Kyle Shell
Mark Ferguson	Gerald Sparks
Mark Hicks	Pete Speropulos III
Sam Humphreys	Janice White
Evert Jarrett	Pat Wolfe
C. B. Kinch, Jr.	Paul Woodby
Mark Larkey	

Board of Education

Jarvey Felty, Chairperson	Clarence Mabe
Eric Barnes, Vice Chairperson	Chad Williams
Keith Ervin	Phillip McLain
John Conley	Mary Lo Silvers
Dallas Hardin	

## **SECTION II**

### **BASIC FINANCIAL STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

To the Honorable County Mayor  
and Board of Commissioners  
Washington County, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Washington County, Tennessee officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17, the County has implemented a change in accounting principle to record infrastructure items to comply with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, which was implemented as of June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2007 on our consideration of Washington County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Honorable County Mayor  
and Board of Commissioners  
Page 2

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 4 through 14 and 69 through 76 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Tennessee's basic financial statements. The introductory section, supplementary information and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Washington County, Tennessee. The supplementary information, including the schedule of expenditures of federal awards, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Blackburn, Childers and Steagall, PLC*  
BLACKBURN, CHILDERS AND STEAGALL, PLC

December 3, 2007

## WASHINGTON COUNTY, TENNESSEE Management's Discussion and Analysis

As management of Washington County, Tennessee, we offer readers of the financial statements this narrative overview and analysis of the financial activities of Washington County, Tennessee for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented in this report.

### **Financial Highlights** **Primary Government**

- The assets of Washington County Primary Government exceeded its liabilities at the close of the most recent fiscal year by \$16,482,995 (net assets). Washington County has the obligation of the debt on the buildings the Board of Education owns. The combined invested in capital assets, net of related debt is \$57,416,740. *Unrestricted net assets* after eliminating the debt of schools, of \$118,942,237 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$7,139,748.
- As of the close of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$135,048,693, an increase of \$111,973,085 in comparison with the prior year. Approximately 99.67 percent of this total amount, \$134,608,503, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10,964,710, or 35 percent of the total general fund expenditures.
- Washington County's total debt increased by \$128,836,100 during the current fiscal year.
- General Bonded Debt increased \$123,920,000. Bonds were issued in the amount of \$130,360,000 for the purpose of constructing two (2) K-8 schools, improvements to two (2) high schools, additions to the Detention Center, and construction of a new justice center. Capital Outlay Notes Payable increased \$723,152. The Government issued Capital Outlay Notes for highway equipment in the amount of \$235,000 and \$3,500,000 for the following: purchase of Detention Center-Justice Center land (\$1,200,000), new building for Washington County Election Commission (\$600,000), additional costs for the Detention Center and Justice Center (\$1,200,000) and additional utilities to Washington County Industrial Park (\$500,000).

### **Component Unit-** **School Board**

- The assets of Washington County Board of Education, a component unit, exceeded its liabilities at the close of the most recent fiscal year by \$67,793,643. Of this amount, \$7,452,460 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The School Board's net assets increased by \$11,268,006.

## Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of Washington County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Washington County include general government, public safety, highways and streets, sanitation, and economic development. The activities of Washington County Board of Education, a component unit, are governmental in nature. The business-type activities of Washington County include Washington County Emergency Communications District, a component unit.

The government-wide financial statements can be found on pages 15-16 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Washington County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, highway fund, capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Washington County adopts an annual appropriated budget for its general fund and highway fund. A budgetary comparison statement has been provided for the general and highway funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

**Proprietary fund.** Washington County maintains one proprietary fund, the self-insurance fund, which is an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Washington County's various functions. Washington County uses the internal service fund to account for costs related to the employees' health insurance. Because this service benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the self-insurance fund.

The basic proprietary fund financial statements can be found on pages 21- 23 of this report.

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

The basic fiduciary fund financial statements can be found on page 24 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this

report also presents certain *required supplementary information* concerning the general and highway funds budgets and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 69-76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77-82 of this report.

Financial statements for Washington County School Board of Education are presented immediately following the nonmajor funds on pages 83-89 of this report. This component unit does not issue separate financial statements.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Washington County, combined with the Board of Education, assets exceeded liabilities by \$79,276,636 at the close of the most recent fiscal year.

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

### Washington County's Net Assets

Year	<u>Primary</u>		<u>Component Unit</u>	
	Governmental Activities		Washington County Board of Education	
	2006	2007	2006	2007
Current and other assets	49,876,691	179,892,512	17,364,872	18,354,321
Capital assets	44,210,707	52,898,394	44,268,802	55,341,183
Total Assets	94,087,398	232,790,906	61,633,674	73,695,504
Long-term liabilities outstanding	39,860,429	168,829,609	-----	-----
Other liabilities	30,604,226	47,478,303	10,108,037	10,901,863
Total liabilities	70,464,655	216,307,912	10,108,037	10,901,863
<b>Net assets:</b>				
Invested in capital assets, net of related debt	40,363,458	39,414,017	44,268,802	55,341,183
Restricted	167,986	175,741	-----	-----
Unrestricted	(16,908,701)	(23,106,763)	7,256,835	7,452,460
Total net assets	23,622,743	16,482,995	51,525,637	62,793,643

In fiscal year 2006-2007, \$175,741 is subject to external restrictions on Washington County's net

assets. *Unrestricted net assets* (\$23,106,763) and \$7,452,460, Primary Government and Board of Education respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

The primary government's net assets decreased by \$12,863,930 during the current fiscal year.

The Board of Education's net assets increased by \$268,009.

Key elements of these changes are as follows:

### Washington County's Changes in Net Assets

<u>Primary</u>	<u>Component Unit</u>
Governmental	Washington County
Activities	Board of Education

Year	2006	2007	2006	2007
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	7,828,039	8,702,375	2,029,415	2,063,826
Operating grants and contributions	4,495,130	6,317,538	6,495,290	6,427,973
Capital grants and contributions	2,870,038	2,163,264	-0-	12,142,103
General revenues:				
Property taxes	21,457,878	25,000,732	9,399,928	9,623,453
Other taxes	2,348,129	1,272,433	13,059,058	13,471,504
Grants and contributions not restricted to specific programs	1,502,016	3,112,002	25,966,810	27,407,173
Other	719,272	3,535,084	506,781	558,302
<b>Total revenues</b>	<b>41,220,502</b>	<b>50,103,428</b>	<b>57,457,282</b>	<b>71,694,334</b>
<b>Expenses:</b>				
General government	16,091,952	33,567,576	-----	-----
Public safety	8,911,291	9,289,512	-----	-----
Highway / streets	7,261,231	8,092,168	-----	-----
Sanitation	1,553,258	1,729,629	-----	-----
Library	455,090	616,323	-----	-----
Debt Service	1,866,239	4,173,695	-----	-----
Education	-----	-----	59,431,285	60,459,383
<b>Total Expenses</b>	<b>36,139,061</b>	<b>57,468,903</b>	<b>59,431,285</b>	<b>60,459,383</b>
Increase in net assets before transfers & special items	5,081,441	(7,365,475)	(1,974,003)	11,234,951
Special Items	85,988	12,570	16,843	33,055
Transfers	(5,000,000)	(5,511,025)	2,847,200	-0-
Increase(Decrease) in net assets	167,429	(12,863,930)	890,040	11,268,006
Net assets (7-1) Beginning	23,455,314	23,622,743	50,635,597	51,525,637
Prior Period Adjustments	-0-	5,724,182	-0-	-0-
Net assets Restated	23,455,314	29,346,925	50,635,597	51,525,637
Net assets (6-30) Ending	23,622,743	16,482,995	51,525,637	62,793,643

- Property tax rates increased 7% for fiscal year 2006-2007. The 13 cent increase was an addition to the Debt Service Fund. Washington County has a county wide re-appraisal every 6 years.
- The certified tax rate for the fiscal year 2006-2007 was \$2.00 on each \$100.00 of taxable property which provides revenue for the operation of the County.
- Washington County had maintained the same tax rate of \$1.87 for the previous 2 years. The budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.
- Capital grants for governmental activities decreased by \$706,774, mostly as a result of decreases in Homeland Security Grants. The new grant awards furnished sources to support three of Washington County's functions: public safety, highways and streets, and culture and recreation.

### **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$135,048,693, an increase of \$111,937,085 in comparison with the prior year. Approximately 99.67 percent of this total amount \$134,608,153 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$440,190), 2) Unemployment and General Liabilities (\$1,327,463), 3) Debt Service (\$6,421,107), or 4) for a variety of other restricted purposes (\$114,950,280).

The general fund is the chief operating fund of Washington County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$10,964,710, while total fund balance reached \$11,346,932. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26.46 percent of total general fund expenditures, while total fund balance represents 36.62 percent of that same amount.

The fund balance of Washington County's general fund decreased by \$2,424,092 during the current fiscal year.

The debt service fund has a total fund balance of \$6,421,107, all of which is reserved or designated for the payment of debt service. The fund balance increased during the current year in the debt service fund in the amount of \$1,704,226. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$7,856,808 in the current fiscal year.

## **General Fund Budgetary Highlights**

During the year there was an increase of \$5,280,554 in appropriations between the original and final amended budget. Following is a brief summary of the difference:

- \$6,438 – CDBG Grant – Waterline Grant (Bayless Road)
- \$442,517 - Homeland Security Grants
- \$55,650 – Sheriff’s Dept. (Law Enforcement)
- \$191,871 - Public Safety (Grants)
- \$175,735 - THDA (Home Grants)
- \$239,150 – Purchase Industrial Park Land (7 Lots)
- \$13,750 – Additional Industrial Development.
- \$25,000 – Additional Appropriation – Dolly Parton Children’s Library
- \$1,500,000 – Fast Track Infrastructure Development Program (Grant)
- \$595,579 – Fast Track Infrastructure Development Program (Est. Local Match)
- \$1,500,000 – Employee Medical Insurance
- \$239,513 – State of TN – Health Department Grant increase in Grant
- \$146,231 – Appropriated for various operational expenses
- \$149,120 – Electronic voting machines

Additional information on the General Fund Budgetary Highlights may be found on page 69 of this report.

## **Capital Asset and Debt Administration**

**Capital Assets.** Washington County’s investment in capital assets as of June 30, 2007, amounts to \$52,898,394 (net of accumulated depreciation), and \$55,341,183 for the Board of Education (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, and bridges.

Major capital asset events during the current fiscal year included the following:

- On May 15, 2007 Washington County Board of County Commissioners issued Capital Outlay Notes in the amount of \$3,500,000 for the purpose of providing funds to finance the public works project of the design and payment of cost for a jail addition and new justice center as follows: \$1,200,000 for additional cost of Detention Center and Justice Center, \$600,000 for Election Office building, \$1,200,000 for purchase of land, and \$500,000 to provide water and sewer utilities to county properties.
- On January 23, 2007, Washington County Board of County Commissioners issued Bonds at par, in the amount of \$130,360,000 with a reoffering premium of \$4,262,687 and transfer from prior issue debt service funds of \$128,347. The proceeds were used to finance the Construction of two (2) new K-8 schools and improvements for two (2) high schools. As a result of the City of Johnson City operating the only other public school system in Washington County, Washington County is required by state law to share bond proceeds for education purposes with the City of Johnson City. Based on the Average Daily Attendance (ADA), Washington County will receive 56.0603% or \$60,458,308 of the bond proceeds and the City of Johnson City’s share would be

43.9397% or \$47,386,830. From the bond proceeds, \$21,000,000 will be used for the addition to the Detention Center and the construction of a new justice center. The remaining \$4,674,945 has been deposited in escrow and will be used to pay for the restructure of School Bonds dated 12-1-2000 and various costs of issuance totaled \$1,230,951.

- Washington County Board of County Commissioners purchased seven (7) lots adjoining Washington County Industrial Park at a cost of \$239,150.

**Washington County’s Capital Assets**  
(Net of depreciation)

Year	<u>Primary</u>		<u>Component Unit</u>	
	<u>Governmental</u>		<u>Washington County</u>	
	<u>Activities</u>		<u>Board of Education</u>	
	2006	2007	2006	2007
Land	2,041,870	3,026,957	1,888,432	1,888,432
Buildings and Improvements	19,598,812	19,629,392	57,387,771	57,394,663
Furniture and Fixture	75,545	85,184	1,020,249	1,020,249
Office Machinery and Equipment	1,624,717	1,646,207	539,065	538,113
Machinery and Equipment	11,717,765	13,826,564	11,885,768	12,164,282
Infrastructure	34,798,008	45,372,938	-----	-----
Construction in Progress	264,497	1,149,095	737,242	13,622,393
Less: Accumulated Depreciation	(25,910,507)	(32,549,592)	(29,189,725)	(31,286,949)
Total	44,210,707	52,898,394	44,268,802	55,341,183

Additional information on Washington County’s capital assets can be found in note 4.c of this report.

**Long-term debt.** At the end of the current fiscal year, Washington County had total debt outstanding of \$172,189,097. Of this amount, \$159,587,497 comprises debt backed by the full faith and credit of the government. The remainder of Washington County’s debt represents capital outlay notes secured by the taxing power of the County. The primary government is obligated for the long-term debt of Washington County Board of Education.

**Washington County's Outstanding Debt**  
General Obligation and Revenue Bonds

**Primary**  
**Governmental**  
**Activities**

Year	2006	2007
General Obligation Bonds	31,788,839	159,587,497
Capital Outlay Notes	11,878,448	12,601,600
Total	43,667,287	172,189,097

- Washington County's total bonded debt and notes payable increased \$128,521,810 during the current fiscal year. The government issued \$3,500,000 in capital outlay notes to purchase land, an addition to the Detention Center, a new justice center, Election Commission building and utility lines, and \$235,000 for highway equipment.
- The principal on the general bonded debt increased \$123,920,000 and notes payable increased \$723,152.

Washington County received an Aaa rating from Moody Investors Service with a stable outlook to Washington County's series 2007 Bonds. In Moody's Investors Service opinion, the high quality rating reflected the County's favorable trends of sound financial operations including significant reserves, continued tax base growth, and low direct debt levels.

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

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

**Economic Factors and Next Year's Budgets and Rates**

- Favorable economic factors including a strong tax base growth, a substantial job base dominated by medical, educational and a variety of industrial employers supports an average employment rate of 3.9 percent as of October 2007, verses a 5.1 % rate for the state.
- Funded by a bond issue in the amount of \$21,000,000, construction is underway for an expansion of the current Detention Center and a new justice center. According to state regulations, the Detention Center inmate holding capacity will increase to a total of 574

individuals. The justice center will provide office space for all Washington County state and local courts. With the opening of a new justice center, courts will consolidate to the new facility from the current courthouses in Jonesborough and Johnson City. Consolidation will result in the need for fewer deputies to maintain courthouse security and to transport inmates. Vehicles and equipment to transport inmates will become unnecessary. The consolidation of all court clerks' offices will result in a reduction in clerk positions and benefits.

- Washington County Mayor and the Board of County Commissioners have approved the PILOT program for two (2) Japanese Manufacturers, which are locating in the Industrial Park. Nakatetsu Corporation, LTD and Koyo Corporation will begin employment of 100 employees each and will occupy 80,000 square feet buildings at their respective park locations.
- Nakatetsu Corporation, LTD is the major supplier of auto parts, specializing in wheel bearings, with Toyota being 35% of their business. Nakatetsu's operations in Washington County will be its first plant located in the United States, while Koyo Corporation has several other plants located in the United States. Washington County, with the assistance of the State of Tennessee, is fortunate to be the chosen location for these companies' new United States plants. Nakatetsu Corp. is expected to open in Spring 2008, while Koyo Corp. is expected to open in late Spring 2008.
- Washington County Board of County Commissioners is currently negotiating the purchase of ninety-two (92) additional acres of land for the Industrial Park. This would be a joint venture with the Economic Development Board and Johnson City Power Board. Cost to the County would be approximately \$500,000.
- Plans are in process to construct a new Health Department building; this would be in cooperation with the City of Johnson City at an estimated cost of \$1,500,000.
- Washington County Elderly Tax Relief Study Committee is currently doing a study on the advantages and disadvantages of the Tax Freeze Program and the Tax Relief Act. The Tax Freeze Program would freeze the tax paid by eligible seniors, with certain exceptions. The Elderly Tax Relief Act allows Washington County to appropriate money for immediate property tax refunds or reductions for eligible seniors. The Tax Freeze Program is a new program that Washington County would implement with the hiring of personnel to administer the program, while the systems to implement the Elderly Tax Relief Act are already in place. The Trustee would administer the Tax Freeze Program with new personnel. The Trustee currently implements the Elderly Tax Relief Act in conjunction with the State of TN program. Preliminary estimates indicate a need for two employees, computer software and equipment, and additional office space if the County adopts the Tax Freeze Program. For 2007, the income cut-off to be eligible for Elderly Tax Relief is \$24,000 while the income cut-off for the Tax Freeze Program is \$28,140. The Elderly Tax Relief Study Committee has recommended the adoption of the Elderly Tax Relief program instead of the Tax Freeze Program. Based on prior years' history, the cost to Washington County to match the current Tax Relief Act with the State of TN would be approximately one cent (1¢) in property tax or \$204,000.

All of these factors were considered in preparing Washington County's budget for the 2007-2008 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$10,964,710. Washington County has appropriated \$1,067,049 of this amount for spending in the 2007-2008 fiscal year budget. Historically, this appropriation has not been utilized and returned to unreserved fund balance at the end of the fiscal year, with the exception of fiscal year 2006-07, which resulted in the decrease in the fund balance.

### **Requests for Information**

This financial report is designed to provide a general overview of Washington County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Director of Accounts and Budgets, Washington County Office Building, P.O. Box 219, Jonesborough, TN 37659.

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

Washington County Emergency Communications District  
401 Ashe Street  
Johnson City, Tennessee 37605

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF NET ASSETS  
June 30, 2007

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
<b>ASSETS</b>			
Equity in Pooled Cash and Deposits	\$ 20,930,010	3,854,968	-
Cash and Cash Equivalents	792,817	967,727	1,025,223
Investments	117,304,261	-	-
Due from Federal Government	125,840	595,553	-
Due from State of Tennessee	2,351,586	77,637	-
Due from Other Local Governments	540,505	-	-
Due from Others	811,953	-	86,148
Sales Tax Receivable	-	2,216,013	-
Taxes Receivable	35,646,417	10,488,687	-
Allowance for Uncollectibles	(27,358)	(8,232)	-
Inventories	-	161,968	-
Prepaid Expenses	-	-	22,938
Bond Issue Costs (Net of Accumulated Amortization)	1,416,481	-	-
Plant and Equipment (Net of Accumulated Depreciation)	52,898,394	55,341,183	436,181
<b>TOTAL ASSETS</b>	<b>232,790,906</b>	<b>73,695,504</b>	<b>1,570,490</b>
<b>LIABILITIES</b>			
Accounts Payable	6,687,160	696,843	100
Accrued Expenses	1,243,625	-	68,832
Retainages Payable	1,037,101	-	-
Due to Other Governments	127,363	-	-
Due to Others	20,334	-	-
Unearned Revenues	33,492,625	10,077,109	-
Long-term Liabilities			
Due within one year	4,870,093	127,909	46,747
Due within more than one year	168,829,610	-	-
<b>TOTAL LIABILITIES</b>	<b>216,307,911</b>	<b>10,901,861</b>	<b>115,679</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	39,414,017	55,341,183	436,181
Restricted for Public Safety	175,741	-	-
Unrestricted	(23,106,763)	7,452,460	1,018,630
<b>TOTAL NET ASSETS</b>	<b>\$ 16,482,995</b>	<b>62,793,643</b>	<b>1,454,811</b>

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF ACTIVITIES  
June 30, 2007

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Washington County School Board	Emergency Communications District
<b>PRIMARY GOVERNMENT</b>							
GOVERNMENT ACTIVITIES							
General Government	\$ 33,567,576	5,120,716	2,883,486	445,285	(25,118,089)	-	-
Sheriff's Department	9,289,512	2,560,743	328,365	-	(6,400,404)	-	-
Highways and Streets	8,092,168	660,051	2,780,712	1,639,002	(3,012,403)	-	-
Library	616,323	33,576	21,037	78,977	(482,733)	-	-
Sanitation	1,729,629	327,289	303,938	-	(1,098,402)	-	-
Interest on Long-Term Debt	4,173,695	-	-	-	(4,173,695)	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>57,468,903</b>	<b>8,702,375</b>	<b>6,317,538</b>	<b>2,163,264</b>	<b>(40,285,726)</b>	<b>-</b>	<b>-</b>
<b>COMPONENT UNITS</b>							
Education - Board of Education	60,459,383	2,063,826	6,427,973	12,142,103	-	(39,825,481)	-
Emergency Communications	2,439,014	1,527,843	1,078,046	128,749	-	-	295,624
<b>TOTAL COMPONENT UNITS</b>	<b>62,898,397</b>	<b>3,591,669</b>	<b>7,506,019</b>	<b>12,270,852</b>	<b>-</b>	<b>(39,825,481)</b>	<b>295,624</b>
<b>GENERAL REVENUES</b>							
Taxes							
Property Taxes					25,000,732	9,623,453	-
In Lieu of Taxes					407,086	162,612	-
Sales Taxes					-	12,975,020	-
Business Taxes					865,347	333,872	-
Miscellaneous					1,428,353	116,362	-
Other Local Governments					1,160,653	85,889	-
State Aid					515,918	27,204,922	-
Federal Aid					7,078	-	-
Unrestricted Investment Earnings					3,535,084	558,302	19,489
Special Items							
Gain on Sale of Assets					12,570	20,098	1,210
Damages from Individuals					-	12,957	-
Bond Proceeds Remitted to Johnson City Schools					(5,511,025)	-	-
<b>TOTAL GENERAL REVENUES AND SPECIAL ITEMS</b>					<b>27,421,796</b>	<b>51,093,487</b>	<b>20,699</b>
<b>CHANGE IN NET ASSETS</b>					<b>(12,863,930)</b>	<b>11,268,006</b>	<b>316,323</b>
<b>NET ASSETS - BEGINNING</b>					<b>23,622,743</b>	<b>51,525,637</b>	<b>1,138,488</b>
Prior Period Adjustment					5,724,182	-	-
<b>NET ASSETS - RESTATED</b>					<b>29,346,925</b>	<b>51,525,637</b>	<b>1,138,488</b>
<b>NET ASSETS - ENDING</b>					<b>\$ 16,482,995</b>	<b>62,793,643</b>	<b>1,454,811</b>

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2007

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Deposits	\$ 10,053,477	1,836,671	3,191,012	4,543,578	1,256,640	20,881,378
Cash with Paying Agent	-	-	485,242	-	-	485,242
Cash	100	-	-	-	307,475	307,575
Investments with Paying Agent	-	-	117,304,261	-	-	117,304,261
Due from Federal Government	125,840	-	-	-	-	125,840
Due from State of Tennessee	2,287,338	-	-	-	64,248	2,351,586
Due from Other Local Governments	71,593	439,301	-	-	29,611	540,505
Due from Others	205,612	8,127	1,178	7,491	35,995	258,403
Taxes Receivable	19,052,611	4,745,199	-	10,708,220	1,140,387	35,646,417
Allowance for Uncollectibles	(14,663)	(3,397)	-	(8,404)	(894)	(27,358)
Due from Other Funds	456,381	30,674	-	1,870,660	-	2,357,715
<b>TOTAL ASSETS</b>	<b>\$ 32,238,289</b>	<b>7,056,575</b>	<b>120,981,693</b>	<b>17,121,545</b>	<b>2,833,462</b>	<b>180,231,564</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,363,727	16,122	4,570,120	623	10,318	5,960,910
Retainages Payable	-	-	1,037,101	-	-	1,037,101
Accrued Expenses	263,363	55,577	-	-	16,653	335,593
Deferred Revenues	19,023,388	4,327,975	-	10,699,815	1,139,482	35,190,660
Due to Other Funds	93,182	64,238	1,870,660	-	482,830	2,510,910
Due to Other Governments	127,363	-	-	-	-	127,363
Due to Others	20,334	-	-	-	-	20,334
<b>TOTAL LIABILITIES</b>	<b>20,891,357</b>	<b>4,463,912</b>	<b>7,477,881</b>	<b>10,700,438</b>	<b>1,649,283</b>	<b>45,182,871</b>
<b>FUND EQUITY</b>						
Reserved for						
Encumbrances	227,917	-	-	-	36,532	264,449
Public Safety	154,305	-	-	-	21,436	175,741
Unreserved, designated for, reported in						
General Fund	2,765,820	-	-	-	-	2,765,820
Highway Fund	-	8,111	-	-	-	8,111
Debt Service Fund	-	-	-	6,421,107	-	6,421,107
Capital Projects Fund	-	-	113,503,812	-	-	113,503,812
Unreserved, undesignated for, reported in						
General Fund	8,198,890	-	-	-	-	8,198,890
Highway Fund	-	2,584,552	-	-	-	2,584,552
Special Revenue Funds	-	-	-	-	1,126,211	1,126,211
<b>TOTAL FUND EQUITY</b>	<b>11,346,932</b>	<b>2,592,663</b>	<b>113,503,812</b>	<b>6,421,107</b>	<b>1,184,179</b>	<b>135,048,693</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 32,238,289</b>	<b>7,056,575</b>	<b>120,981,693</b>	<b>17,121,545</b>	<b>2,833,462</b>	<b>180,231,564</b>

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2007

---

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$135,048,693
Amounts reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$85,447,986 and the accumulated depreciation is \$32,549,592.	52,898,394
Revenue for amounts not received during the period of availability and, therefore, not considered "available" has been deferred in the funds.	1,698,035
Bond issue costs are treated as an expenditure when paid in governmental funds. They are considered an asset for full accrual purposes and amortized over the life of the debt. The cost of the asset is \$1,594,475 and the accumulated amortization is \$177,994.	1,416,481
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	29,127
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(908,032)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(173,699,703)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 16,482,995</u>

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2007

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 14,922,823	3,134,204	-	7,856,808	1,113,427	27,027,262
Licenses and Permits	455,457	558	-	1,317	217	457,549
Fines, Forfeitures and Penalties	485,362	-	-	-	68,666	554,028
Charges for Current Services	624,618	359,942	-	-	138,576	1,123,136
Other Local Revenues	442,155	337,232	-	-	287,822	1,067,209
Investment Income	492,875	66,334	2,686,708	250,005	39,162	3,535,084
Revenue from State of Tennessee	5,148,258	3,126,646	-	138,850	348,250	8,762,004
Revenue from Federal Government	682,143	-	-	-	-	682,143
Revenue from Other Governments and Citizens Groups	599,735	-	-	-	5,211,750	5,811,485
<b>TOTAL REVENUES</b>	<b>23,853,426</b>	<b>7,024,916</b>	<b>2,686,708</b>	<b>8,246,980</b>	<b>7,207,870</b>	<b>49,019,900</b>
<b>EXPENDITURES</b>						
General Government	20,066,923	-	13,534	-	132,241	20,212,698
Sheriff's Department	8,885,500	-	-	-	-	8,885,500
Highways and Streets	-	6,478,426	146,032	-	-	6,624,458
Library	-	-	-	-	473,774	473,774
Sanitation	-	-	-	-	1,715,788	1,715,788
Debt Service	-	-	1,160,162	9,155,129	-	10,315,291
Capital Outlay	2,035,833	523,019	14,428,665	-	39,506	17,027,023
<b>TOTAL EXPENDITURES</b>	<b>30,988,256</b>	<b>7,001,445</b>	<b>15,748,393</b>	<b>9,155,129</b>	<b>2,361,309</b>	<b>65,254,532</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds Issued	-	-	126,085,000	-	-	126,085,000
Note Proceeds	-	-	3,735,000	-	-	3,735,000
Refunding Bonds Issued	-	-	-	4,275,000	-	4,275,000
Premium on Bonds Issued	-	-	3,927,997	334,690	-	4,262,687
Payment to Refunded Bond Escrow Agent	-	-	-	(4,674,945)	-	(4,674,945)
Contribution to the City of Johnson City	-	-	(5,511,025)	-	-	(5,511,025)
Transfers to Other Funds	(446,082)	(14,555)	(2,663,075)	-	(5,153,820)	(8,277,532)
Transfers from Other Funds	5,153,820	17,880	-	2,677,630	428,202	8,277,532
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,707,738</b>	<b>3,325</b>	<b>125,573,897</b>	<b>2,612,375</b>	<b>(4,725,618)</b>	<b>128,171,717</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,427,092)	26,796	112,512,212	1,704,226	120,943	111,937,085
Fund Balance, July 1, 2006	13,774,024	2,565,867	991,600	4,716,881	1,063,236	23,111,608
Fund Balance, June 30, 2007	\$ 11,346,932	2,592,663	113,503,812	6,421,107	1,184,179	135,048,693

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2007

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$111,937,085
<p>Amounts reported for governmental activities in the statement of net assets are different because</p>	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay additions \$17,027,023 exceeds depreciation of (\$2,757,300) in the period.	14,269,723
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets.	(11,306,219)
Revenue which was not collected in the period of availability has not been reflected as revenue in the governmental funds since it was not "available". This revenue has been included in the statement of activities. The difference is the change between the prior year amount of \$1,403,469 and the current year amount of \$1,698,034.	294,565
In the statement of activities, certain operating expenses, compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences increased by this amount for the current year.	(161,216)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(216,281)
An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue(expense) of the self insurance fund is reported with governmental activities.	29,127
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(127,710,714)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (12,863,930)</u></u>

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2007

---

	Proprietary- Activities Self-Insurance Fund
ASSETS	
Equity in Pooled Cash and Deposits	\$ 48,632
Due from Others	553,549
Due from Other Funds	<u>153,195</u>
TOTAL ASSETS	<u>755,376</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Benefits Payable	<u>726,249</u>
TOTAL LIABILITIES	<u>726,249</u>
NET ASSETS	
Unrestricted	<u>29,127</u>
TOTAL NET ASSETS	<u>\$ 29,127</u>

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2007

	Proprietary- Activities Self-Insurance Fund
OPERATING REVENUE	
Charges for Services	\$ 3,547,191
Miscellaneous Refunds - Reinsurance	1,254,563
TOTAL OPERATING REVENUE	4,801,754
OPERATING EXPENSES	
Insurance Claims	4,772,627
TOTAL OPERATING EXPENSES	4,772,627
OPERATING INCOME	29,127
CHANGE IN NET ASSETS	29,127
NET ASSETS, July 1, 2006	0
NET ASSETS, June 30, 2007	\$ 29,127

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
June 30, 2007

	Proprietary- Activities Self-Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers - including other funds	\$ 4,095,010
Claims Paid	(4,046,378)
	48,632
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>48,632</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,632
CASH AND CASH EQUIVALENTS, JULY 1, 2006	0
CASH AND CASH EQUIVALENTS, JUNE 30, 2007	\$ 48,632
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 29,127
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
(Increase) Decrease in Assets	
Due from Others	(553,549)
Due from Other Funds	(153,195)
Increase (Decrease) in Liabilities	
Benefits Payable	726,249
	726,249
Net Cash Provided by Operating Activities	\$ 48,632

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2007

	Agency Funds				Total Agency Funds
	Johnson City School Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	
<b>ASSETS</b>					
Cash on Hand and in Bank	\$ -	-	5,420,017	-	5,420,017
Equity in Pooled Cash and Deposits	-	-	-	231,418	231,418
Accounts Receivable	-	-	23,251	81,003	104,254
Taxes Receivable	8,193,190	-	-	-	8,193,190
Allowance for Uncollectibles	(6,431)	-	-	-	(6,431)
Sales Tax Receivable	1,741,153	3,427,113	-	-	5,168,266
<b>TOTAL ASSETS</b>	<b>\$ 9,927,912</b>	<b>3,427,113</b>	<b>5,443,268</b>	<b>312,421</b>	<b>19,110,714</b>
<b>LIABILITIES</b>					
Due to Other Governments	\$ 9,927,912	3,427,113	-	232,186	13,587,211
Due to State	-	-	937,032	18,678	955,710
Due to Litigants, Heirs and Others	-	-	4,506,236	61,557	4,567,793
<b>TOTAL LIABILITES</b>	<b>\$ 9,927,912</b>	<b>3,427,113</b>	<b>5,443,268</b>	<b>312,421</b>	<b>19,110,714</b>

The Notes to the Financial Statements are an Integral Part of this Statement.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Washington County, Tennessee, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described as follows:

A. Reporting entity

Washington County, Tennessee, is a political subdivision of the State of Tennessee governed by an elected twenty-five member board. As required by GAAP, these financial statements present Washington County, Tennessee, and its component units. In evaluating how to define the government, for financial reporting purposes, the County's management has considered all potential component units. A component unit is an organization for which the County is financially accountable, or for which the nature and significance of their relationship with the County is such that exclusion from the County's financial statements would cause them to be misleading or incomplete. The decision to include a potential component unit in the reporting entity was made by applying the criteria as set forth in GAAP. The basic criterion of financial accountability between the County and a potential component unit is demonstrated if the County's governing body appoints a voting majority of the organization's governing body and is also able to significantly influence the programs, projects, activities or level of services performed or provided by the organization. Another manifestation of financial accountability is an organization that is fiscally dependent on the County. The component units discussed below are included in the County's reporting entity because the County's management has determined that the County is financially accountable for those organizations.

**Discretely Presented Component Units** - The Component Units column in the financial statements includes the financial data of the Washington County Board of Education and the Washington County Emergency Communications District. They are reported in separate columns to emphasize that they are legally separate from the County. Both of the discretely presented component units serve the geographic area of Washington County, and their corporate charters grant them legally separate corporate powers. The Washington County Board of Education is fiscally dependent upon Washington County, which requires presentation as a discrete component unit of the County. The Washington County Board of Education may not issue debt without County approval and its budget and property tax levy are subject to County Board approval. The Board of Education's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Board of Education uses the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Complete financial statements are not prepared by the Board of Education; therefore, a complete set of statements is included in the supplementary information for Washington County. The Washington County Emergency Communications District (WCECD) is not fiscally dependent on Washington County. However, all of the Board of Directors are appointed by the County Mayor; therefore, the County has the ability to significantly influence the activities of the WCECD. In addition, the WCECD must obtain County Commission approval before the issuance of most debt. WCECD utilizes the *economic resources measurement focus* and the *full accrual basis of accounting*.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

Complete financial statements of WCECD may be obtained from their administrative offices at:

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

**Joint Ventures and Jointly Governed Organizations** - The County is a participant with the City of Johnson City in joint ventures to operate the Washington County-Johnson City Animal Shelter, the Washington County-Johnson City Emergency Medical Services, Inc. - Ambulance Division and the Johnson City/Jonesborough/Washington County Economic Development Board, Inc. Washington County is also a participant with six other counties to operate and govern the Upper East Tennessee Juvenile Detention Center. In conjunction with Johnson City, Tennessee; Kingsport, Tennessee; Bristol, Tennessee; Bristol, Virginia and Sullivan County, Tennessee, Washington County jointly owns and administers the Tri-Cities Regional Airport, TN-VA. Detailed disclosures for the year ended are included in Note 5.a. Jointly governed organizations include the East Tennessee Regional Agribusiness Marketing Authority and the Upper East Tennessee Educational Cooperative.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets, statement of activities, and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The Washington County Board of Education component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and fund financial statements (continued)

Washington County issues all debt for the discretely presented Washington County Board of Education. During the year, the County issued \$4,275,000 of refunding bonds for school purposes. These transactions are being accounted for in the Debt Service Fund (major fund) of the primary government. The County also issued \$105,675,000 of local improvement bonds for school purposes. These proceeds were shared with the City of Johnson City based on average daily attendance. The transactions are being accounted for in the Capital Projects Fund (major fund) of the primary government.

Separate financial statements are provided for governmental funds, proprietary funds (internal service) and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements since these funds are held by County as an agency for others and do not actually belong to the County. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, for local revenues, 120 days for state-shared revenues, and 360 days for grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Certain revenues are required to be recognized as a receivable at June 30 either as revenue or deferred revenue, depending upon revenue recognition policies of the entity. The following items for the County are recorded: Property tax, In-Lieu of tax: TVA, State Beer Tax, Telecommunications, Income Tax, Local Beer Tax, Mixed Drink and Gasoline Tax. Litigation tax, business tax, bank excise tax, fines, forfeitures and penalties and performance bond forfeiture are required to be recognized; however, they are not measurable or estimatable and are not generally material to the financial statements. Therefore, they are not recognized as revenue until received.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *highway fund* is used to account for transactions of the County Highway Department. The major source of funding for this is state gasoline taxes.

The *capital projects fund* accounts for financial resources used for the acquisition of major capital facilities related to the operation of the County.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The County also reports an internal service fund to account for health insurance provided to other departments of the County on a cost reimbursement basis.

An additional fund type the County reports is an agency fund, which is a fiduciary fund. An agency fund generally is used to account for assets that the County holds on behalf of others as their agent. The County currently has four agency funds: Johnson City School Fund, Cities Sales Tax Fund, Constitutional Officers and Judicial Drug Task Force. All agency funds use the accrual basis of accounting.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The discretely presented Washington County Board of Education reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the Board of Education.

Additionally, the Washington County Board of Education reports the following fund type:

Special Revenue Funds – The funds accounts for the proceeds of specific revenue sources that are legally restricted for specific purpose.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance for the WCECD, a component unit and proprietary fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

For the purposes of the statement of cash flows of the internal service fund, cash includes equity in pooled cash and deposits.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the County's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The County Trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented component unit, Washington County Board of Education. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Deposits. Certificates of Deposits are reported at cost. All other investments are reported at fair value.

2. Taxes Receivable

Property taxes receivable on file in the Trustee's office are presented on the balance sheet of government funds and the statement of net assets with offsetting unearned revenue to reflect amounts not available as of June 30, 2007. Property taxes are levied on October 1 on property values assessed as of January 1. After March 1, the tax bill becomes delinquent and penalty and interest are assessed. Property taxes are declared to be a lien on the property after the 1<sup>st</sup> of January of the assessment year. The allowance for uncollectible taxes represents the estimated amount of the receivable, which will be filed in court for collection, based on historical rates. Delinquent taxes filed in court for collection are included in taxes receivable and the offsetting account, deferred revenue.

3. Inventories and Prepaid Items

Inventories are valued at cost using a first-in, first-out method. Items are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and library books), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for all assets other than infrastructure, which is a cost of \$50,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded estimated fair market value at the date of donation.

Library books are not being depreciated, as books are inexhaustible assets.

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

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

5. Compensated Absences

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

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

7. Interfund Transactions

All interfund transactions are reported as transfers or due to/from.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Net Assets and Fund Equity

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

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

As of June 30, 2007, the County had \$142,304,000 in outstanding debt for capital purchases purposed of the discretely presented Washington County Board of Education. In accordance with state statutes, certain County school debt proceeds must be shared with other public school systems within the county (City of Johnson City Public School System) based on an average daily attendance peroration. This debt is a liability of the County, but the capital assets acquired are reported in the financial statements of the Washington County Board of Education and the City of Johnson City Public School System.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.” The details of this difference are as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Bonds Payable	\$ (154,710,000)	-
Less: Deferred Charge on Refunding (net of amortization of \$78,044 recorded as interest expense)	981,386	-
Add: Bond Premium (net of amortization of \$203,848 recorded as interest expense)	(5,858,883)	-
Notes Payable	(12,601,600)	-
Lease Payable	(41,498)	-
Settlement	(75,000)	-
Contingent Liability	(250,000)	-
Compensated Absences	<u>(1,144,108)</u>	<u>(127,909)</u>
 Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>(173,699,703)</u>	 <u>(127,909)</u>

Another element of that reconciliation explains that revenue for amounts not received during the period of availability and, therefore, not considered “available” has been deferred in the funds. The details of this difference are as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Property Taxes	\$ 1,340,550	403,346
Income Taxes	112,540	-
Beer Taxes	4,383	-
State Prison Board	170,000	-
Local Tax Revenue	<u>70,562</u>	<u>-</u>
 Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>1,698,035</u>	 <u>403,346</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.” The details of this \$(11,306,219) difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 1,412,017
Contributions of capital assets decrease net assets in the statement of activities, but do not appear in the governmental funds because they do not require the use of current financial resources.	(12,595,349)
The statement of activities reports <i>losses</i> arising from the disposal of capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets.	<u>(122,887)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(11,306,219)</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(127,710,714) difference are as follows:

Debt Issued or Incurred:	
Issuance of Capital Outlay Notes	\$ (3,735,000)
Issuance of Bonds	(130,360,000)
Less: Premium	(4,262,687)
Contingent Liability Incurred	(250,000)
Principal Repayments:	
General Obligation Debt	4,976,848
Capital Leases	21,927
Payment to Escrow Agent for Refunding	4,674,945
Issuance Cost	<u>1,223,253</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(127,710,714)</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued):

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(216,281) difference are as follows:

Prior year Accrued Interest	\$ 489,351
Current year Accrued Interest	(908,032)
Amortization of Bond Issuance Costs	(56,684)
Amortization of Bond Premiums	339,177
Amortization of Deferred Charge on Refunding	<u>(80,093)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities.</i>	\$ <u><u>(216,281)</u></u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the 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.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following appropriation categories (the legal level of control) in the following funds:

<u>Fund / Major Category</u>	<u>Amount Overspent</u>
General Fund:	
Emergency Management	\$ (14,133)
Library Fund:	
Library Operations	(13,378)

Such over expenditures are a violation of state statutes. These over expenditures were funded by available fund balance.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The captions on the statement of net assets related to cash and deposits are as follows for Washington County and it’s discretely presented component units:

	<u>Washington County</u>	<u>Washington County Board of Education</u>	<u>Washington County Emergency Communications</u>
Equity in Pooled Cash and Deposits	\$ 20,930,010	3,854,968	-
Cash and Cash Equivalents	<u>792,817</u>	<u>967,727</u>	<u>1,025,223</u>
	<u>\$ 21,722,827</u>	<u>4,822,695</u>	<u>1,025,223</u>
<u>Agency Funds</u>			
Equity in Pooled Cash		\$ 231,418	
Cash on Hand and in Bank		<u>5,420,017</u>	
		<u>\$5,651,435</u>	

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Washington County and the Washington County Board of Education maintain a cash and deposits pool through the office of the County Trustee.

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

Each fund type's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Deposits." "Cash" reflected on the balance sheet represents non-pooled amounts held separately by individual funds.

Cash on the statement of net assets includes demand deposits, certificates of deposit with a maturity date of less than twelve months, and passbook savings accounts.

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

DEPOSITS - All deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the County.

The County does not have a policy for interest rate risk or other credit risk other than pledging securities for amounts in excess of FDIC coverage.

Separate disclosures concerning carrying amounts and bank balances of pooled deposits cannot be made for Washington County and the discretely presented Washington County Board of Education since both pool their deposits and investments through the County Trustee. The carrying amount of Washington County's, including the agency funds, and the Washington County Board of Education's deposits with financial institutions were \$25,501,639 and the bank balance was \$33,253,922. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2007.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

In addition to the above County deposits, the following deposits were held for operations. The bank balances are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Primary Government:		
Cash in Bank - Others (Elected Officials accounts)	\$ <u>5,716,420</u>	<u>1,024,771</u>
Component Unit:		
Washington County Emergency Communications District	\$ <u>1,024,771</u>	<u>1,035,353</u>
Washington County Board of Education - School Food Service	\$ <u>965,555</u>	<u>1,069,470</u>

All of the County and its component units' deposits of \$33,222,181 were collateralized with the State of Tennessee Collateral Pool or insured by the FDIC.

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.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

As of June 30, 2007, the County held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US Treasuries	\$ 117,304,261	0.9

These investments are being held by a paying agent as a result of bond proceeds not yet disbursed.

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

*Credit Risk* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. The County has no investment policy that would further limit its investment choices.

B. Receivables

	<u>General</u>	<u>Highway</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor and Other</u>	<u>Total Primary Government</u>	<u>Component Units</u>	<u>Reporting Entity Total (Memorandum Only)</u>
Sales Tax	\$ -	-	-	-	-	-	2,216,013	2,216,013
Property Tax	19,052,611	4,745,199	10,708,220	-	1,140,387	35,646,417	10,488,687	46,135,104
Accounts	205,612	8,127	7,491	1,178	35,995	258,403	-	258,403
Intergovernmental	2,484,771	439,301	-	-	93,859	3,017,931	673,190	3,691,121
Gross Receivables	<u>21,742,994</u>	<u>5,192,627</u>	<u>10,715,711</u>	<u>1,178</u>	<u>1,270,241</u>	<u>38,922,751</u>	<u>13,377,890</u>	<u>52,300,641</u>
Less: Allowance for								
Uncollectibles	<u>(14,663)</u>	<u>(3,397)</u>	<u>(8,404)</u>	<u>-</u>	<u>(894)</u>	<u>(27,358)</u>	<u>(8,232)</u>	<u>(35,590)</u>
Net Total								
Receivables	<u>\$ 21,728,331</u>	<u>5,189,230</u>	<u>10,707,307</u>	<u>1,178</u>	<u>1,269,347</u>	<u>38,895,393</u>	<u>13,369,658</u>	<u>52,265,051</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (Continued)

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

Revenues from property taxes are recognized on the accrual basis. Taxes receivable on file in the Trustee's office in the amount of \$45,670,770 are presented on the statement of net assets with an allowance for uncollectibles and an offsetting contra-account, for the unearned portion as indicated below.

Tennessee Code Annotated Section 67-1326 provides for a ten year limitation on the collection of delinquent land taxes.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Primary Government		Component Unit	
	Unavailable	Unearned	Unavailable	Unearned
Receivables not received within period of availability:				
Property Taxes Receivable:				
General Fund	\$ 718,464	17,947,439	-	-
Highway Fund	166,474	4,161,501	-	-
Debt Service Fund	411,803	10,288,012	-	-
Solid Waste Fund	43,809	1,095,673	-	-
General Purpose School Fund	-	-	403,346	10,077,109
Beer Tax (General Fund)	4,383	-	-	-
Income Tax Receivable (General Fund)	112,540	-	-	-
State Prisoner Board (General Fund)	170,000	-	-	-
Local Tax Revenue (General Fund)	70,562	-	-	-
	\$ 1,698,035	33,492,625	403,346	10,077,109

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets  
Primary Government**

Capital asset activity for the year ended June 30, 2007 is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 2,041,870	1,438,333	(453,246)	-	3,026,957
Library Infrastructure	797,668	64,851	(150,870)	-	711,649
Construction in Progress	264,497	13,026,701	-	(12,142,103)	1,149,095
<b>Total, Capital Assets, Not Being Depreciated</b>	<b>3,104,035</b>	<b>14,529,885</b>	<b>(604,116)</b>	<b>(12,142,103)</b>	<b>4,887,701</b>
Capital Assets, being depreciated					
Buildings and Improvements	19,598,812	30,580	-	-	19,629,392
Furniture and Fixtures	75,545	9,639	-	-	85,184
Office Machinery and Equipment	1,624,717	21,490	-	-	1,646,207
Machinery and Equipment	11,717,765	2,220,874	(112,075)	-	13,826,564
Roads and Bridges	34,000,340	1,654,555	-	9,718,043	45,372,938
<b>Total, Capital Assets Being Depreciated</b>	<b>67,017,179</b>	<b>3,937,138</b>	<b>(112,075)</b>	<b>9,718,043</b>	<b>80,560,285</b>
Less Accumulated Depreciation for					
Buildings and Improvements	(6,533,818)	(495,597)	-	-	(7,029,415)
Furniture and Fixtures	(68,619)	(2,448)	-	-	(71,067)
Office Machinery and Equipment	(1,297,265)	(97,622)	-	-	(1,394,887)
Machinery and Equipment	(7,879,406)	(1,044,733)	112,075	-	(8,812,064)
Roads and Bridges	(10,131,399)	(1,116,900)	-	(3,993,860)	(15,242,159)
<b>Total Accumulated Depreciation</b>	<b>(25,910,507)</b>	<b>(2,757,300)</b>	<b>112,075</b>	<b>(3,993,860)</b>	<b>(32,549,592)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>41,106,672</b>	<b>1,179,838</b>	<b>-</b>	<b>5,724,183</b>	<b>48,010,693</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 44,210,707</b>	<b>15,709,723</b>	<b>(604,116)</b>	<b>(6,417,920)</b>	<b>52,898,394</b>

Note 1: The \$(12,142,103) adjustment from Construction in Progress is due to the transfer of the construction of new schools and school renovations from the Primary Government to the Discretely Presented Component Unit – Washington County Board of Education.

Note 2: The amount of additions to capital assets and total capital outlay differs due to Library infrastructure items being recorded in supply expense accounts within the Library fund and a new capital lease with payments recorded in rental expense accounts within the General fund.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

**Primary Government (continued)**

Depreciation Expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 728,114
Sheriff's Department	416,516
Highways and Streets, including Depreciation of General Infrastructure Assets	1,461,821
Library	19,184
Sanitation	<u>31,665</u>

Total Depreciation Expense-Governmental Activities	<u><u>\$ 2,657,300</u></u>
--	----------------------------

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)  
**Discretely presented component units**

Washington County Board of Education

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 1,888,432	-	-	-	1,888,432
Construction In Progress	737,242	743,048	-	12,142,103	13,622,393
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,625,674</b>	<b>743,048</b>	<b>-</b>	<b>12,142,103</b>	<b>15,510,825</b>
Capital Assets, Being Depreciated					
Buildings and Improvements	57,387,771	6,892	-	-	57,394,663
Furniture and Fixtures	1,020,249	-	-	-	1,020,249
Office Machinery and Equipment	539,065	-	(952)	-	538,113
Machinery and Equipment	11,885,768	553,506	(274,992)	-	12,164,282
<b>Total, Capital Assets Not Being Ddepreciated</b>	<b>70,832,853</b>	<b>560,398</b>	<b>(275,944)</b>	<b>-</b>	<b>71,117,307</b>
Less Accumulated Depreciation for					
Buildings and Improvements	(18,367,168)	(1,711,753)	-	618	(20,078,303)
Furniture and Fixtures	(879,246)	(54,437)	-	-	(933,683)
Office Machinery and Equipment	(480,493)	(23,460)	952	-	(503,001)
Machinery and Equipment	(9,462,818)	(579,163)	274,864	(4,845)	(9,771,962)
<b>Total Accumulated Depreciation</b>	<b>(29,189,725)</b>	<b>(2,368,813)</b>	<b>275,816</b>	<b>(4,227)</b>	<b>(31,286,949)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>41,643,128</b>	<b>(1,808,415)</b>	<b>(128)</b>	<b>(4,227)</b>	<b>39,830,358</b>
<b>Washington County Board of Education Capital Assets, Net</b>	<b>\$ 44,268,802</b>	<b>(1,065,367)</b>	<b>(128)</b>	<b>12,137,876</b>	<b>55,341,183</b>

Note: The adjustments are due to transfer of construction in progress and correction of the lives of some assets.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

**Discretely presented component units (Continued)**

Washington County Emergency Communications District, Proprietary Fund Type

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Construction in Progress	\$ -	19,908	-	19,908
Total capital assets not being depreciated	<u>-</u>	<u>19,908</u>	<u>-</u>	<u>19,908</u>
Capital assets, being depreciated				
Building Improvements	357,324	-	(1,468)	355,856
Vehicles	103,790	31,962	(15,695)	120,057
Office Equipment	813,798	119,093	(103,182)	829,709
Furniture and Fixtures	<u>56,268</u>	<u>-</u>	<u>(1,144)</u>	<u>55,124</u>
Total, capital assets being depreciated	<u>1,331,180</u>	<u>151,055</u>	<u>(121,489)</u>	<u>1,360,746</u>
Less accumulated depreciation for				
Building Improvements	(193,082)	(20,359)	415	(213,026)
Vehicles	(22,028)	(4,683)	15,695	(11,016)
Office Equipment	(661,648)	(94,083)	84,191	(671,540)
Furniture and Fixtures	<u>(48,006)</u>	<u>(1,825)</u>	<u>940</u>	<u>(48,891)</u>
Total accumulated depreciation	<u>(924,764)</u>	<u>(120,950)</u>	<u>101,241</u>	<u>(944,473)</u>
Total, capital assets being depreciated, net	<u>\$ 406,416</u>	<u>50,013</u>	<u>(20,248)</u>	<u>436,181</u>

D. Construction Commitments

At June 30, 2007, the County had uncompleted construction contracts of \$46,500,000 for school improvement projects in the Capital Projects fund. Funding has been provided for these expenditures through the issuance of debt.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Operating Leases

Washington County is committed under leases for several copiers and storage facilities. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2007 amount to \$46,807. Future minimum lease payments are as follows:

Year Ending	
<u>June 30</u>	<u>Amount</u>
2008	\$ 40,843
2009	40,182
2010	19,495
2011	7,434
2012	<u>2,695</u>
TOTAL	\$ <u>110,649</u>

Washington County Board of Education is committed under a lease for a copier. The lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended June 30, 2007 amount to \$2,575. Future minimum lease payments are as follows:

Year Ending	
<u>June 30</u>	<u>Amount</u>
2008	\$ 2,575
2009	2,575
2010	<u>1,931</u>
TOTAL	\$ <u>7,081</u>

F. Capital Leases

During 2003, the County entered into lease agreements for copy equipment for the Circuit Court, Health Department, and County Office. The lease agreements qualify as capital leases for accounting purposes (bargain purchase options) and therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Capital Leases (Continued)

The assets acquired through capital leases are as follows:

Copy Equipment	\$ 29,899
Less: Accumulated Depreciation	<u>(13,455)</u>
Total	\$ <u>16,444</u>
Copy Equipment	\$ 10,431
Less: Accumulated Depreciation	<u>(4,781)</u>
Total	\$ <u>5,650</u>
Copy Equipment	\$ 12,443
Less: Accumulated Depreciation	<u>(5,288)</u>
Total	\$ <u>7,155</u>

During 2005, the County entered into a lease agreement for copy equipment for the Sheriff's department. The lease agreement qualifies as a capital lease for accounting purposes (minimum lease payments equal or exceed fair market value) and therefore, has been recorded at the present value of its future minimum lease payments as of the date of the inception of the lease.

The asset acquired through the capital lease is as follows:

Copy Equipment	\$ 48,237
Less: Accumulated Depreciation	<u>(19,295)</u>
Total	\$ <u>28,942</u>

During 2006, the County entered into a lease agreement for copy equipment for County Court Clerk. The lease agreement qualifies as a capital lease for accounting purposes (bargain purchase options) and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Copy Equipment	\$ 5,500
Less: Accumulated Depreciation	<u>(1,467)</u>
Total	\$ <u>4,033</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2007, are presented in Note 11.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt

The following is a summary of bonds, notes and other long-term obligations comprising general long-term debt for the fiscal year ended June 30, 2007.

Governmental Activities

	Balance Beginning of Year	Additions	Retirements / Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
Primary Government					
General Obligation Bonds	\$ 30,790,000	130,360,000	(6,440,000)	154,710,000	2,300,000
Less Deferred Amounts					
On Refunding	(936,534)	(124,945)	80,093	(981,386)	-
For Issuance of Premium	1,935,373	4,262,687	(339,177)	5,858,883	-
Total General Obligation Bonds	31,788,839	134,497,742	(6,699,084)	159,587,497	2,300,000
Capital Outlay Notes	11,878,448	3,735,000	(3,011,848)	12,601,600	1,989,767
Capital Leases	63,425	-	(21,927)	41,498	17,908
Compensated Absences	982,891	161,217	-	1,144,108	237,418
Settlement Payable	150,000	-	(75,000)	75,000	75,000
Contingent Liability	-	250,000	-	250,000	250,000
Primary Government Long-Term Liabilities	<u>\$ 44,863,603</u>	<u>138,643,959</u>	<u>(9,807,859)</u>	<u>173,699,703</u>	<u>4,870,093</u>
Component Unit					
Compensated Absences	\$ 124,765	3,144	-	127,909	127,909
Component Unit Long-term Liabilities	<u>\$ 124,765</u>	<u>3,144</u>	<u>-</u>	<u>127,909</u>	<u>127,909</u>

	Date Issued	Date Matures	Amount Issued	Interest Rate	Outstanding June 30, 2007
<u>Leases Payable</u>					
Sheriff Copier	06/30/05	06/30/10	\$48,237	2.130%	\$ 29,503
Circuit Court Copier	12/18/02	12/18/07	29,899	7.000%	3,481
Health Dept. Copier	12/10/02	12/10/07	10,431	7.420%	1,225
County Mayor Copier	04/11/03	04/11/08	12,443	13.156%	2,677
County Court Clerk Copier	03/08/06	03/08/11	5,500	21.228%	4,612
Total					<u>\$ 41,498</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Leases Payable (Continued)

Copy Equipment - Sheriff

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 9,626	535	10,161
2009	9,833	328	10,161
2010	<u>10,044</u>	<u>116</u>	<u>10,160</u>
Total	\$ <u>29,503</u>	<u>979</u>	<u>30,482</u>

Circuit Court Copier

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,481	<u>71</u>	<u>3,552</u>
Total	\$ <u>3,481</u>	<u>71</u>	<u>3,552</u>

Health Dept. Copier

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,225	<u>27</u>	<u>1,252</u>
Total	\$ <u>1,225</u>	<u>27</u>	<u>1,252</u>

County Office Copier

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,677	<u>164</u>	<u>2,841</u>
Total	\$ <u>2,677</u>	<u>164</u>	<u>2,841</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Leases Payable (Continued)

County Court Clerk Copier

Fiscal Year Ending June 30	Principal	Interest	Total
2008	\$ 899	895	1,794
2009	1,110	684	1,794
2010	1,369	424	1,793
2011	<u>1,234</u>	<u>112</u>	<u>1,346</u>
Total	\$ <u>4,612</u>	<u>2,115</u>	<u>6,727</u>

Total future minimum lease obligations are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2008	\$ 17,908	1,692	19,600
2009	10,943	1,012	11,955
2010	11,413	540	11,953
2011	<u>1,234</u>	<u>112</u>	<u>1,346</u>
Total	\$ <u>41,498</u>	<u>3,356</u>	<u>44,854</u>

<u>Bonds Payable</u>	Date <u>Issued</u>	Date <u>Matures</u>	Amount <u>Issued</u>	Interest Rate	Outstanding June 30, 2007
School Construction Bonds	05/01/98	05/01/08	\$ 4,800,000	4.40-4.70%	\$ 200,000
School Construction Bonds	10/21/99	10/21/08	8,100,000	4.90-5.20%	1,500,000
School Construction Bonds	03/01/99	03/01/09	8,100,000	3.55-5.50%	2,950,000
School Construction Bonds	09/15/04	06/30/18	19,700,000	2.70-5.00%	19,700,000
School Construction Bonds	01/23/07	06/01/37	105,675,000	4.375-5.00%	105,675,000
Refunding Bonds	01/23/07	06/01/18	4,275,000	4.375-5.00%	4,275,000
Justice Center					
Construction Bond	01/23/07	06/01/35	20,410,000	4.375-5.00%	<u>20,410,000</u>
Total					<u>\$154,710,000</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Bonds Payable (Continued)

School Construction Bonds issued May 1, 1998, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ <u>200,000</u>	<u>9,000</u>	<u>209,000</u>
Total	\$ <u>200,000</u>	<u>9,000</u>	<u>209,000</u>

School Construction Bonds issued October 21, 1999, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 700,000	61,500	761,500
2009	<u>800,000</u>	<u>32,800</u>	<u>832,800</u>
Total	\$ <u>1,500,000</u>	<u>94,300</u>	<u>1,594,300</u>

School Construction Bonds issued March 1, 1999, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,400,000	149,200	1,549,200
2009	<u>1,550,000</u>	<u>80,600</u>	<u>1,630,600</u>
Total	\$ <u>2,950,000</u>	<u>229,800</u>	<u>3,179,800</u>

School Construction Bonds issued September 15, 2004, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	982,125	982,125
2009	125,000	982,125	1,107,125
2010	2,920,000	978,750	3,898,750
2011	2,370,000	832,750	3,202,750
2012	2,520,000	714,250	3,234,250
2013-2017	9,845,000	1,967,000	11,812,000
2018	<u>1,920,000</u>	<u>96,000</u>	<u>2,016,000</u>
Total	\$ <u>19,700,000</u>	<u>6,553,000</u>	<u>26,253,000</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Bonds Payable (Continued)

School Construction Bonds issued January 23, 2007 debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	4,929,256	4,929,256
2009	-	4,929,256	4,929,256
2010	-	4,929,256	4,929,256
2011	-	4,929,256	4,929,256
2012	-	4,929,256	4,929,256
2013-2017	-	24,646,281	24,646,281
2018-2022	14,675,000	23,658,931	38,333,931
2023-2027	22,760,000	18,992,031	41,752,031
2028-2032	28,905,000	12,849,081	41,754,081
2033-2037	<u>39,335,000</u>	<u>5,620,450</u>	<u>44,955,450</u>
Total	<u>\$105,675,000</u>	<u>110,413,054</u>	<u>216,088,054</u>

Refunding Bonds issued January 23, 2007, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	204,250	204,250
2009	-	204,250	204,250
2010	-	204,250	204,250
2011	-	204,250	204,250
2012	-	204,250	204,250
2013-2017	2,930,000	875,350	3,805,350
2018	<u>1,345,000</u>	<u>67,250</u>	<u>1,412,250</u>
Total	<u>\$ 4,275,000</u>	<u>1,963,850</u>	<u>6,238,850</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Bonds Payable (Continued)

Justice Center Construction Bonds issued January 23, 2007 debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ -	954,331	954,331
2009	-	954,331	954,331
2010	-	954,331	954,331
2011	160,000	954,331	1,114,331
2012	165,000	947,931	1,112,931
2013-2017	1,255,000	4,608,056	5,863,056
2018-2022	3,410,000	4,161,206	7,571,206
2023-2027	4,840,000	3,153,656	7,993,656
2028-2032	6,165,000	1,845,581	8,010,581
2033-2035	4,415,000	391,781	4,806,781
Total	<u>\$20,410,000</u>	<u>18,925,535</u>	<u>39,335,535</u>

Total bond debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,300,000	7,289,662	9,589,662
2009	2,475,000	7,183,362	9,658,362
2010	2,920,000	7,066,587	9,986,587
2011	2,530,000	6,920,587	9,450,587
2012	2,685,000	6,795,687	9,480,687
2013-2017	14,030,000	32,096,687	46,126,687
2018-2022	21,350,000	27,983,387	49,333,387
2023-2027	27,600,000	22,145,687	49,745,687
2028-2032	35,070,000	14,694,662	49,764,662
2033-2037	43,750,000	6,012,231	49,762,231
Total	<u>\$154,710,000</u>	<u>138,188,539</u>	<u>292,898,539</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Capital Outlay Notes

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2007</u>
2002 Series Capital Outlay Refunding	02/01/02	02/01/08	8,880,000	4.00%	\$ 455,000
Highway Department Capital Outlay	03/25/03	03/25/10	211,000	3.05%	90,600
Education Department Capital Outlay	04/29/03	04/29/15	4,742,000	1.46-3.80%	3,162,000
Highway Department Capital Outlay	01/27/05	01/27/08	203,000	2.75-3.10%	67,000
Highway Department Capital Outlay	12/28/05	12/28/08	760,000	3.583%	505,000
Education Department Capital Outlay	09/15/05	09/15/17	5,000,000	3.20-3.80%	4,587,000
Highway Department Capital Outlay	08/23/06	07/23/09	235,000	4.09%	235,000
General Capital Outlay	05/15/07	09/15/08	3,500,000	4.079%	<u>3,500,000</u>
Total					\$ <u>12,601,600</u>

2002 Series Capital Outlay Refunding Notes issued February 1, 2002 debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ <u>455,000</u>	<u>18,200</u>	<u>473,200</u>
Total	\$ <u>455,000</u>	<u>18,200</u>	<u>473,200</u>

Highway Department Capital Outlay Note payable issued March 25, 2003, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 30,100	2,763	32,863
2009	30,100	1,845	31,945
2010	<u>30,400</u>	<u>927</u>	<u>31,327</u>
Total	\$ <u>90,600</u>	<u>5,535</u>	<u>96,135</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Capital Outlay Notes (Continued)

Highway Department Capital Outlay Note payable issued January 27, 2005, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ <u>67,000</u>	<u>2,077</u>	<u>69,077</u>
Total	\$ <u><u>67,000</u></u>	<u><u>2,077</u></u>	<u><u>69,077</u></u>

Education Department Capital Outlay Note payable issued April 29, 2003, debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 395,000	57,944	452,944
2009	395,000	106,924	501,924
2010	395,000	96,601	491,061
2011	395,000	84,409	479,409
2012	395,000	71,571	466,571
2013-2015	<u>1,187,000</u>	<u>88,709</u>	<u>1,275,709</u>
Total	\$ <u><u>3,162,000</u></u>	<u><u>505,618</u></u>	<u><u>3,667,618</u></u>

Highway Department Capital Outlay Note payable issued December 28, 2005, debt services requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 255,000	13,526	268,526
2009	<u>250,000</u>	<u>4,479</u>	<u>254,479</u>
Total	\$ <u><u>505,000</u></u>	<u><u>18,005</u></u>	<u><u>523,005</u></u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Capital Outlay Notes (Continued)

Education Department Capital Outlay Note payable issued September 15, 2005, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 417,000	154,603	571,603
2009	417,000	140,946	557,946
2010	417,000	127,081	544,081
2011	417,000	113,007	530,007
2012	417,000	98,725	515,725
2013-2017	2,085,000	271,154	2,356,154
2018	<u>417,000</u>	<u>7,923</u>	<u>424,923</u>
Total	<u>\$ 4,587,000</u>	<u>913,439</u>	<u>5,500,439</u>

Highway Department Capital Outlay Note payable issued August 23, 2006, debt services requirements to maturity are as follows:

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 79,000	9,612	88,612
2009	79,000	6,380	85,380
2009	<u>77,000</u>	<u>3,149</u>	<u>80,149</u>
Total	<u>\$ 235,000</u>	<u>19,141</u>	<u>254,141</u>

General Capital Outlay Note payable issued May 15, 2007, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 291,667	142,765	434,432
2009	291,667	130,868	422,535
2010	291,667	118,971	410,638
2011	291,667	107,074	398,741
2012	291,667	95,177	386,844
2013-2017	1,458,333	297,427	1,755,760
2018-2019	<u>583,332</u>	<u>35,671</u>	<u>619,003</u>
Total	<u>\$ 3,500,000</u>	<u>927,953</u>	<u>4,427,953</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)  
Capital Outlay Notes (Continued)

Total annual debt service requirements to maturity are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,989,767	401,470	2,391,257
2009	1,462,767	391,442	1,854,209
2010	1,211,067	346,189	1,557,256
2011	1,103,667	304,490	1,408,157
2012	1,103,667	265,473	1,369,140
2013-2017	4,730,333	657,290	5,387,623
2018-2019	<u>1,000,332</u>	<u>43,594</u>	<u>1,043,926</u>
Total	<u>\$ 12,601,600</u>	<u>2,409,968</u>	<u>15,011,568</u>

Settlement Payable

The Johnson City School System questioned the division of the local option sales tax revenue between them and the Washington County, Tennessee School System. A report was prepared by the Johnson City School System, which reflected a receivable from the County School System in excess of \$1,000,000. The Washington County Trustee changed the method of dividing the revenue as of July 1, 1991. In October 1994, an agreement was reached between the City of Johnson City and Washington County in which the County will repay \$1,125,000 to the City at \$75,000 per year over a fifteen (15) year period. This amount has been recorded as long-term debt of the County.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Contingent Liability

The County is involved in a lawsuit in which the claimant seeks damages for injuries allegedly resulting from inadequate medical care while incarcerated at the Washington County Detention Center. The County denies any liability. This is a disputed matter, but the Plaintiff is more likely than not to recover. The County has a potential exposure of \$250,000. Accordingly, a provision for this liability that may result has been made in the financial statements.

Advance Refunding

The County issued \$130,360,000 of Series B-12-A 2007 Local Government Public Improvement Loan Bonds of which \$105,675,000 were for the construction of schools and \$20,410,000 for the construction of a justice center and the remaining \$4,275,000 was to provide resources that were placed in an irrevocable trust for the purpose of generating resources for the future debt service payments of \$5,750,763 on the County's outstanding Series 2000 General Obligation School Improvement Bonds. As a result, the refunded bonds of \$4,550,000 are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$125,000. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$685,000 and resulted in an economic gain of \$270,000.

On June 30, 2007, the following bonds outstanding are considered to be defeased:

<u>Date</u>	<u>Bond Refunding</u>	<u>Amount</u>	<u>Issues Refunded</u>
9/15/2004	GO School Bonds	\$ 20,500,000	1998, 1999
1/23/2007	GO School Bonds	4,550,000	2000

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2007, is as follows:

**Due to/from other funds**

	Payable Fund				Total
	General Fund	Capital Projects Fund	Highway Fund	Nonmajor Governmental Funds	
Receivable Fund					
General Fund	\$ -	-	-	455,270	455,270
Highway Fund	-	-	-	12,280	12,280
Debt Service	-	1,870,660	-	-	1,870,660
Non-Majors	93,182	-	64,238	15,280	172,700
	<u>\$ 93,182</u>	<u>1,870,660</u>	<u>64,238</u>	<u>482,830</u>	<u>2,510,910</u>

**Interfund Transfers**

	Transfer In				Total
	General Fund	Debt Service Fund	Highway Fund	Nonmajor Governmental Funds	
Transfer Out:					
General Fund	\$ -	-	17,880	428,202	446,082
Highway Fund	-	14,555	-	-	14,555
Capital Projects	-	2,663,075	-	-	2,663,075
Constitutional Officers	5,153,820	-	-	-	5,153,820
Total Transfers Out	<u>\$ 5,153,820</u>	<u>2,677,630</u>	<u>17,880</u>	<u>428,202</u>	<u>8,277,532</u>

The purposes for the interfund transfers noted above were to fund operations and remit excess fees and commissions.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION

A. Joint Ventures

Johnson City and Washington County, Tennessee, jointly own an animal shelter operated by the Washington County-Johnson City Animal Control Center. Washington County is responsible for funding 50% of any deficits from operations. Washington County contributed \$115,000 to the operations during the year ended June 30, 2007.

The Washington County-Johnson City Emergency Medical Services, Inc., - Ambulance Division receives revenue from Washington County and Johnson City, as well as patient billings. Washington County contributed \$1,358,566 to the operations during the year ended June 30, 2007.

Washington County is responsible for funding at least 30% of operations of the Johnson City/Jonesborough/Washington County Economic Development Board, Inc. Washington County contributed \$131,250 to the operations during the year ended June 30, 2007.

The Tri-Cities Airport is jointly owned and administered by Johnson City, Kingsport and Bristol, Tennessee, Bristol, Virginia and Washington and Sullivan County, Tennessee. Washington County is a 20 percent owner and is represented by three of the twelve commissioners.

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between the counties of Carter, Greene, Hawkins, Johnson, Sullivan, Unicoi and Washington. Each county mayor serves on the Board of Directors. The County contributed \$191,907 to the operations during the year ended June 30, 2007. Financial statements for the joint venture are not available. However, information about the management company operating the facility is available on their website as [www.uhsinc.com](http://www.uhsinc.com).

Complete financial statements for each of the individual joint ventures may be obtained at the administrative offices of:

Animal Control Center  
525 Sells Avenue  
Johnson City, TN 37601

Tri-Cities Airport Commission  
P.O. Box 1055  
Blountville, TN 37617

Emergency Medical Services  
Wesley Street  
Johnson City, TN 37601

Economic Development Board  
603 East Market Street  
Johnson City, TN 37601

Audited information for each of the above, as of June 30, 2007, is available at their respective administrative offices and is summarized below for each organization. All are presented on the accrual basis of accounting. Audited information for Emergency Medical Services – Ambulance Division was not yet available for the fiscal year ended June 30, 2007, therefore, the information reflected is for June 30, 2006.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

NOTE 5 – OTHER INFORMATION (CONTINUED)

A. Joint Ventures (Continued)

	Washington County Johnson City Animal Control Center	Emergency Medical Services - Ambulance Division	Johnson City/ Jonesborough/ Washington County Economic Development Board, Inc.	Tri-Cities Airport Commission
Operating Revenues	\$ 111,943	5,580,618	357,000	5,940,932
Operating Expenses	(440,327)	(6,690,496)	(364,807)	(5,415,312)
Depreciation	(18,598)	(379,252)	(1,737)	(2,730,172)
Amortization	-	-	-	(13,501)
Other Income (Expense)	325,135	1,755,981	38,671	557,579
Capital Contributions	-	-	-	3,067,094
Net Income(Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	(21,847)	266,851	29,127	1,406,620
Total Fund Equity, July 1	388,571	2,064,483	890,967	45,751,198
Prior Period Adjustments:				
Change in Capitalization Policy	-	(26,023)	-	-
Contributed Stock	-	3,408	-	-
Total Fund Equity, June 30	<u>\$ 366,724</u>	<u>2,308,719</u>	<u>920,094</u>	<u>47,157,818</u>
Total Assets	\$ 411,941	4,474,768	920,874	56,781,550
Total Liabilities	45,217	2,166,049	780	9,623,732
Total Fund Equity	<u>\$ 366,724</u>	<u>2,308,719</u>	<u>920,094</u>	<u>47,157,818</u>

B. Jointly Owned Organizations

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

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION (CONTINUED)

B. Jointly Owned Organizations (Continued)

The Upper East Tennessee Educational Cooperative was established through a contractual agreement between the Boards of Education of Sullivan County, Bristol City, Carter County, Cocke County, Elizabethton City, Johnson City, Johnson County, Kingsport City, Newport City, Rogersville City, Unicoi County, and Washington County. The cooperative was authorized through Chapter 49 of the Tennessee Code Annotated. The cooperative was established to provide the First Tennessee-Virginia Development District with educational programs and services of higher quality, greater scope, and greater accessibility. The cooperative is governed by a board of control, consisting of one board member and the directors of schools from each of the systems. The executive committee consists of the chairman and vice-chairman of the board of control and the member director of schools. Funding for the cooperative is provided through state grants and member schools' contributions.

C. Risk Management

The County has chosen to establish reserves in the General Fund for Unemployment Compensation, General Liability and Health Insurance for risks associated with the related expenses. Assets are set aside for claim settlements. The Unemployment Compensation Reserve is used to set aside funds for future unemployment claims. The General Liability Reserve is used to provide additional reserves for general liabilities of the County.

Washington County carries insurance coverage through Tennessee Risk Management Trust and Tennessee Board of Educations Liability Trust for all commercial property, general liability, automobile liability, loss of money, miscellaneous contractors, and workman compensation insurance. The County carries additional coverage for public officials and a dishonesty policy through Jonesborough Insurance Agency. There was no reduction in insurance coverage from the prior year. During the past three years the settlements paid by the County for General Liabilities were as follows:

June 30, 2005	\$ 664
June 30, 2006	184,786
June 30, 2007	240

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

As of July 1, 2006, Washington County chose to establish the Self-Insurance Fund for risks associated with the employees' health insurance plans. The Self-Insurance fund is accounted for as an internal service fund where assets are set aside for claim settlements. The County retains the risk of loss of \$50,000 per specific loss and \$1,000,000 in aggregate.

All full-time employees of the primary government are eligible to participate. A premium charge is allocated to each fund that accounts for its employees. This charge is based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Self-Insurance fund establishes claim liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. A reconciliation of claims for the years ended June 30, 2007 is as follows:

	2007
Claims Accrued at July 1	\$ -
Claims Incurred	4,772,627
Claims Paid	(4,046,378)
Claims Accrued at June 30	\$ 726,249

In addition to the above insurance, the County provides vision and dental benefits. These costs are accounted for within the individual funds. The County retains the risk of loss of \$250 for vision benefits and \$800 for dental benefits per covered individual each year. A reconciliation of claims for the years ended June 30, 2007 and 2006 are as follows:

	2007	2006
Claims Accrued at July 1	\$ 1,322	30
Claims Incurred	241,736	248,381
Claims Paid	(242,851)	(247,089)
Claims Accrued at June 30	\$ 207	1,322

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION (CONTINUED)

D. Retirement Plan

Plan Description

Employees of Washington County and WCECD are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Washington County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/ps/>.

Funding Policy

Both Washington County and WCECD have adopted a noncontributory retirement plan for their employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

Washington County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2007 was 13.94% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Washington County is established and may be amended by the TCRS Board of Trustees.

WCECD is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2007 was 11.48% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for WCECD is established and may be amended by the TCRS Board of Trustees.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2007

---

**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Retirement Plan (Continued)**

**Annual Pension Cost**

For the year ending June 30, 2007, Washington County's annual pension cost of \$2,807,436 to TCRS was equal to Washington County's required and actual contributions and WCECD's annual pension cost of \$142,622 to TCRS was equal to WCECD's required and actual contributions. The required contribution was determined as part of the July 1, 2005 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in Social Security wage base, and (d) projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Washington County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005 was 10 years for Washington County and 13 years for WCECD. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2007.

**Washington County**

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 2,807,436	100%	\$ 0
June 30, 2006	\$ 2,536,466	100%	\$ 0
June 30, 2005	\$ 2,382,010	100%	\$ 0

**WCECD**

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 142,622	100%	\$ 0
June 30, 2006	\$ 118,465	100%	\$ 0
June 30, 2005	\$ 110,064	100%	\$ 0

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Component Unit - Washington County Schools

Plan Description

The Washington County Schools contribute to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979 are vested after five years of service. Members joining prior to July 1, 1979 are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/schools/>.

Funding Policy

Most teachers are required by state statute to contribute 5.0% percent of salary to the plan. The employer contribution rate for Washington County Schools is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2007 was 5.50% of annual covered payroll. The employer contribution requirement for Washington County Schools is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ending June 30, 2007, 2006, and 2005 were \$1,604,029, \$1,403,937, and \$1,390,885, respectively, equal to the required contributions for each year.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION (CONTINUED)

E. Contingent Liabilities

The County is a defendant in various lawsuits. The outcome of these suits is not presently determinable, except for the lawsuit stated in Note 4.g. However, it is the opinion of the County Attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the County.

F. Office of Central Accounting, Budgeting, and Purchasing

Washington County operates under provisions of the Fiscal Control Acts of 1957, which provides for a system of central accounting, budgeting, and purchasing covering funds administered by the County Mayor and the Highway Superintendent. These funds were maintained in the Office of Central Accounting and Purchasing under the supervision of the Director of Finance.

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's office are governed by the County Purchasing Law of 1957, Section 5-14-102 through 5-14-106, T.C.A., which provides for purchases in excess of \$5,000 to be made after public advertisement and competitive bidding.

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by provisions of the Uniform Road Law, Section 54-7-113, T.C.A., which provides for purchases in excess of \$10,000 to be made after public advertisement and competitive bidding.

Office of the Director of Schools

Purchasing procedures for the discretely presented Washington County Board of Education are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, T.C.A., which provides for the County Board of Education, through its executive committee (School Superintendent and Chairman of the Board of Education), to make all purchases. This statute requires that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$5,000.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007

---

NOTE 5 – OTHER INFORMATION (CONTINUED)

H. Prior Period Adjustment

The net assets of the governmental activities on the statement of activities in the fund financial statements have been restated as of the beginning of the fiscal year. An adjustment was made to record the cost of county bridge infrastructure in order to comply with GASB 34.

	<u>Primary Government</u>
Beginning Net Assets	\$ 23,622,743
Adjustments	
Bridges	<u>5,724,182</u>
Adjusted Net Assets	<u>\$ 29,346,925</u>

## **SECTION III**

### **REQUIRED SUPPLEMENTARY INFORMATION**

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,462,268	14,487,268	14,922,823	435,555
Licenses and Permits	396,000	396,000	455,457	59,457
Fines, Forfeitures and Penalties	277,200	277,200	485,362	208,162
Charges for Current Services	567,000	567,000	624,618	57,618
Other Local Revenues	360,500	606,726	935,030	328,304
Revenue from State of Tennessee	3,105,866	4,945,615	5,148,258	202,643
Revenue from Federal Government	24,105	627,099	682,143	55,044
Revenue from Other Governments and Citizens Groups	535,000	535,000	599,735	64,735
<b>TOTAL REVENUES</b>	<b>19,727,939</b>	<b>22,441,908</b>	<b>23,853,426</b>	<b>1,411,518</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
County Commission	169,000	176,000	165,370	10,630
Boards and Committees	500	500	-	500
Board of Equalization	5,010	5,010	2,950	2,060
County Mayor	181,666	181,666	175,204	6,462
County Attorney	43,230	43,230	42,354	876
Election Commission	540,762	586,820	501,428	85,392
Register of Deeds	444,482	444,482	375,632	68,850
Planning and Zoning	29,700	29,700	27,808	1,892
Codes Compliance	234,139	234,139	224,493	9,646
County Building	56,450	56,450	31,103	25,347
Other General Administration	2,049,019	2,350,827	1,888,998	461,829
Accounting and Budgeting	267,491	267,491	251,973	15,518
Purchasing	145,603	145,603	124,231	21,372
Property Assessor	438,972	460,173	385,443	74,730
Reappraisal Program	300,453	300,453	266,651	33,802
Trustee	406,248	406,248	358,552	47,696
County Clerk	752,283	754,783	734,098	20,685
General Sessions Judge	339,302	339,302	319,905	19,397
Circuit Court	1,210,860	1,220,860	1,164,359	56,501
Chancery Court	504,092	504,092	483,766	20,326
Juries	189,975	189,975	123,549	66,426
Sheriff's Department	4,649,030	4,677,580	4,454,057	223,523
Substance Abuse Grant	-	133,318	133,314	4
Jail	4,712,684	4,667,434	4,440,448	226,986
Juvenile Services	441,664	441,664	405,401	36,263
Work Release Program	13,133	13,133	12,748	385
Federal Asset Forfeiture	-	10,000	26,375	(16,375)
JAG Grant	28,407	28,407	-	28,407
Fire Prevention and Control	835,000	835,000	835,000	-
Civil Defense	109,058	111,244	111,993	(749)
Haz-Mat	-	34	34	-
Rescue Squad	74,300	74,300	74,300	-
Emergency Management	-	9,514	50,776	(41,262)
County Coroner	143,319	143,319	115,296	28,023
School Resource Officer	-	2,000	4,097	(2,097)

(Continued)

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES AND ENCUMBRANCES</b>				
<b>(CONTINUED)</b>				
Other Public Safety	587,486	587,486	37,493	549,993
LLEBG Grant	-	305	304	1
Sheriff's Traffic Safety Grant	-	248	248	-
County Health Center	756,741	756,741	708,774	47,967
Health Center Grant	811,387	1,050,900	710,719	340,181
Rabies and Animal Control	115,000	115,000	115,000	-
Ambulance Service	1,368,372	1,368,372	1,368,372	-
Alcohol and Drug Programs	12,310	12,310	3,040	9,270
Regional Mental Health Center	65,250	65,250	65,250	-
Public Welfare	95,000	95,000	94,600	400
Aid to Dependent Children	5,000	5,000	5,000	-
Sanitation Education	53,076	53,076	52,951	125
Senior Citizen's Assistance	135,299	135,299	135,299	-
Libraries	102,500	127,500	127,500	-
Social, Cultural and Recreational	15,000	15,000	15,000	-
Contributions to National Storytelling	50,000	50,000	50,000	-
Agriculture Extension Service	207,750	207,750	196,728	11,022
Forest Service	1,500	1,500	1,500	-
Soil Conservation	82,550	82,550	48,049	34,501
Storm Water Management	39,585	46,285	45,041	1,244
Agriculture and Natural Resources	14,605	17,005	14,736	2,269
Tourism	6,971	6,971	6,971	-
Industrial Development	117,500	131,250	131,250	-
Housing and Urban Development	-	182,173	181,172	1,001
Economic and Community Development	21,250	2,116,829	2,116,829	-
Transportation	33,000	33,000	18,958	14,042
Contributions to Other Agencies	34,200	34,200	159,696	(125,496)
Employee Benefits	2,660,000	4,160,000	3,740,780	419,220
Judgments	25,000	25,000	240	24,760
Emergency Communications District	34,200	546,246	546,246	-
Capital Outlay	577,120	1,096,087	1,237,059	(140,972)
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>27,343,484</b>	<b>32,969,084</b>	<b>30,246,511</b>	<b>2,722,573</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Library Fund	(428,202)	(428,202)	(428,202)	-
Transfer Out	(17,880)	(17,880)	(17,880)	-
Transfer from Constitutional Officers - Fees Fund	4,525,000	4,525,000	5,153,820	628,820
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,078,918</b>	<b>4,078,918</b>	<b>4,707,738</b>	<b>628,820</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(3,536,627)	(6,448,258)	(1,685,347)	4,762,911
Fund Balance, July 1, 2006	12,804,362	12,804,362	12,804,362	-
Fund Balance, June 30, 2007	<u>\$ 9,267,735</u>	<u>6,356,104</u>	<u>11,119,015</u>	<u>4,762,911</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2007	Add: Encumbrances 6/30/2006	
TOTAL REVENUES	\$ 23,853,426	-	-	23,853,426
<b>EXPENDITURES</b>				
County Commission	165,370	-	-	165,370
Board of Equalization	2,950	-	-	2,950
County Mayor	175,204	-	-	175,204
County Attorney	42,354	-	-	42,354
Election Commission	501,428	-	-	501,428
Register of Deeds	375,632	-	-	375,632
Planning and Zoning	27,808	-	-	27,808
Codes Compliance	224,493	-	189	224,682
County Building	31,103	9,722	-	21,381
Other General Administration	1,888,998	95,920	97,202	1,890,280
Accounting and Budgeting	251,973	-	-	251,973
Purchasing	124,231	-	-	124,231
Property Assessor	385,443	-	-	385,443
Reappraisal Program	266,651	26,635	-	240,016
Trustee	358,552	-	-	358,552
County Clerk	734,098	665	-	733,433
General Sessions Judge	319,905	-	-	319,905
Circuit Court	1,164,359	6,829	-	1,157,530
Chancery Court	483,766	365	-	483,401
Judicial Court	123,549	-	-	123,549
Sheriff's Department	4,454,057	19,490	9,400	4,443,967
Substance Abuse Grant	133,314	-	-	133,314
Jail	4,440,448	7,399	8,484	4,441,533
Juvenile Services	405,401	-	-	405,401
Work Release Program	12,748	-	-	12,748
Federal Asset Forfeiture	26,375	5,354	-	21,021
Fire Protection and Control	835,000	-	-	835,000
Civil Defense	111,993	-	-	111,993
Haz-Mat	34	-	-	34
Rescue Squad	74,300	-	-	74,300
Emergency Management	50,776	-	-	50,776
County Coroner	115,296	-	270	115,566
School Resource Officer	4,097	-	-	4,097
Other Public Safety	37,493	-	-	37,493
LLEBG Grant	304	-	-	304
Sheriff's Traffic Safety Grant	248	-	-	248
County Health Center	708,774	1,133	585	708,226
Health Center Grant	710,719	-	-	710,719
Rabies and Animal Control	115,000	-	-	115,000
Ambulance Service	1,368,372	-	-	1,368,372

(Continued)

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures (continued).

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2007	Add: Encumbrances 6/30/2006	
EXPENDITURES (CONTINUED)				
Alcohol and Drug Programs	3,040	-	-	3,040
Regional Mental Health Center	65,250	-	-	65,250
Public Welfare	94,600	-	-	94,600
Aid to Dependent Children	5,000	-	-	5,000
Sanitation Education	52,951	-	-	52,951
Senior Citizen's Assistance	135,299	-	-	135,299
Libraries	127,500	-	-	127,500
Social, Cultural and Recreational	15,000	-	-	15,000
Contributions to National Storytelling	50,000	-	-	50,000
Agriculture Extension Service	196,728	-	300	197,028
Forest Service	1,500	-	-	1,500
Soil Conservation	48,049	-	-	48,049
Storm Water Management	45,041	-	-	45,041
Agriculture and Natural Resources	14,736	4	57	14,789
Tourism	6,971	-	-	6,971
Industrial Development	131,250	-	-	131,250
Housing and Urban Development	181,172	-	-	181,172
Economic and Community Development	2,116,829	-	-	2,116,829
Transportation	18,958	-	-	18,958
Contributions to Other Agencies	159,696	-	-	159,696
Employee Benefits	3,740,780	-	-	3,740,780
Judgments	240	-	-	240
Emergency Communications District	546,246	-	-	546,246
Capital Outlay	1,237,059	54,401	853,175	2,035,833
<b>TOTAL EXPENDITURES</b>	<b>30,246,511</b>	<b>227,917</b>	<b>969,662</b>	<b>30,988,256</b>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,707,738</b>	<b>-</b>	<b>-</b>	<b>4,707,738</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,685,347)	227,917	(969,662)	(2,427,092)
Fund Balance, July 1, 2006	12,804,362	-	969,662	13,774,024
Fund Balance, June 30, 2007	<u>\$ 11,119,015</u>	<u>227,917</u>	<u>0</u>	<u>11,346,932</u>

(1) Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.

WASHINGTON COUNTY, TENNESSEE  
HIGHWAY FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,070,004	3,070,004	3,134,204	64,200
Licenses and Permits	500	500	558	58
Charges for Current Services	100,000	100,000	359,942	259,942
Other Local Revenue	161,000	161,000	403,566	242,566
Revenue from State of Tennessee	2,777,651	2,777,651	3,126,646	348,995
<b>TOTAL REVENUES</b>	<b>6,109,155</b>	<b>6,109,155</b>	<b>7,024,916</b>	<b>915,761</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Administration	613,759	564,259	549,823	14,436
Highway and Bridge Maintenance	2,330,140	2,269,240	1,998,043	271,197
Operation and Maintenance of Equipment	742,494	781,144	705,188	75,956
Asphalt Plant Operations	2,355,208	2,435,008	1,906,180	528,828
Other Charges	106,555	94,000	87,225	6,775
Employee Benefits	719,000	1,297,000	1,231,927	65,073
Capital Outlay	230,001	464,914	523,019	(58,105)
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>7,097,157</b>	<b>7,905,565</b>	<b>7,001,405</b>	<b>904,160</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	17,880	17,880	17,880	-
Transfer to Other Fund	(14,555)	(14,555)	(14,555)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,325</b>	<b>3,325</b>	<b>3,325</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(984,677)	(1,793,085)	26,836	1,819,921
Fund Balance, July 1, 2006	2,565,827	2,565,827	2,565,827	-
Fund Balance, June 30, 2007	\$ 1,581,150	772,742	2,592,663	1,819,921

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
HIGHWAY FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2007	Add: Encumbrances 6/30/2006	
TOTAL REVENUES	\$ 7,024,916	0	0	7,024,916
EXPENDITURES				
Administration	549,823	-	-	549,823
Highway and Bridge Maintenance	1,998,043	-	40	1,998,083
Operation and Maintenance of Equipment	705,188	-	-	705,188
Asphalt Plant Operations	1,906,180	-	-	1,906,180
Other Charges	87,225	-	-	87,225
Employee Benefits	1,231,927	-	-	1,231,927
Capital Outlay	523,019	-	-	523,019
TOTAL EXPENDITURES	7,001,405	0	40	7,001,445
OTHER FINANCING SOURCES(USES)				
Transfer from Other Funds	17,880	-	-	17,880
Transfer to Other Funds	(14,555)	-	-	(14,555)
TOTAL OTHER FINANCING SOURCES(USES)	3,325	0	0	3,325
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	26,836	-	(40)	26,796
Fund Balance, July 1, 2006	2,565,827	-	40	2,565,867
Fund Balance, June 30, 2007	\$ 2,592,663	0	0	2,592,663

(1) Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2007

---

BUDGETARY REPORTING

The Budgetary Comparison Schedules for the General and Highway Funds present comparisons of the original and final legally adopted budget with actual data.

Washington County is required by state statute to adopt annual budgets. Annual appropriated budgets are adopted for the General and Highway Funds. Budgets are prepared on the basis where 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. The inclusion of the encumbrances is not consistent with accounting principles generally accepted in the United States of America. All unencumbered appropriations lapse at fiscal year end.

The budgetary level of control is at the major category level. Management may make revisions within major categories except for certain line items such as salaries, but only the governing body may make revisions between major categories. During the year, several supplementary appropriations were necessary.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)  
For the Fiscal Year Ended June 30, 2007

(Dollar Amounts in Thousands)

**Washington County**

	(a)	(b) (AAL)	(b) – (a) (UAAL)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1-Jul-05	\$ 41,146	45,365	4,219	90.70%	18,413	22.91%
1-Jul-03	35,120	39,876	4,756	88.07%	17,291	27.51%
1-Jul-01	30,077	35,630	5,553	84.41%	15,686	35.40%

**Washington County Emergency Communications District**

	(a)	(b) (AAL)	(b) – (a) (UAAL)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1-Jul-05	\$ 1,446	1,679	233	86.12%	1,106	21.07%
1-Jul-03	1,114	1,368	254	81.43%	940	27.02%
1-Jul-01	865	1,134	269	76.28%	836	32.18%

See Independent Auditor's Report.

**SECTION IV**

**SUPPLEMENTARY INFORMATION**

WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2007

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	
<b>ASSETS</b>						
Equity in Pooled Cash and Deposits	\$ 803,348	67,751	235,670	5,660	144,211	1,256,640
Cash	-	-	-	-	307,475	307,475
Due from State of Tennessee	64,248	-	-	-	-	64,248
Due from Other Local Governments	4,212	16,837	7,000	1,562	-	29,611
Due from Others	28,713	7,000	282	-	-	35,995
Taxes Receivable	1,140,387	-	-	-	-	1,140,387
Allowance for Uncollectibles	(894)	-	-	-	-	(894)
<b>TOTAL ASSETS</b>	<b>2,040,014</b>	<b>91,588</b>	<b>242,952</b>	<b>7,222</b>	<b>451,686</b>	<b>2,833,462</b>
<b>LIABILITIES</b>						
Accounts Payable	1,224	-	9,094	-	-	10,318
Accrued Expenses	10,494	6,159	-	-	-	16,653
Due to Other Funds	24,121	3,439	-	3,584	451,686	482,830
Deferred Revenues	1,139,482	-	-	-	-	1,139,482
<b>TOTAL LIABILITIES</b>	<b>1,175,321</b>	<b>9,598</b>	<b>9,094</b>	<b>3,584</b>	<b>451,686</b>	<b>1,649,283</b>
<b>FUND EQUITY</b>						
Reserved for						
Encumbrances	36,532	-	-	-	-	36,532
Public Safety	-	-	21,436	-	-	21,436
Unreserved, Undesignated for, Reported in Special Revenue Funds	828,161	81,990	212,422	3,638	-	1,126,211
<b>TOTAL FUND EQUITY</b>	<b>864,693</b>	<b>81,990</b>	<b>233,858</b>	<b>3,638</b>	<b>-</b>	<b>1,184,179</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,040,014</b>	<b>91,588</b>	<b>242,952</b>	<b>7,222</b>	<b>451,686</b>	<b>2,833,462</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2007

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	
<b>REVENUES</b>						
Taxes	\$ 1,113,427	-	-	-	-	1,113,427
Licenses and Permits	217	-	-	-	-	217
Fines, Forfeitures and Penalties	-	5,600	43,129	19,937	-	68,666
Charges for Current Services	128,589	9,987	-	-	-	138,576
Other Local Revenues	198,700	6,999	41,450	75	40,598	287,822
Investment Income	32,831	685	5,646	-	-	39,162
Revenue from State of Tennessee	323,223	25,027	-	-	-	348,250
Revenue from Other Governments and Citizens Groups	-	49,109	-	-	5,162,641	5,211,750
<b>TOTAL REVENUES</b>	<u>1,796,987</u>	<u>97,407</u>	<u>90,225</u>	<u>20,012</u>	<u>5,203,239</u>	<u>7,207,870</u>
<b>EXPENDITURES</b>						
General Government	-	-	58,733	24,089	49,419	132,241
Library	-	473,774	-	-	-	473,774
Sanitation	1,715,788	-	-	-	-	1,715,788
Capital Outlay	15,657	23,849	-	-	-	39,506
<b>TOTAL EXPENDITURES</b>	<u>1,731,445</u>	<u>497,623</u>	<u>58,733</u>	<u>24,089</u>	<u>49,419</u>	<u>2,361,309</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to Other Funds	-	-	-	-	(5,153,820)	(5,153,820)
Transfers from Other Funds	-	428,202	-	-	-	428,202
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>428,202</u>	<u>-</u>	<u>-</u>	<u>(5,153,820)</u>	<u>(4,725,618)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	65,542	27,986	31,492	(4,077)	-	120,943
Fund Balance, July 1, 2006	<u>799,151</u>	<u>54,004</u>	<u>202,366</u>	<u>7,715</u>	<u>-</u>	<u>1,063,236</u>
Fund Balance, June 30, 2007	<u>\$ 864,693</u>	<u>81,990</u>	<u>233,858</u>	<u>3,638</u>	<u>-</u>	<u>1,184,179</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,074,580	1,074,580	1,113,427	38,847
Licenses and Permits	200	200	217	17
Charges for Current Services	125,000	125,000	128,589	3,589
Other Local Revenues	100,000	100,000	231,531	131,531
Revenue from State of Tennessee	290,000	315,000	323,223	8,223
<b>TOTAL REVENUES</b>	<b>1,589,780</b>	<b>1,614,780</b>	<b>1,796,987</b>	<b>182,207</b>
<b>EXPENDITURES</b>				
Sanitation	1,618,496	1,819,496	1,715,788	103,708
Capital Outlay	-	68,000	52,189	15,811
<b>TOTAL EXPENDITURES</b>	<b>1,618,496</b>	<b>1,887,496</b>	<b>1,767,977</b>	<b>119,519</b>
Excess of Revenues Over (Under) Expenditures	(28,716)	(272,716)	29,010	301,726
Fund Balance, July 1, 2006	799,151	799,151	799,151	-
Fund Balance, June 30, 2007	<u>\$ 770,435</u>	<u>526,435</u>	<u>828,161</u>	<u>301,726</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE/SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

Note A-Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2007	Add: Encumbrances 6/30/2006	
TOTAL REVENUES	\$ 1,796,987	0	0	1,796,987
EXPENDITURES				
Sanitation Operations	1,308,206	-	-	1,308,206
Tire Center Operations	407,582	-	-	407,582
Capital Outlay	52,189	36,532	-	15,657
TOTAL EXPENDITURES	1,767,977	36,532	0	1,731,445
Excess of Revenues Over (Under) Expenditures	29,010	36,532	-	65,542
Fund Balance, July 1, 2006	799,151	-	-	799,151
Fund Balance, June 30, 2007	\$ 828,161	36,532	0	864,693

(1) Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.

WASHINGTON COUNTY, TENNESSEE  
LIBRARY FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Fines, Forfeitures and Penalties	\$ 5,000	5,000	5,600	600
Charges for Current Services	5,000	5,000	9,987	4,987
Other Local Revenues	5,000	5,100	7,684	2,584
Revenue from State of Tennessee	-	-	25,027	25,027
Revenue from Other Governments and Citizens Groups	7,000	7,000	49,109	42,109
<b>TOTAL REVENUES</b>	<u>22,000</u>	<u>22,100</u>	<u>97,407</u>	<u>75,307</u>
<b>EXPENDITURES</b>				
Library	478,002	484,245	473,774	10,471
Capital Outlay	-	-	23,849	(23,849)
<b>TOTAL EXPENDITURES</b>	<u>478,002</u>	<u>484,245</u>	<u>497,623</u>	<u>(13,378)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	482,202	428,202	428,202	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>482,202</u>	<u>428,202</u>	<u>428,202</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	26,200	(33,943)	27,986	61,929
Fund Balance, July 1, 2006	54,004	54,004	54,004	-
Fund Balance, June 30, 2007	<u>\$ 80,204</u>	<u>20,061</u>	<u>81,990</u>	<u>61,929</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 DRUG FINES FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 28,000	28,000	43,129	15,129
Other Local Revenues	8,000	8,000	47,096	39,096
TOTAL REVENUES	36,000	36,000	90,225	54,225
EXPENDITURES				
General Government	46,000	66,587	58,733	7,854
TOTAL EXPENDITURES	46,000	66,587	58,733	7,854
Excess of Revenues Over (Under) Expenditures	(10,000)	(30,587)	31,492	62,079
Fund Balance, July 1, 2006	202,366	202,366	202,366	-
Fund Balance, June 30, 2007	\$ 192,366	171,779	233,858	62,079

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Board of Education Governmental Activities</u>
<b>COMPONENT UNIT</b>					
GOVERNMENTAL ACTIVITIES					
Regular Instruction	\$ 32,946,543	9,825	2,491,476	10,320,788	(20,124,454)
Special Education	5,315,879	-	1,806,187	1,214,210	(2,295,482)
Vocational Education	2,121,955	-	154,449	607,105	(1,360,401)
Adult Education	6,482	4,491	-	-	(1,991)
Attendance	100,006	-	-	-	(100,006)
Health Services	768,320	-	88,187	-	(680,133)
Other Student Support	1,093,788	-	-	-	(1,093,788)
Board of Education	887,413	-	-	-	(887,413)
Office of the Director	560,096	-	-	-	(560,096)
Office of the Principal	2,570,680	-	-	-	(2,570,680)
Fiscal Services	173,026	-	-	-	(173,026)
Operation of Plant	3,128,374	5,657	-	-	(3,122,717)
Maintenance of Plant	1,519,603	-	-	-	(1,519,603)
Transportation	2,609,209	-	-	-	(2,609,209)
Central and Other	113,748	-	8,658	-	(105,090)
Food Service	3,652,003	1,552,201	1,879,016	-	(220,786)
Community Service	523,445	491,652	-	-	(31,793)
Depreciation - All Unallocated	2,368,813	-	-	-	(2,368,813)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>60,459,383</b>	<b>2,063,826</b>	<b>6,427,973</b>	<b>12,142,103</b>	<b>(39,825,481)</b>
GENERAL REVENUES					
Taxes					
Property Taxes					9,623,453
In Lieu of Taxes					162,612
Sales Taxes					12,975,020
Business Taxes					333,872
Miscellaneous					116,362
Other Local Governments					85,889
State Aid					27,204,922
Unrestricted Investment Earnings					558,302
Gain of Sale of Capital Assets					20,098
Special Item - Damages Recovered from Individuals					12,957
<b>TOTAL GENERAL REVENUES AND SPECIAL ITEMS</b>					<b>51,093,487</b>
CHANGE IN NET ASSETS					
Net Assets - Beginning					11,268,006
					<u>51,525,637</u>
Net Assets - Ending					<u>\$ 62,793,643</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 June 30, 2007

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 4,038,372	(183,404)	-	3,854,968
Cash and Deposits	-	-	967,727	967,727
Accounts Receivable				
Due from State of Tennessee	77,637	-	-	77,637
Due from Federal Government	185,062	252,365	158,126	595,553
Other	-	-	-	-
Due from Other Funds	29,411	-	-	29,411
Sales Tax Receivable	2,216,013	-	-	2,216,013
Inventory - Food Service	-	-	161,968	161,968
Taxes Receivable	10,488,687	-	-	10,488,687
Allowance for Uncollectibles	(8,232)	-	-	(8,232)
<b>TOTAL ASSETS</b>	<b>\$ 17,026,950</b>	<b>68,961</b>	<b>1,287,821</b>	<b>18,383,732</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 696,843	-	-	696,843
Accrued Expenses	-	-	-	-
Deferred Revenues	10,480,455	-	-	10,480,455
Due to Other Funds	-	29,411	-	29,411
<b>TOTAL LIABILITIES</b>	<b>11,177,298</b>	<b>29,411</b>	<b>-</b>	<b>11,206,709</b>
<b>FUND EQUITY</b>				
Reserved for Encumbrances	175,761	39,550	-	215,311
Reserved for Inventory	-	-	161,968	161,968
Reserved for Special Projects	1,018,691	-	-	1,018,691
Unreserved	4,655,200	-	1,125,853	5,781,053
<b>TOTAL FUND EQUITY</b>	<b>5,849,652</b>	<b>39,550</b>	<b>1,287,821</b>	<b>7,177,023</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 17,026,950</b>	<b>68,961</b>	<b>1,287,821</b>	<b>18,383,732</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
COMPONENT UNIT - BOARD OF EDUCATION  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2007

---

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 7,177,023
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$86,628,132 and the accumulated depreciation is \$31,286,949	55,341,183
Taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	403,346
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of compensated absences.	(127,909)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 62,793,643</u>

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
REVENUES				
Taxes	\$ 23,239,378	-	-	23,239,378
Licenses and Permits	2,001	-	-	2,001
Fines, Forfeitures and Penalties	71,226	-	-	71,226
Charges for Current Services	512,304	-	1,552,201	2,064,505
Other Local Revenue	96,538	-	-	96,538
Other Local - Investment Income	558,002	-	300	558,302
Revenue from State of Tennessee	27,838,534	-	-	27,838,534
Revenue from Federal Government	151,708	3,801,186	1,879,016	5,831,910
<b>TOTAL REVENUES</b>	<b>52,469,691</b>	<b>3,801,186</b>	<b>3,431,517</b>	<b>59,702,394</b>
EXPENDITURES				
Regular Instruction	31,180,807	1,780,326	-	32,961,133
Special Education	3,826,216	1,507,036	-	5,333,252
Vocational Education	2,010,965	111,974	-	2,122,939
Adult Education	6,482	-	-	6,482
Attendance	100,006	-	-	100,006
Health Services	768,320	-	-	768,320
Other Student Support	1,006,617	87,171	-	1,093,788
Board of Education	887,413	-	-	887,413
Office of the Director	560,096	-	-	560,096
Office of the Principal	2,570,680	-	-	2,570,680
Fiscal Services	173,026	-	-	173,026
Operation of Plant	3,128,374	-	-	3,128,374
Maintenance of Plant	1,519,603	-	-	1,519,603
Transportation	2,318,989	290,220	-	2,609,209
Central and Other	113,748	-	-	113,748
Food Service	388,017	-	3,263,986	3,652,003
Community Service	523,445	-	-	523,445
Capital Outlay	1,261,748	-	41,698	1,303,446
<b>TOTAL EXPENDITURES</b>	<b>52,344,552</b>	<b>3,776,727</b>	<b>3,305,684</b>	<b>59,426,963</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	125,139	24,459	125,833	275,431
Fund Balance, July 1, 2006	5,724,513	15,091	1,161,988	6,901,592
Fund Balance, June 30, 2007	\$ 5,849,652	39,550	1,287,821	7,177,023

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
COMPONENT UNIT - BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2007

---

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 275,431

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$2,368,813 exceeds capital outlay of \$1,303,446. (1,065,367)

The net effect of various miscellaneous transactions involving capital assets (i.e. sale, out of service) is to decrease net assets. (4,354)

The effect of other transactions involving capital assets such as a contribution from the primary government is to increase net assets. 12,142,103

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount for the current year. (76,663)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences expended for the current year were greater than the amount earned. (3,144)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 11,268,006

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis) (See Note A)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 22,986,732	23,112,804	23,239,378	126,574
Licenses and Permits	2,100	2,100	2,001	(99)
Fines, Forfeitures and Penalties	61,980	71,980	71,226	(754)
Charges for Current Services	495,660	533,044	512,304	(20,740)
Other Local Revenue	636,775	620,386	654,540	34,154
Revenue from State of Tennessee	27,471,488	27,874,900	27,838,534	(36,366)
Revenue from Federal Government	2,122,181	2,077,740	151,708	(1,926,032)
<b>TOTAL REVENUES</b>	<b>53,776,916</b>	<b>54,292,954</b>	<b>52,469,691</b>	<b>(1,823,263)</b>
<b>EXPENDITURES</b>				
Regular Instruction	31,312,040	31,810,127	31,186,992	623,135
Special Education Program	3,891,895	3,880,395	3,826,216	54,179
Vocational Education Program	1,931,248	2,005,878	2,001,807	4,071
Adult Education Program	6,243	6,743	6,482	261
Attendance	100,083	100,083	99,943	140
Health Services	763,252	771,420	768,320	3,100
Other Student Services	1,012,212	1,007,195	1,006,617	578
Board of Education	1,006,753	897,531	887,413	10,118
Office of Director	529,246	570,172	560,096	10,076
Office of Principal	2,569,500	2,580,151	2,570,680	9,471
Fiscal Services	176,762	176,362	173,421	2,941
Operation of Plant	3,193,784	3,191,779	3,128,374	63,405
Maintenance of Plant	1,581,824	1,563,031	1,530,308	32,723
Transportation	2,439,450	2,372,579	2,323,831	48,748
Central and Other	141,379	116,779	114,399	2,380
Food Service	2,369,048	2,322,108	388,017	1,934,091
Community Service	473,660	523,566	523,275	291
Capital Outlay	1,301,048	1,350,704	1,261,748	88,956
<b>TOTAL EXPENDITURES</b>	<b>54,799,427</b>	<b>55,246,603</b>	<b>52,357,939</b>	<b>2,888,664</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,022,511)	(953,649)	111,752	1,065,401
Fund Balance, July 1, 2006	5,562,138	5,562,138	5,562,138	-
Fund Balance, June 30, 2007	<u>\$ 4,539,627</u>	<u>4,608,489</u>	<u>5,673,890</u>	<u>1,065,401</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2007

Note A-Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2007	Add: Encumbrances 6/30/2006	
TOTAL REVENUES	\$ 52,469,691	-	-	52,469,691
EXPENDITURES				
Regular Instruction	31,186,992	114,137	107,952	31,180,807
Special Education Program	3,826,216	-	-	3,826,216
Vocational Education Program	2,001,807	10,769	19,927	2,010,965
Adult Education Program	6,482	-	-	6,482
Attendance	99,943	-	63	100,006
Health Services	768,320	-	-	768,320
Other Student Services	1,006,617	-	-	1,006,617
Board of Education	887,413	-	-	887,413
Office of Director	560,096	-	-	560,096
Office of Principal	2,570,680	-	-	2,570,680
Fiscal Services	173,421	395	-	173,026
Operation of Plant	3,128,374	-	-	3,128,374
Maintenance of Plant	1,530,308	44,968	34,263	1,519,603
Transportation	2,323,831	4,842	-	2,318,989
Central and Other	114,399	651	-	113,748
Food Service	388,017	-	-	388,017
Community Service	523,275	-	170	523,445
Capital Outlay	1,261,748	-	-	1,261,748
TOTAL EXPENDITURES	52,357,939	175,762	162,375	52,344,552
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	111,752	175,762	(162,375)	125,139
Fund Balance, July 1, 2006	5,562,138	-	162,375	5,724,513
Fund Balance, June 30, 2007	\$ 5,673,890	175,762	0	5,849,652

(1) Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE  
For the Fiscal Year Ended June 30, 2007

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2006	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2007	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES											
PAYABLE THROUGH DEBT SERVICE FUND											
Note - General Projects Industrial Park Land	Mary Goings	Sections 5-10-501 to 5-10-509, T.C.A.	\$ 1,086,604	5.00%	3/13/1999	3/13/2009	\$ 279,404	-	279,404	-	Ad Valorem
2002 Series Refunding Capital Outlay	JP Morgan	Sections 5-10-501 to 5-10-509, T.C.A.	8,880,000	4.00%	2/1/2002	2/1/2008	1,925,000	-	1,470,000	455,000	Ad Valorem
Highway Department Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	338,720	3.69%	3/4/2002	3/4/2007	67,744	-	67,744	-	Ad Valorem
Highway Department Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	211,000	3.05%	3/25/2003	3/25/2010	120,700	-	30,100	90,600	Ad Valorem
Board of Education Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	4,742,000	1.46% 3.80%	4/29/2003	4/29/2015	3,557,000	-	395,000	3,162,000	Ad Valorem
Solid Waste Department Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	101,000	2.30%	11/14/2003	11/14/2006	33,600	-	33,600	-	Ad Valorem

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE  
For the Fiscal Year Ended June 30, 2007

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2006	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2007	Anticipated Source of Revenue
NOTES PAYABLE (CONTINUED)											
Highway Department Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	203,000	2.75% 3.10%	1/27/2005	1/27/2008	135,000	-	68,000	67,000	Ad Valorem
Highway Department Capital Outlay	AmSouth	Sections 5-10-501 to 5-10-509, T.C.A.	760,000	3.58%	12/28/2005	12/28/2008	760,000	-	255,000	505,000	Ad Valorem
Board of Education Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	5,000,000	3.20% 3.80%	9/15/2005	9/15/2017	5,000,000	-	413,000	4,587,000	Ad Valorem
Highway Department Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	235,000	4.09%	8/23/2006	7/23/2009	-	235,000	-	235,000	Ad Valorem
General Capital Outlay	Bank of America	Sections 5-10-501 to 5-10-509, T.C.A.	3,500,000	4.07%	5/15/2007	9/15/2018	-	3,500,000	-	3,500,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES PAYABLE - PAYABLE THROUGH DEBT SERVICE FUND							<u>\$ 11,878,448</u>	<u>3,735,000</u>	<u>3,011,848</u>	<u>12,601,600</u>	

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE  
For the Fiscal Year Ended June 30, 2007

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2006	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2007	Anticipated Source of Revenue
GENERAL BONDED DEBT PAYABLE THROUGH COUNTY TRUSTEE										
School Bonds	Section 9-21-901 to 9-21-909, T.C.A.	\$ 4,800,000	4.40% 4.70%	5/1/1998	5/1/2013	\$ 400,000	-	200,000	200,000	Ad Valorem
School Bonds (1999)	Section 9-21-901 to 9-21-909, T.C.A.	8,100,000	4.90% 5.20%	10/21/1999	10/21/2018	2,100,000	-	600,000	1,500,000	Ad Valorem
School Bonds (1999)	Section 9-21-901 to 9-21-909, T.C.A.	8,100,000	3.55% 5.50%	3/1/1999	3/1/2013	2,950,000	-	-	2,950,000	Ad Valorem
School Bonds (2000)	Section 9-21-901 to 9-21-909, T.C.A.	6,100,000	4.50% 4.875%	12/1/2000	10/1/2015	4,850,000	-	4,850,000 *	-	Ad Valorem
2002 Series GO Refunding	Section 9-21-901 to 9-21-909, T.C.A.	3,680,000	3.50%	2/1/2002	2/1/2007	790,000	-	790,000	-	Ad Valorem
School Bonds (2004)	Section 9-21-901 to 9-21-909, T.C.A.	19,700,000	2.70% 5.00%	9/15/2004	6/30/2018	19,700,000	-	-	19,700,000	Ad Valorem
School Refunding (2007)	Section 9-21-901 to 9-21-909, T.C.A.	4,275,000	4.37% 5.00%	1/23/2007	6/1/2018	-	4,275,000	-	4,275,000	Ad Valorem
General Bonds (2007)	Section 9-21-901 to 9-21-909, T.C.A.	20,410,000	4.37% 5.00%	1/23/2007	6/1/2035	-	20,410,000	-	20,410,000	Ad Valorem
School Bonds (2007)	Section 9-21-901 to 9-21-909, T.C.A.	105,675,000	4.37% 5.00%	1/23/2007	6/1/2037	-	105,675,000	-	105,675,000	Ad Valorem
<b>TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE</b>						<b>\$ 30,790,000</b>	<b>130,360,000</b>	<b>6,440,000</b>	<b>154,710,000</b>	

\* Includes \$4,550,000 refunded

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF TRANSFERS - ALL FUNDS  
 For the Fiscal Year Ended June 30, 2007

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
General	Library	To provide funds for operations	\$ 428,202
General	Highway	To provide funds for operations	17,880
Constitutional Officers - Fees Fund	General	Excess fees and commissions	5,153,820
Capital Projects	Debt Service	To provide funds for debt service	2,663,075
Highway	Debt Service	Quarry payment	<u>14,555</u>
TOTAL OPERATING TRANSFERS			<u><u>\$ 8,277,532</u></u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS  
 For the Fiscal Year Ended June 30, 2007

	Authorization for Salary	Salary Paid During Period	Special Commissioner Fees	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	\$93,732	\$ -	50,000	Traveler's Casualty and Surety
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	81,153	-	100,000	Traveler's Casualty and Surety
DIRECTOR OF SCHOOLS	Minimum Salary - State Board of Education Schedule plus local supplement to comply with Southern Asso- ciation of Schools Requirements	106,207	-	100,000	Western Surety Company
TRUSTEE	Section 8-24-102, T.C.A.	67,069	-	2,000,000	Traveler's Casualty and Surety
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	67,069	-	10,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	67,069	-	50,000	Traveler's Casualty and Surety
CIRCUIT COURT CLERK	Section 8-24-102, T.C.A.	67,069	-	50,000	Traveler's Casualty and Surety
CLERK AND MASTER	Section 8-24-102, T.C.A.	67,069	-	50,000	Traveler's Casualty and Surety
	Section 8-21-801, T.C.A.		40,598		
REGISTER	Section 8-24-102, T.C.A.	67,069	-	25,000	Traveler's Casualty and Surety
SHERIFF	Section 8-24-102, T.C.A.	81,153	-	25,000	Traveler's Property and Casualty
	Section 8-24-111, T.C.A.	8,115			

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF INVESTMENTS  
For the Fiscal Year Ended June 30, 2007

---

<u>Type</u>	<u>Amount</u>
<u>Primary Government</u>	
Capital Projects Fund	
US Treasuries	<u>\$ 117,304,261</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	County General	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Units	Total Reporting Entity (Memorandum Only)
<b>TAXES</b>							
Current Property Taxes	\$ 12,505,940	3,771,683	-	7,146,251	23,423,874	9,138,228	32,562,102
Taxes Prior Years							
Trustee	469,447	141,584	-	171,382	782,413	392,602	1,175,015
Clerk and Master	110,044	33,188	-	40,175	183,407	80,411	263,818
Interest and Penalty	121,665	36,696	-	47,046	205,407	88,876	294,283
Pick-Up Taxes	67,960	20,496	-	35,840	124,296	-	124,296
Tax Equivalent							
Federal	2,434	734	-	1,391	4,559	3,168	7,727
Local	204,178	77,128	-	116,592	397,898	149,091	546,989
Other	2,952	-	-	1,678	4,630	10,353	14,983
Excise Tax	78,856	23,782	-	45,060	147,698	57,621	205,319
Local Option Sales Tax	-	-	-	-	-	12,975,020	12,975,020
Interstate Telecommunications	7,771	-	-	-	7,771	10,136	17,907
Litigation Tax	409,104	-	-	-	409,104	-	409,104
Business Tax	471,613	142,340	-	251,393	865,346	333,872	1,199,218
Beer Tax	334,957	-	-	-	334,957	-	334,957
Other Statutory Local Tax	135,902	-	-	-	135,902	-	135,902
<b>TOTAL TAXES</b>	<b>14,922,823</b>	<b>4,247,631</b>	<b>-</b>	<b>7,856,808</b>	<b>27,027,262</b>	<b>23,239,378</b>	<b>50,266,640</b>
<b>LICENSES AND PERMITS</b>							
Marriage Licenses	2,738	775	-	1,317	4,830	2,001	6,831
Cable TV Franchise	327,634	-	-	-	327,634	-	327,634
Building Permits	120,925	-	-	-	120,925	-	120,925
Handgun Permits	4,160	-	-	-	4,160	-	4,160
<b>TOTAL LICENSES AND PERMITS</b>	<b>455,457</b>	<b>775</b>	<b>-</b>	<b>1,317</b>	<b>457,549</b>	<b>2,001</b>	<b>459,550</b>
<b>FINES, FORFEITURES AND PENALTIES</b>							
Circuit Court	73,671	49,964	-	-	123,635	71,226	194,861

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Units	Total Reporting Entity (Memorandum Only)
<b>FINES, FORFEITURES AND PENALTIES (CONTINUED)</b>							
Criminal Court	141,313	-	-	-	141,313	-	141,313
General Sessions Court	224,552	18,702	-	-	243,254	-	243,254
Chancery Court	30,958	-	-	-	30,958	-	30,958
Other Courts	14,868	-	-	-	14,868	-	14,868
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>485,362</b>	<b>68,666</b>	<b>-</b>	<b>-</b>	<b>554,028</b>	<b>71,226</b>	<b>625,254</b>
<b>CHARGES FOR CURRENT SERVICES</b>							
Breakfast and Lunch Payments	-	-	-	-	-	1,100,711	1,100,711
Ala Carte Sales	-	-	-	-	-	288,015	288,015
Indirect Cost	-	-	-	-	-	163,475	163,475
Tuition and Fees	-	-	-	-	-	512,304	512,304
Other Employee Benefit	581,310	-	-	-	581,310	-	581,310
Work Release	43,308	498,518	-	-	541,826	-	541,826
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>624,618</b>	<b>498,518</b>	<b>-</b>	<b>-</b>	<b>1,123,136</b>	<b>2,064,505</b>	<b>3,187,641</b>
<b>OTHER LOCAL REVENUES</b>							
Investment Income	492,875	105,496	2,686,708	250,005	3,535,084	558,302	4,093,386
Sale of Property	9,371	202,263	-	-	211,634	-	211,634
Refunds	80,475	12,756	-	-	93,231	-	93,231
Insurance Recovery	29,322	18,483	-	-	47,805	-	47,805
Damages from Individuals	239	-	-	-	239	12,957	13,196
Employee Benefit Charges	-	139,567	-	-	139,567	-	139,567
Rentals	-	-	-	-	-	5,657	5,657
Contributions	100	-	-	-	100	6,326	6,426
Fingerprinting Services	2,295	13,000	-	-	15,295	-	15,295
Proceeds-Confiscated Property	-	22,520	-	-	22,520	-	22,520

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	County General	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Units	Total Reporting Entity (Memorandum Only)
<b>OTHER LOCAL REVENUES (CONTINUED)</b>							
Other Local Revenue	244,000	1,530	-	-	245,530	71,598	317,128
Unauthorized Substance Tax	-	4,475	-	-	4,475	-	4,475
Commissary Sales	76,353	-	-	-	76,353	-	76,353
Lease	-	169,862	-	-	169,862	-	169,862
Special Commissioner Fees	-	40,598	-	-	40,598	-	40,598
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>935,030</b>	<b>730,550</b>	<b>2,686,708</b>	<b>250,005</b>	<b>4,602,293</b>	<b>654,840</b>	<b>5,257,133</b>
<b>FROM STATE OF TENNESSEE</b>							
Beer Tax	18,753	-	-	-	18,753	-	18,753
Income Tax	223,930	-	-	-	223,930	-	223,930
Alcoholic Beverage	110,722	-	-	-	110,722	1,459	112,181
State Preschool Funds	-	-	-	-	-	464,072	464,072
State Salary Supplements	16,380	-	-	-	16,380	-	16,380
Litter Grant	50,962	-	-	-	50,962	-	50,962
Contracted Prisoner Board	1,739,434	-	-	-	1,739,434	-	1,739,434
Basic Education Program	-	-	-	-	-	26,217,300	26,217,300
Gasoline and Motor Fuel	-	2,246,813	-	-	2,246,813	-	2,246,813
Gasoline Inspection Fee	-	86,221	-	-	86,221	-	86,221
Mineral Severance Tax	-	28,085	-	-	28,085	-	28,085
Bridge Program	-	666,530	-	-	666,530	-	666,530
Health Department Programs	844,514	-	-	-	844,514	-	844,514
Driver Education	-	-	-	-	-	36,664	36,664
Law Enforcement Training	43,200	-	-	-	43,200	-	43,200
Reappraisal Program	33,123	-	-	-	33,123	-	33,123
Substance Grant	99,985	-	-	-	99,985	-	99,985
TVA Replacement	242,987	73,282	-	138,850	455,119	316,269	771,388
Juvenile Grant	12,000	-	-	-	12,000	-	12,000
Career Ladder/Extended Contract	-	-	-	-	-	671,353	671,353
Juvenile Services	9,000	-	-	-	9,000	-	9,000

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Units	Total Reporting Entity (Memorandum Only)
FROM STATE OF TENNESSESE (CONTINUED)							
High Visibility Grant	4,562	-	-	-	4,562	-	4,562
Sheriff's Traffic Safety Grant	246	-	-	-	246	-	246
Board of Jurors	1,639	-	-	-	1,639	-	1,639
Tires/Solid Waste Grant	-	303,938	-	-	303,938	-	303,938
Other State Revenues	1,696,821	70,027	-	-	1,766,848	131,417	1,898,265
<b>TOTAL FROM STATE OF TENNESSEE</b>	<b>5,148,258</b>	<b>3,474,896</b>	<b>-</b>	<b>138,850</b>	<b>8,762,004</b>	<b>27,838,534</b>	<b>36,600,538</b>
FROM FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,455,246	1,455,246
School Breakfast Funds	-	-	-	-	-	423,770	423,770
R.O.T.C.	-	-	-	-	-	115,617	115,617
Title I Funds	-	-	-	-	-	1,486,390	1,486,390
Title II Funds	-	-	-	-	-	321,421	321,421
Title IV Funds	-	-	-	-	-	35,311	35,311
Title V Funds	-	-	-	-	-	6,560	6,560
Preschool and IDEA	-	-	-	-	-	1,797,055	1,797,055
Indirect Costs	-	-	-	-	-	36,091	36,091
Program Improvement	-	-	-	-	-	154,449	154,449
Prisoner Board	1,603	-	-	-	1,603	-	1,603
Community Development - CDBG	6,438	-	-	-	6,438	-	6,438
Asset Forfeiture Funds	22,065	-	-	-	22,065	-	22,065
Homeland Security Grants	430,789	-	-	-	430,789	-	430,789
Law Enforcement Grants	8,058	-	-	-	8,058	-	8,058
Federal Incentive	13,700	-	-	-	13,700	-	13,700
RSAT Expansion	174,734	-	-	-	174,734	-	174,734
Emergency Watershed Protection	-	-	-	-	-	-	-
Other Federal Revenues	24,756	-	-	-	24,756	-	24,756
<b>TOTAL FROM FEDERAL GOVERNMENT</b>	<b>682,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>682,143</b>	<b>5,831,910</b>	<b>6,514,053</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Units	Total Reporting Entity (Memorandum Only)
REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS							
Reappraisal Program - Johnson City	70,199	-	-	-	70,199	-	70,199
Donations from Citizens Groups	-	42,109	-	-	42,109	-	42,109
Donations from the Town of Jonesborough	-	7,000	-	-	7,000	-	7,000
Reimbursement - Local Governments	529,536	-	-	-	529,536	-	529,536
<b>TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZENS GROUPS</b>	<b>599,735</b>	<b>49,109</b>	<b>-</b>	<b>-</b>	<b>648,844</b>	<b>-</b>	<b>648,844</b>
EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS							
Fees	-	2,086,722	-	-	2,086,722	-	2,086,722
Commissions	-	3,075,919	-	-	3,075,919	-	3,075,919
<b>TOTAL EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS</b>	<b>-</b>	<b>5,162,641</b>	<b>-</b>	<b>-</b>	<b>5,162,641</b>	<b>-</b>	<b>5,162,641</b>
<b>TOTAL REVENUES</b>	<b>\$ 23,853,426</b>	<b>14,232,786</b>	<b>2,686,708</b>	<b>8,246,980</b>	<b>49,019,900</b>	<b>59,702,394</b>	<b>108,722,294</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2007

Source	Highway Fund	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
<b>TAXES</b>							
Current Property Taxes	\$ 2,779,148	992,535	-	-	-	-	3,771,683
Taxes Prior Years							
Trustee	104,325	37,259	-	-	-	-	141,584
Clerk and Master	24,454	8,734	-	-	-	-	33,188
Interest and Penalty	27,039	9,657	-	-	-	-	36,696
Pick-Up Taxes	15,102	5,394	-	-	-	-	20,496
Tax Equivalent							
Federal	541	193	-	-	-	-	734
Local and Other	60,689	16,439	-	-	-	-	77,128
Excise Tax	17,524	6,258	-	-	-	-	23,782
Business Tax	105,382	36,958	-	-	-	-	142,340
<b>TOTAL TAXES</b>	<b>3,134,204</b>	<b>1,113,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,247,631</b>
<b>LICENSES AND PERMITS</b>							
Marriage Licenses	558	217	-	-	-	-	775
<b>TOTAL LICENSES AND PERMITS</b>	<b>558</b>	<b>217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>775</b>
<b>FINES, FORFEITURES AND PENALTIES</b>							
Fees and Dues	-	-	5,600	166	-	-	5,766
Circuit and Criminal Courts	-	-	-	24,261	19,937	-	44,198
General Sessions Court	-	-	-	18,702	-	-	18,702
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>-</b>	<b>-</b>	<b>5,600</b>	<b>43,129</b>	<b>19,937</b>	<b>-</b>	<b>68,666</b>
<b>CHARGES FOR CURRENT SERVICES</b>							
Other Charges	359,942	128,589	9,987	-	-	-	498,518
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>359,942</b>	<b>128,589</b>	<b>9,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498,518</b>
<b>OTHER LOCAL REVENUE</b>							
Investment Income	66,334	32,831	685	5,646	-	-	105,496
Sale of Property	17,661	184,602	-	-	-	-	202,263
Insurance Recovery	18,483	-	-	-	-	-	18,483
Refunds	12,756	-	-	-	-	-	12,756
Fingerprinting Services	-	-	-	13,000	-	-	13,000
Proceeds-Confiscated Property	-	-	-	22,520	-	-	22,520
Unauthorized Substance Tax	-	-	-	4,475	-	-	4,475
Other Local Revenue	-	-	-	1,455	75	-	1,530
Employee Benefit Charges	118,470	14,098	6,999	-	-	-	139,567
Lease	169,862	-	-	-	-	-	169,862
Special Commissions	-	-	-	-	-	40,598	40,598
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>403,566</b>	<b>231,531</b>	<b>7,684</b>	<b>47,096</b>	<b>75</b>	<b>40,598</b>	<b>730,550</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2007

Source	Highway Fund	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
FROM STATE OF TENNESSEE							
Gasoline and Motor Fuel	2,246,813	-	-	-	-	-	2,246,813
Gasoline Inspection Fee	86,221	-	-	-	-	-	86,221
Mineral Severance Tax	28,085	-	-	-	-	-	28,085
Bridge Program	666,530	-	-	-	-	-	666,530
TVA Replacement	53,997	19,285	-	-	-	-	73,282
Tires/Solid Waste Grant	-	303,938	-	-	-	-	303,938
Other State Revenues	45,000	-	25,027	-	-	-	70,027
<b>TOTAL FROM STATE OF TENNESSEE</b>	<b>3,126,646</b>	<b>323,223</b>	<b>25,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,474,896</b>
REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS							
Donations from Citizen Groups	-	-	42,109	-	-	-	42,109
Donations from Town of Jonesborough	-	-	7,000	-	-	-	7,000
<b>TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS</b>	<b>-</b>	<b>-</b>	<b>49,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,109</b>
EXCESS FEES AND COMMISSIONS							
Commissions	-	-	-	-	-	2,086,722	2,086,722
Fees	-	-	-	-	-	3,075,919	3,075,919
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,162,641</b>	<b>5,162,641</b>
<b>TOTAL REVENUES</b>	<b>\$ 7,024,916</b>	<b>1,796,987</b>	<b>97,407</b>	<b>90,225</b>	<b>20,012</b>	<b>5,203,239</b>	<b>14,232,786</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	Special Revenue Funds			
	Washington County Board of Education			
	General Purpose School	School Federal Projects	School Food Service	Total Component Units
<b>TAXES</b>				
Current Property Taxes	\$ 9,138,228	-	-	9,138,228
Property Taxes Prior Years				
Trustee	392,602	-	-	392,602
Clerk and Master	80,411	-	-	80,411
Interest and Penalty	88,876	-	-	88,876
Tax Equivalent				
Federal	3,168	-	-	3,168
Local	149,091	-	-	149,091
Other	10,353	-	-	10,353
Excise Tax	57,621	-	-	57,621
Local Option Sales Tax	12,975,020	-	-	12,975,020
Interstate Telecommunications	10,136	-	-	10,136
Business Tax	333,872	-	-	333,872
<b>TOTAL TAXES</b>	<b>23,239,378</b>	<b>-</b>	<b>-</b>	<b>23,239,378</b>
<b>LICENSES AND PERMITS</b>				
Marriage Licenses	2,001	-	-	2,001
<b>TOTAL LICENSES AND PERMITS</b>	<b>2,001</b>	<b>-</b>	<b>-</b>	<b>2,001</b>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court Fines	71,226	-	-	71,226
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>71,226</b>	<b>-</b>	<b>-</b>	<b>71,226</b>
<b>CHARGES FOR CURRENT SERVICES</b>				
Breakfast and Lunch Payments	-	-	1,100,711	1,100,711
Ala Carte Sales	-	-	288,015	288,015
Indirect Costs	-	-	163,475	163,475
Tuition and Fees	512,304	-	-	512,304
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>512,304</b>	<b>-</b>	<b>1,552,201</b>	<b>2,064,505</b>
<b>OTHER LOCAL REVENUE</b>				
Investment Income	558,002	-	300	558,302
Damages	12,957	-	-	12,957
Rentals	5,657	-	-	5,657
Contributions and Gifts	6,326	-	-	6,326
Other	71,598	-	-	71,598
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>654,540</b>	<b>-</b>	<b>300</b>	<b>654,840</b>

Continued

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

Source	Special Revenue Funds Washington County Board of Education			
	General	School	School	Total
	Purpose School	Federal Projects	Food Service	Component Units
<b>FROM STATE OF TENNESSEE</b>				
Basic Education Program	26,217,300	-	-	26,217,300
Driver Education	36,664	-	-	36,664
Alcoholic Beverage	1,459	-	-	1,459
State Preschool Funds	464,072	-	-	464,072
TVA Replacement	316,269	-	-	316,269
Career Ladder/Extended Contract	671,353	-	-	671,353
Other State Revenues	131,417	-	-	131,417
<b>TOTAL FROM STATE OF TENNESSEE</b>	<b>27,838,534</b>	<b>-</b>	<b>-</b>	<b>27,838,534</b>
<b>FROM FEDERAL GOVERNMENT</b>				
School Lunch Funds	-	-	1,455,246	1,455,246
School Breakfast Funds	-	-	423,770	423,770
D.A.R.E.	-	-	-	-
R.O.T.C.	115,617	-	-	115,617
Title I Funds	-	1,486,390	-	1,486,390
Title II Funds	-	321,421	-	321,421
Title IV Funds	-	35,311	-	35,311
Title V Funds	-	6,560	-	6,560
Preschool and IDEA	-	1,797,055	-	1,797,055
Program Improvement	-	154,449	-	154,449
Indirect Costs	36,091	-	-	36,091
<b>TOTAL FROM FEDERAL GOVERNMENT</b>	<b>151,708</b>	<b>3,801,186</b>	<b>1,879,016</b>	<b>5,831,910</b>
<b>TOTAL REVENUES</b>	<b>\$ 52,469,691</b>	<b>3,801,186</b>	<b>3,431,517</b>	<b>59,702,394</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND

COUNTY COMMISSION

Compensation	\$ 112,125
Per Diem Allowance	1,150
Social Security	5,558
State Retirement	11,971
Employer Medicare	1,301
Contracts with Other Public Agencies	6,250
Dues and Memberships	9,414
Travel	<u>17,601</u>

TOTAL COUNTY COMMISSION 165,370

BOARDS AND COMMITTEES

Fees	2,740
Social Security	170
Employer Medicare	<u>40</u>

TOTAL BOARDS AND COMMITTEES 2,950

COUNTY EXECUTIVE

Administrative Salaries	130,204
Social Security	7,982
State Retirement	18,150
Employer Medicare	1,866
Communication	6,293
Dues and Memberships	2,414
Freight	128
Postage and Box Rent	156
Travel	2,202
Gasoline	3,255
Office Supplies	1,843
Periodicals	515
Bond Premiums	<u>196</u>

TOTAL COUNTY EXECUTIVE 175,204

COUNTY ATTORNEY

Compensation	30,000
Social Security	1,823
State Retirement	4,182
Employer Medicare	426
Dues and Memberships	100
Periodicals	<u>5,823</u>

TOTAL COUNTY ATTORNEY 42,354

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

ELECTION COMMISSION

Personnel Salaries	222,537	
Election Commission	15,000	
Election Workers	115,380	
In-Service Training	2,418	
Social Security	14,109	
State Retirement	18,522	
Employer Medicare	3,301	
Communication	10,365	
Data Processing Services	7,261	
Dues and Memberships	500	
Freight Expenses	286	
Legal Notices	21,716	
Maintenance and Repair	4,108	
Postal Charges	7,306	
Printing, Stationery and Forms	23,353	
Rentals	1,902	
Travel	6,745	
Other Contracted Services	12,080	
Data Processing Supplies	7,854	
Equipment Parts - Lights	53	
Instruction Supplies	749	
Office Supplies	3,877	
Periodicals	16	
Other Supplies and Materials	1,485	
Capital Outlay	414,110	
Other Charges	505	
TOTAL ELECTION COMMISSION		915,538

REGISTER OF DEEDS

Personnel Salaries	265,685	
Social Security	16,221	
State Retirement	32,917	
Employer Medicare	3,794	
Communication	6,361	
Dues and Memberships	655	
Freight	1,125	
Maintenance and Repair	28,561	
Postal Charges	3,000	
Rentals	1,212	
Travel	577	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

REGISTER OF DEEDS (CONTINUED)

Data Processing Supplies	687	
Periodicals	13,483	
Office Supplies	48	
Other Supplies and Materials	283	
Surety Bond	377	
Other Charges	646	
TOTAL REGISTER OF DEEDS		375,632

PLANNING AND ZONING

Board and Committee Members Fees	7,860	
Social Security	461	
Employer Medicare	108	
Contracts with Government Agencies	13,500	
Freight	33	
Postal Charges	1,500	
Rentals	1,020	
Office Supplies	1,916	
Other Supplies and Materials	1,410	
TOTAL PLANNING AND ZONING		27,808

CODES COMPLIANCE

Salaries and Wages	168,832	
Social Security	10,249	
State Retirement	23,228	
Employer Medicare	2,397	
Communication	6,627	
Freight	150	
Maintenance	764	
Postal Charges	1,356	
Rentals	4,256	
Gasoline	2,483	
Office Supplies	3,338	
Periodicals	937	
Other Charges	65	
TOTAL CODES COMPLIANCE		224,682

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)

COUNTY BUILDING

Maintenance and Repair	14,859	
Electricity	5,538	
Gasoline	402	
Water and Sewer	582	
TOTAL COUNTY BUILDING	582	21,381

OTHER GENERAL ADMINISTRATION

Personnel	180,173	
Social Security	10,563	
State Retirement	25,026	
Employer Medicare	2,471	
Other Fringe Benefits	8,218	
Professional Services	88,000	
Communication	8,931	
Data Processing	49,132	
Engineering Services	248	
Freight Expense	150,496	
Legal Notices	10,263	
Legal Fees	54,123	
Maintenance and Repair	48,373	
Medical and Dental Services	8,664	
Pest Control	2,160	
Printing	3,200	
Rentals	31,792	
Travel	1,243	
Other Contracted Services	7,329	
Custodial Supplies	27,188	
Duplicating Supplies	11,997	
Utilities	173,057	
Other Supplies and Materials	38,660	
Boiler Insurance	3,218	
Building and Contents Insurance	225,815	
Liability Insurance	156,154	
Trustee's Commission	340,741	
Workman's Compensation Insurance	179,049	
Capital Outlay	270,216	
Other Charges	43,996	
TOTAL OTHER GENERAL ADMINISTRATION	43,996	2,160,496

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING

Salaries	193,909	
Social Security	11,715	
State Retirement	27,031	
Employer Medicare	2,739	
Communications	4,679	
Freight	147	
Postal Charges	6,500	
Travel	112	
Data Processing Supplies	1,774	
Office Supplies	3,367	
	<hr/>	
TOTAL ACCOUNTING AND BUDGETING		251,973

PURCHASING

Administrative Salaries	95,488	
Social Security	5,781	
State Retirement	13,311	
Employer Medicare	1,352	
Communications	2,187	
Freight	66	
Legal Notices	4,081	
Maintenance Agreements	216	
Postal Charges	498	
Data Processing Supplies	350	
Office Supplies	801	
Premiums on Corporate Surety Bonds	100	
	<hr/>	
TOTAL PURCHASING		124,231

PROPERTY ASSESSOR

Salaries	257,122	
Social Security	15,432	
State Retirement	32,166	
Employer Medicare	3,609	
Communications	4,527	
Contracts with Government Agencies	21,201	
Data Processing Services	27,205	
Dues and Memberships	1,577	
Freight	49	
Legal Notices	216	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Maintenance and Repair	5,468	
Postal Charges	3,000	
Rentals	636	
Travel	1,500	
Gasoline	2,740	
Office Supplies	8,361	
Publications and Books	147	
Surety Bonds	487	
Capital Outlay	11,807	
TOTAL PROPERTY ASSESSOR	11,807	397,250

REAPPRAISAL PROGRAM

Salaries	136,005	
Social Security	8,086	
State Retirement	16,464	
Employer Medicare	1,891	
Audit Service - Property	55,365	
Communication	2,264	
Data Processing Services	10,441	
Freight	6	
Maintenance and Repair	494	
Postal Charges	5,000	
Travel	161	
Gasoline	2,304	
Office Supplies	1,535	
TOTAL REAPPRAISAL PROGRAM	1,535	240,016

OFFICE OF COUNTY TRUSTEE

Salaries	248,186
Social Security	14,789
State Retirement	31,929
Employer Medicare	3,458
Communication	5,840
Data Processing Services	6,100
Dues and Memberships	670
Freight	149
Legal Notices	1,149
Maintenance and Repair	599
Postal Charges	19,563

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)

OFFICE OF COUNTY TRUSTEE (CONTINUED)

Rentals	4,048	
Travel	1,263	
Data Processing Supplies	1,767	
Office Supplies	8,725	
Premiums on Corporate Surety	10,114	
Other Charges	203	
	<hr/>	
TOTAL OFFICE OF COUNTY TRUSTEE		358,552

OFFICE OF COUNTY CLERK

Salaries	537,453	
Social Security	32,302	
State Retirement	71,692	
Employer Medicare	7,554	
Communications	10,554	
Dues and Memberships	695	
Freight	77	
Maintenance and Repair	20,488	
Postal Charges	35,000	
Printing	1,136	
Rentals	4,997	
Travel	2,715	
Office Supplies	5,321	
Other Supplies and Materials	3,449	
	<hr/>	
TOTAL OFFICE OF COUNTY CLERK		733,433

CIRCUIT COURT

Salaries	895,882
Social Security	52,837
State Retirement	103,421
Employer Medicare	12,357
Communication	21,273
Dues and Memberships	615
Freight	306
Maintenance and Repair	9,289
Postal Charges	8,940
Printing, Stationery and Forms	10,534
Rentals	9,225
Travel	1,738
Office Supplies	18,923

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

Surety Bonds	1,267	
Excess Risk Insurance	776	
Other Charges	98	
Periodicals	155	
Data Processing Supplies	9,894	
TOTAL CIRCUIT COURT		1,157,530

GENERAL SESSIONS JUDGE

Salaries	259,552	
Social Security	14,528	
State Retirement	26,941	
Employer Medicare	3,707	
Communication	1,556	
Dues and Memberships	482	
Freight	187	
Travel	10,398	
Office Supplies	178	
Periodicals	1,281	
Other Supplies and Materials	295	
Other Charges	800	
TOTAL GENERAL SESSIONS JUDGE		319,905

CHANCERY COURT

Salaries	363,324	
Social Security	21,706	
State Retirement	49,579	
Employer Medicare	5,076	
Communication	6,699	
Dues and Memberships	615	
Freight	614	
Maintenance and Repair	4,479	
Rentals	5,779	
Travel	2,460	
Office Supplies	16,726	
Periodicals	859	
Surety Bonds	375	
Postal Charges	5,039	
Other Charges	71	
TOTAL CHANCERY COURT		483,401

JUDICIAL

Other Salaries	12,721
Jury and Witness Fees	37,488
Other Per Diem and Fees	12,114

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNITS  
 For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

JUDICIAL (CONTINUED)

Social Security	766	
Employer Medicare	178	
Legal Notices	59,191	
Postal Charges	717	
Printing, Stationery and Forms	117	
Office Supplies	57	
Other Charges	200	
TOTAL JUDICIAL	123,549	123,549

SHERIFF'S DEPARTMENT

Salaries	3,150,732
State Salary Supplement	43,200
Employee Training	21,691
Social Security	190,025
State Retirement	414,421
Employer Medicare	44,467
Communication	22,620
Dues and Memberships	3,479
Freight	3,296
Legal Notices	352
Licenses	439
Maintenance and Repair	31,701
Postal Charges	5,850
Printing, Stationery and Forms	7,394
Rentals	37,845
Travel	16,953
Other Contracted Services	28,943
Animal Food and Supplies	648
Data Processing Supplies	11,779
Garage Supplies	19,513
Gasoline	197,948
Law Enforcement Supplies	62,135
Lubricants	7,607
Office Supplies	5,339
Periodicals	1,548
Tires and Tubes	18,005
Uniforms	34,032
Vehicle Parts	22,542
Other Supplies and Materials	32,062

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)		
SHERIFF'S DEPARTMENT (CONTINUED)		
Other Charges	7,401	
Capital Outlay	<u>311,272</u>	
TOTAL SHERIFF'S DEPARTMENT		4,755,239
SUBSTANCE ABUSE GRANT		
Other Contracted Services	<u>133,314</u>	
TOTAL SUBSTANCE ABUSE GRANT		133,314
JAIL		
Salaries and Wages	2,602,912	
In-Service Training	756	
Employee Benefits	509,277	
Communication	74,027	
Dues and Memberships	300	
Freight	2,936	
Maintenance and Repair	124,683	
Audit Services	2,000	
Medical and Dental Services	232,021	
Pest Control	4,800	
Postal Charges	768	
Printing, Stationery and Forms	2,099	
Rentals	6,542	
Transportation - Prisoners	15,699	
Travel	2,690	
Other Contracted Services	1,019	
Custodial Supplies	42,805	
Data Processing Supplies	12,572	
Drugs and Medical Supplies	114,303	
Food Preparation Supplies	10,547	
Utilities	261,683	
Food Supplies	359,427	
Uniforms	6,427	
Law Enforcement Supplies	5,694	
Office Supplies	13,174	
Prisoners Clothing	9,911	
Chemicals	1,981	
Other Supplies and Materials	18,368	
Other Charges	2,112	
Capital Outlay	<u>45,249</u>	
TOTAL JAIL		4,486,782

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

JUVENILE SERVICES

Salaries	151,375	
Employee Benefits	31,012	
Communication	6,474	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	191,907	
Dues and Memberships	180	
Freight	124	
Rentals	676	
Travel	1,741	
Office Supplies	144	
Postal Charges	4,969	
Maintenance and Repairs	11,641	
Periodicals	228	
Legal Notice, Record and Court Costs	430	
<b>TOTAL JUVENILE SERVICES</b>	<b>405,401</b>	<b>405,401</b>

WORK RELEASE PROGRAM

Board and Committee Member Fees	10,560	
Employee Benefits	2,188	
<b>TOTAL WORK RELEASE PROGRAM</b>	<b>12,748</b>	<b>12,748</b>

FEDERAL ASSET FORFEITURE

Freight Expenses	238	
Law Enforcement Supplies	20,574	
Travel	209	
<b>TOTAL FEDERAL ASSET FORFEITURE</b>	<b>21,021</b>	<b>21,021</b>

OTHER PUBLIC SAFETY

Salaries	30,078	
Employee Benefits	6,385	
Office Supplies	247	
Travel	783	
<b>TOTAL OTHER PUBLIC SAFETY</b>	<b>37,493</b>	<b>37,493</b>

PUBLIC SAFETY GRANT

Travel	248	
<b>TOTAL PUBLIC SAFETY GRANT</b>	<b>248</b>	<b>248</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)		
FIRE PROTECTION AND CONTROL		
Contributions	835,000	
TOTAL FIRE PROTECTION AND CONTROL		835,000
CIVIL DEFENSE		
Matching Grant	109,058	
Freight	2,935	
Capital Outlay	596,655	
TOTAL CIVIL DEFENSE		708,648
HAZARDOUS MATERIALS		
Other Charges	34	
TOTAL HAZARDOUS MATERIALS		34
RESCUE SQUAD		
Local Squads	74,300	
TOTAL RESCUE SQUAD		74,300
OTHER EMERGENCY MANAGEMENT		
In-Service Training	22,134	
Freight Expense	221	
Travel	1,292	
Other Supplies and Materials	27,129	
Capital Outlay	343,042	
TOTAL OTHER EMERGENCY MANAGEMENT		393,818
COUNTY CORONER		
Contracts with Other Public Agencies	1,056	
Contracts with Private Agencies	30,000	
Other Supplies and Materials	270	
Other Charges	84,240	
TOTAL COUNTY CORONER		115,566
LLEBG GRANT		
Law Enforcement Supplies	304	
TOTAL LLEBG GRANT		304
SCHOOL RESOURCE OFFICER GRANT		
Freight	2,453	
Communications	1,644	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)		
SCHOOL RESOURCE OFFICER GRANT (CONTINUED)		
Capital Outlay	43,482	
TOTAL SCHOOL RESOURCE OFFICER GRANT		47,579
COUNTY HEALTH CENTER		
Salaries	381,955	
Social Security	22,806	
State Retirement	48,450	
Employee Medicare	5,334	
Communication	23,982	
Contract with Governmental Agencies	13,314	
Dues and Memberships	200	
Freight	1,302	
Liability Insurance	2,108	
Maintenance and Repair	16,322	
Pest Control	417	
Postal Charges	3,763	
Printing, Stationery, and Forms	263	
Rentals	9,190	
Travel	1,060	
Other Contracted Services	13,900	
Custodial Supplies	11,220	
Drugs and Medical Supplies	58,550	
Utilities	42,703	
Office Supplies	14,557	
Periodicals	125	
Other Supplies and Materials	11,903	
Other Charges	24,802	
TOTAL COUNTY HEALTH CENTER		708,226
LOCAL HEALTH CENTER STATE GRANT		
Salaries	593,194	
Social Security	35,528	
State Retirement	57,887	
Medicare	8,309	
Travel	9,190	
Other Supplies and Materials	1,968	
Other Charges	4,643	
TOTAL LOCAL HEALTH CENTER STATE GRANT		710,719
RABIES AND ANIMAL CONTROL		
Contributions	115,000	
TOTAL RABIES AND ANIMAL CONTROL		115,000

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNITS  
 For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)		
AMBULANCE SERVICE		
Contributions	<u>1,368,372</u>	
TOTAL AMBULANCE SERVICE		1,368,372
ALCOHOL AND DRUG PROGRAM		
Salaries	2,500	
Social Security	155	
State Retirement	349	
Employer Medicare	<u>36</u>	
TOTAL ALCOHOL AND DRUG PROGRAM		3,040
REGIONAL MENTAL HEALTH CENTER		
Contributions	<u>65,250</u>	
TOTAL REGIONAL MENTAL HEALTH CENTER		65,250
PUBLIC WELFARE		
Contributions	76,000	
Pauper Burials	<u>18,600</u>	
TOTAL PUBLIC WELFARE		94,600
AID TO DEPENDENT CHILDREN		
Contributions	<u>5,000</u>	
TOTAL AID TO DEPENDENT CHILDREN		5,000
EMERGENCY COMMUNICATIONS DISTRICT		
Contributions	<u>546,246</u>	
TOTAL EMERGENCY COMMUNICATIONS DISTRICT		546,246
SANITATION EDUCATION		
Personnel Salaries	29,436	
Employee Benefits	6,260	
Freight Expenses	116	
Maintenance and Repairs	2,225	
Other Contracted Services	14,335	
Tires and Tubes	312	
Vehicle Parts	4	
Other Supplies and Materials	<u>263</u>	
TOTAL SANITATION EDUCATION		52,951

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

COUNTY GENERAL FUND (CONTINUED)		
SENIOR CITIZEN'S ASSISTANCE		
Contributions	115,299	
Transportation	20,000	
	<u>          </u>	
TOTAL SENIOR CITIZEN'S ASSISTANCE		135,299
LIBRARIES		
Contributions	100,000	
Library Books	27,500	
	<u>          </u>	
TOTAL LIBRARIES		127,500
SOCIAL, CULTURAL AND RECREATIONAL		
Contributions - Museum	15,000	
	<u>          </u>	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		15,000
NATIONAL STORYTELLING		
Contributions - National Storytelling	50,000	
	<u>          </u>	
TOTAL NATIONAL STORYTELLING		50,000
AGRICULTURAL EXTENSION SERVICE		
Salaries	135,380	
Employee Benefits	26,456	
Communication	8,568	
Freight	201	
Rentals	3,779	
Travel	4,923	
Maintenance and Repair	3,254	
Pest Control	600	
Custodial Supplies	405	
Other Supplies and Materials	7,267	
Liability Insurance	577	
Utilities	4,614	
Office Supplies	974	
Other Charges	30	
	<u>          </u>	
TOTAL AGRICULTURAL EXTENSION SERVICE		197,028
FOREST SERVICE		
Forest Resource Services	1,500	
	<u>          </u>	
TOTAL FOREST SERVICE		1,500

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)

SOIL CONSERVATION

Secretary	27,041	
Other Salary and Wages	2,923	
Employee Benefits	6,020	
Contributions	12,065	
	<u>12,065</u>	
TOTAL SOIL CONSERVATION		48,049

STORM WATER MANAGEMENT

Consultants	35,260	
Licenses	2,500	
Salaries	5,000	
Employee Benefits	1,074	
Freight Expenses	7	
Office Supplies	1,200	
	<u>1,200</u>	
TOTAL STORM WATER MANAGEMENT		45,041

AGRICULTURE AND NATURAL RESOURCES

Salaries	8,491	
Employee Benefits	650	
Communication	278	
Utilities	4,719	
Maintenance and Repairs	6	
Custodial Supplies	135	
Other Supplies and Materials	510	
	<u>510</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		14,789

TOURISM

Contributions - Tourism	6,971	
	<u>6,971</u>	
TOTAL TOURISM		6,971

INDUSTRIAL DEVELOPMENT

Contributions - Industrial Development	131,250	
	<u>131,250</u>	
TOTAL INDUSTRIAL DEVELOPMENT		131,250

HOUSING AND URBAN DEVELOPMENT

Other Charges	6,438	
Other Contracted Services	174,734	
	<u>174,734</u>	
TOTAL HOUSING AND URBAN DEVELOPMENT		181,172

ECONOMIC AND COMMUNITY DEVELOPMENT

Site Development - Contributed	2,095,579	
Contributions - JCMA Continuing Education	21,250	
	<u>21,250</u>	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		2,116,829

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COUNTY GENERAL FUND (CONTINUED)		
TRANSPORTATION		
Contributions - Foreign Trade Zone	18,958	
TOTAL TRANSPORTATION		18,958
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	159,696	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		159,696
EMPLOYEE BENEFITS		
Health Insurance	3,550,403	
Dental and Vision Insurance	183,854	
Unemployment	6,523	
TOTAL EMPLOYEE BENEFITS		3,740,780
JUDGMENTS		
Judgments	240	
TOTAL JUDGMENTS		240
TOTAL COUNTY GENERAL FUND		\$ 30,988,256
SPECIAL REVENUE FUNDS		
HIGHWAY FUND		
ADMINISTRATION		
Salaries	\$ 228,881	
Employee Benefits	48,892	
Communication	17,038	
Dues and Memberships	3,950	
Operating Lease Payments	9,000	
Licenses	208	
Maintenance and Repair	4,910	
Other Contracted Services	5,578	
Postal Charges	195	
Rentals	36	
Travel	3,171	
Office Supplies	4,248	
Other Supplies	1,802	
Liability Insurance	61,455	
Utilities	7,372	
Premiums on Corp. Surety Bonds	100	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

ADMINISTRATION (CONTINUED)

Workman's Compensation	148,481	
Other Charges	4,506	
TOTAL ADMINISTRATION		549,823

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,339,167	
Employee Benefits	277,526	
Overtime	148	
Maintenance and Repair	3,385	
Rentals	2,642	
Other Contracted Services	30,363	
Chemicals	6,096	
Concrete and Crushed Stone	158,564	
Diesel Fuel	79,457	
Equipment Parts	1,517	
Fertilizer, Lime, Chemicals and Seed	5,047	
General Construction Material	4,163	
Ice	168	
Metal Pipe	40,635	
Road Signs	9,881	
Salt	6,769	
Small Tools	1,649	
Other Supplies and Materials	16,855	
Other Charges	14,051	
TOTAL HIGHWAY AND BRIDGE MAINTENANCE		1,998,083

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	267,301	
Employee Benefits	57,554	
Communication	2,918	
Freight	4,810	
Maintenance and Repair	64,253	
Rentals	3,826	
Tow-In Service	350	
Other Contracted Services	1,391	
Electricity	14,804	
Equipment Parts	176,220	
Garage Supplies	12,760	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Gasoline and Lubricants	14,822	
Office Supplies	1,972	
Propane Gas	17,333	
Small Tools	2,069	
Tires and Tubes	41,424	
Vehicle Parts	939	
Other Supplies and Materials	19,993	
Other Charges	449	
	<u>          </u>	
TOTAL OPERATION AND MAINTENANCE OF EQUIPMENT		705,188

ASPHALT PLANT OPERATIONS

Salaries	775,668	
Employee Benefits	158,407	
Overtime	492	
Freight	14,516	
Maintenance and Repair - Equipment	1,651	
Rentals	2,060	
Other Contracted Services	(246)	
Asphalt	504,301	
Crushed Stone	115,853	
Diesel Fuel	121,775	
Electricity	37,193	
Equipment and Machinery Parts	14,950	
Fuel Oil	59,047	
Gasoline	71,554	
Lubricants	3,032	
Natural Gas	1,493	
Sand	15,007	
Water and Sewer	355	
Other Supplies and Materials	9,072	
	<u>          </u>	
TOTAL ASPHALT PLANT OPERATIONS		1,906,180

OTHER CHARGES

Trustee's Commission	87,225	
	<u>          </u>	
TOTAL OTHER CHARGES		87,225

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	1,186,204	
Dental and Vision Insurance	45,677	
Unemployment Compensation	46	
TOTAL EMPLOYEE BENEFITS	1,231,927	1,231,927

CAPITAL OUTLAY

Motor Vehicles	205,200	
Bridge Construction	176,931	
State Aid Projects	140,888	
TOTAL CAPITAL OUTLAY	523,019	523,019

TOTAL HIGHWAY FUND

7,001,445

SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Disposal Fees	466,875	
Trustee Commission	23,545	
Salaries	349,123	
Employee Benefits	255,442	
Retirement	41,285	
Communication	6,273	
Freight	715	
Maintenance and Repair	31,754	
Rentals	2,546	
Travel	746	
Gasoline	7,758	
Lubricants	375	
Tires	9,924	
Other Contracted Services	837	
Diesel Fuel	42,868	
Utilities	6,013	
Supplies and Materials	29,409	
Workman's Compensation Insurance	19,326	
Other Charges	2,066	
Dues and Memberships	100	
Gravel and Chert	446	
Liability Insurance	10,780	
TOTAL SANITATIONS OPERATIONS	1,308,206	1,308,206

TIRE CENTER OPERATIONS

Salaries	62,304
Employee Benefits	4,865

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

SPECIAL REVENUE FUND (CONTINUED)

SOLID WASTE / SANITATION FUND (CONTINUED)

TIRE CENTER OPERATIONS (CONTINUED)

Retirement	6,817	
Communication	2,228	
Permits	147	
Maintenance and Repair	493	
Travel	415	
Water and Sewer	135	
Other Contracted Services	460	
Electricity	1,069	
Supplies and Materials	1,452	
Workman's Compensation Insurance	2,500	
Contracts with Private Agency	324,697	
TOTAL TIRE CENTER OPERATIONS		407,582

CAPITAL OUTLAY

Recycling	15,657	
TOTAL CAPITAL OUTLAY		15,657

TOTAL SOLID WASTE / SANITATION FUND

1,731,445

LIBRARY FUND

ADMINISTRATION

Salaries	269,008
Employee Benefits	70,102
Retirement	29,542
Communication	10,327
Contracts with Private Agencies	8,596
Freight	225
Repairs and Maintenance	6,888
Postage	1,200
Pest Control	485
Rentals	427
Travel	455
Custodial Supplies	1,315
Utilities	14,564
Office Expense	22,430
Materials	30,780
Insurance	3,486
Worker's Compensation Insurance	1,149
Other Supplies and Materials	1,119

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

SPECIAL REVENUE FUND (CONTINUED)		
LIBRARY FUND (CONTINUED)		
ADMINISTRATION (CONTINUED)		
Other Charges	1,611	
Trustee's Commission	65	
TOTAL ADMINISTRATION		473,774
CAPITAL OUTLAY		
Library Building Improvements	23,849	
TOTAL CAPITAL OUTLAY		23,849
TOTAL LIBRARY FUND		497,623
DRUG FINES FUND		
Contributions	1,000	
Drug Control Payments	5,000	
Freight	485	
Uniforms	2,100	
Supplies	5,286	
Trustee's Commission	713	
Other Supplies and Materials	6,308	
Travel	581	
Training	35	
Refunds	20,586	
Other Charges	16,639	
TOTAL DRUG FINES FUND		58,733
TOTAL DRUG FINES FUND		58,733
CONSTITUTIONAL OFFICER - FEES FUNDS		
Special Commissioner Fees	40,598	
Bank Charges	8,821	
TOTAL CONSTITUTIONAL OFFICERS - FEES		49,419
TOTAL CONSTITUTIONAL OFFICERS -FEES FUND		49,419
DISTRICT ATTORNEY GENERAL		
Salaries	18,650	
Employee Benefits	1,151	
Dues and Memberships	300	
Office Supplies	2,602	
Trustee's Commission	184	
Travel	464	
Jury and Whitnes Fees	31	
Other Charges	707	
TOTAL DISTRICT ATTORNEY GENERAL		24,089
TOTAL DISTRICT ATTORNEY GENERAL FUND		24,089
TOTAL SPECIAL REVENUE FUNDS		\$ 9,362,754

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

---

CAPITAL PROJECTS FUNDS

Trustee's Commission	\$ 236
Supplies and Materials - General	13,298
Supplies and Materials - Highway	146,032
Debt Issue Costs	1,160,162
Capital Outlay - Schools	14,325,195
Capital Outlay - Highway Department	<u>103,470</u>

TOTAL CAPITAL PROJECTS FUNDS: \$ 15,748,393

DEBT SERVICE FUNDS

GENERAL DEBT SERVICE

Bond Principal	\$ 1,890,000
Note Principal	3,086,848
Interest on Bonds	3,540,383
Interest on Notes	414,151
Trustee's Commission	157,776
Debt Issue Costs	63,092
Fees	<u>2,879</u>

TOTAL GENERAL DEBT SERVICE

TOTAL GENERAL DEBT SERVICE FUNDS: \$ 9,155,129

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION  
GENERAL PURPOSE SCHOOL FUND  
REGULAR INSTRUCTION PROGRAM

CLASSROOM

Teachers	\$ 17,415,644	
Career Ladder Program	267,310	
Career Ladder Extended Contract	174,187	
Educational Assistants	1,072,334	
Substitute Teachers	280,969	
Social Security and Medicare	1,168,379	
State Retirement	1,249,734	
Life Insurance	14,223	
Medical Insurance	3,100,803	
Unemployment Compensation	19,795	
Employer Medicare	273,116	
Other Fringe Benefits	102,736	
Maintenance and Repair	94,540	
Other Contracted Services	2,641,481	
Instructional Supplies and Materials	190,611	
Textbooks	447,214	
Other Supplies and Materials	171,001	
Fee Waivers	13,510	
Other Charges	770,809	
TOTAL CLASSROOM	29,468,396	

ADMINISTRATION

Supervisors	185,918
Career Ladder Program	18,000
Career Ladder Extended Contract	20,000
Librarians	626,950
Instructional Computer Personnel	129,216
Secretary and Clerical	105,738
Other Salaries and Wages	93,468
Social Security and Medicare	70,882
State Retirement	83,174
Life Insurance	822
Medical Insurance	143,999
Employer Medicare	16,227
Other Fringe Benefits	476
Maintenance and Repair	18,643
Travel	29,959
Library Books	118,707
In-Service Workshops	40,863

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

REGULAR INSTRUCTION PROGRAM (CONTINUED)

ADMINISTRATION (CONTINUED)

Other Supplies and Materials	9,369	
TOTAL ADMINISTRATION		1,712,411

TOTAL REGULAR INSTRUCTION PROGRAM

31,180,807

SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	2,184,633	
Career Ladder Program	32,000	
Career Ladder Extended Contract	2,000	
Homebound Teachers	50,725	
Educational Assistants	125,434	
Speech Pathologist	290,886	
Other Salaries and Wages	98,837	
Substitute Teachers	35,000	
Social Security and Medicare	163,658	
State Retirement	176,455	
Life Insurance	2,190	
Medical Insurance	392,830	
Employer Medicare	38,275	
Other Fringe Benefits	1,340	
Other Contracted Services	2,182	
Instructional Supplies and Materials	14,706	
Fee Waivers	2,084	
Other Charges	640	
TOTAL CLASSROOM		3,613,875

ADMINISTRATION

Supervisor/Director	74,376
Career Ladder Program	2,000
Psychological Personnel	40,010
Career Ladder Extended Contract	2,000
Secretary	24,030
Other Salaries and Wages	24,357
Social Security and Medicare	10,330
State Retirement	14,009
Life Insurance	96
Employer Medicare	2,415
Other Fringe Benefits	44

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

SPECIAL EDUCATION PROGRAM (CONTINUED)

ADMINISTRATION (CONTINUED)

Travel	13,935	
In-Service / Staff Development	4,318	
Other Supplies and Materials	421	
TOTAL ADMINISTRATION	212,341	212,341

TOTAL SPECIAL EDUCATION PROGRAM 3,826,216

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	1,319,016	
Career Ladder Program	9,000	
Career Ladder Extended Contracts	2,000	
Substitute Teachers	17,000	
Educational Assistants	22,886	
Social Security and Medicare	79,801	
State Retirement	81,303	
Life Insurance	966	
Medical Insurance	218,999	
Employer Medicare	18,905	
Other Fringe Benefits	692	
Fee Waiver	2,500	
Instructional Supplies and Materials	105,121	
Capital Outlay - Vocational Instructional Equipment	19,927	
TOTAL CLASSROOM	1,898,116	1,898,116

ADMINISTRATION

Supervisor and Director	35,882	
Career Ladder Program	3,000	
Career Ladder Extended Contract	3,000	
Secretary	22,755	
Social Security and Medicare	3,853	
State Retirement	5,739	
Life Insurance	48	
Medical Insurance	9,814	
Employer Medicare	901	
Other Fringe Benefits	22	
Maintenance and Repair	8,150	
Travel	18,597	
Other Supplies and Materials	1,088	
TOTAL ADMINISTRATION	112,849	112,849

TOTAL VOCATIONAL EDUCATION PROGRAM 2,010,965

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

ADULT EDUCATION PROGRAM

Teacher	2,920	
Social Security and Medicare	32	
State Retirement	47	
Employer Medicare	8	
Instructional Supplies and Materials	3,475	
	6,482	

TOTAL ADULT EDUCATION PROGRAM 6,482

ATTENDANCE

Supervisor and Director	57,863	
Career Ladder Program	1,000	
Secretary and Clerical	19,236	
Social Security and Medicare	4,748	
State Retirement	6,290	
Life Insurance	48	
Medical Insurance	4,487	
Employer Medicare	1,110	
Other Fringe Benefits	22	
Travel	4,144	
Other Supplies and Materials	1,058	
	100,006	

TOTAL ATTENDANCE 100,006

HEALTH SERVICES

Medical Personnel	176,200	
Other Salaries and Wages	245,283	
Social Security and Medicare	25,411	
State Retirement	58,466	
Life Insurance	366	
Medical Insurance	107,122	
Employer Medicare	5,933	
Other Fringe Benefits	108	
Travel	10,781	
Other Contracted Services	97,605	
Drugs and Medical Supplies	549	
Other Supplies and Materials	27,000	
Other Charges	13,496	
	768,320	

TOTAL HEALTH SERVICES 768,320

OTHER STUDENT SUPPORT

Career Ladder Program	8,000
Guidance Personnel	701,984

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OTHER STUDENT SUPPORT (CONTINUED)

Social Security and Medicare	42,607	
State Retirement	42,703	
Life Insurance	510	
Medical Insurance	122,517	
Employer Medicare	9,961	
Other Fringe Benefits	368	
Contracts with Other Public Agencies	40,000	
Evaluation and Testing	35,590	
Other Supplies and Materials	2,377	
	1,006,617	

TOTAL OTHER STUDENT SUPPORT 1,006,617

BOARD OF EDUCATION

Board and Committee Fees	22,525	
Social Security and Medicare	1,397	
Employer Medicare	326	
Audit Services	31,400	
Dues and Memberships	10,507	
Legal Services	3,958	
Travel	14,438	
Other Contracted Services	2,000	
Liability Insurance	69,705	
Premiums on Corporate Surety Bonds	2,381	
Trustee Commission	432,127	
Workman's Compensation	283,919	
Criminal Investigation Application	6,336	
Other Charges	6,394	
	887,413	

TOTAL BOARD OF EDUCATION 887,413

OFFICE OF THE DIRECTOR

Director of Schools	106,207
Career Ladder Program	600
Secretary and Clerical	174,105
Other Salaries and Wages	28,766
Social Security and Medicare	17,988
State Retirement	40,709
Life Insurance	138
Medical Insurance	28,890
Employer Medicare	4,447
Other Fringe Benefits	22
Communications	57,343

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OFFICE OF THE DIRECTOR (CONTINUED)

Postal Charges	10,923	
Travel	1,525	
Other Contracted Services	83,988	
Office Supplies	4,445	
	560,096	

TOTAL OFFICE OF THE DIRECTOR 560,096

OFFICE OF THE PRINCIPAL

Principals	717,685	
Career Ladder	28,000	
Career Ladder Extended Contract	10,000	
Assistant Principals	658,849	
Secretary and Clerical	477,166	
Social Security and Medicare	115,254	
State Retirement	153,047	
Life Insurance	1,254	
Medical Insurance	217,135	
Employer Medicare	27,008	
Other Fringe Benefits	540	
Communications	18,200	
Travel	3,592	
Other Supplies and Materials	2,950	
Other Charges	140,000	
	2,570,680	

TOTAL OFFICE OF THE PRINCIPAL 2,570,680

FISCAL SERVICES

Supervisor/Director	61,349	
Clerical Personnel	59,694	
Social Security and Medicare	7,265	
State Retirement	16,886	
Life Insurance	66	
Medical Insurance	15,417	
Employer Medicare	1,699	
Travel	850	
Other Contracted Services	9,034	
Other Supplies and Materials	766	
	173,026	

TOTAL FISCAL SERVICES 173,026

OPERATION OF PLANT

Custodial Personnel	441,306
Social Security and Medicare	26,173

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OPERATION OF PLANT (CONTINUED)

State Retirement	56,064		
Life Insurance	540		
Medical Insurance	84,362		
Employer Medicare	6,121		
Other Contracted Services	92,799		
Custodial Supplies	93,058		
Janitorial Services	583,727		
Electricity	1,392,243		
Natural Gas	104,015		
Propane Gas	11,497		
Garbage Services	90,258		
Water and Sewer	130,000		
Boiler Insurance	13,100		
Other Charges	3,111		
	3,128,374		

TOTAL OPERATION OF PLANT

3,128,374

3,128,374

MAINTENANCE OF PLANT

Supervisor and Director	54,115		
Maintenance Personnel	724,294		
Social Security and Medicare	46,449		
State Retirement	104,284		
Life Insurance	552		
Medical Insurance	164,523		
Employer Medicare	10,863		
Communication	2,224		
Maintenance and Repair	100,513		
Other Contracted Services	500		
Other Supplies and Materials	307,286		
Other Charges	4,000		
	1,519,603		

TOTAL MAINTENANCE OF PLANT

1,519,603

1,519,603

TRANSPORTATION

Supervisor and Director	40,726
Mechanics	171,180
Bus Drivers	821,696
Social Security and Medicare	64,079
State Retirement	139,224
Life Insurance	1,638
Medical Insurance	291,993
Employer Medicare	14,993
Communication	412

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

TRANSPORTATION (CONTINUED)

Other Contracted Services	4,983		
Gasoline	122,589		
Diesel	354,288		
Garage Supplies	26,102		
Tires and Tubes	32,534		
Vehicle Parts	122,248		
Other Supplies and Materials	1,629		
Vehicle and Equipment Insurance	73,341		
Other Charges	35,334		
		2,318,989	
TOTAL TRANSPORTATION			2,318,989

CENTRAL AND OTHER

Supervisor/Director	43,394		
Clerical Personnel	17,888		
Other Salaries and Wages	13,160		
Social Security and Medicare	4,410		
State Retirement	6,988		
Life Insurance	84		
Medical Insurance	19,012		
Employer Medicare	1,031		
Office Supplies	3,172		
Other Supplies and Materials	559		
Other Charges	4,050		
		113,748	
TOTAL CENTRAL AND OTHER			113,748

FOOD SERVICE

Supervisor/Director	40,726		
Social Security and Medicare	2,371		
State Retirement	5,677		
Life Insurance	1,920		
Medical Insurance	336,746		
Employer Medicare	555		
Other Fringe Benefits	22		
		388,017	
TOTAL FOOD SERVICE			388,017

COMMUNITY SERVICE

Supervisor	10,000		
Secretaries	28,658		
Other Salaries and Wages	396,282		
Social Security and Medicare	26,712		

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

COMMUNITY SERVICE (CONTINUED)

State Retirement	3,982
Medical Insurance	4,488
Employer Medicare	6,247
Communication	3,901
Travel	873
Food Supplies	20,593
Other Supplies and Materials	21,709
	523,445

TOTAL COMMUNITY SERVICE

523,445

523,445

CAPITAL OUTLAY

Regular Instruction	58,652
Plant	12,392
Transportation	447,656
Architects	743,048
	1,261,748

TOTAL CAPITAL OUTLAY

1,261,748

1,261,748

TOTAL GENERAL PURPOSE SCHOOL FUNI

\$ 52,344,552

SCHOOL FEDERAL PROJECTS

REGULAR INSTRUCTIONAL PROGRAM

CLASSROOM

Teachers	847,546
Educational Assistants	160,469
Substitute Teachers	30,668
Social Security and Medicare	74,262
State Retirement	70,910
Medical Insurance	173,656
Maintenance and Repair	18,000
Instructional Supplies and Materials	13,297
Other Supplies and Materials	11,474
	1,400,282

TOTAL CLASSROOM

1,400,282

ADMINISTRATION

Supervisors	51,370
Secretary and Clerical	41,335
Other Salaries and Wages	37,165
Social Security and Medicare	9,856
State Retirement	8,040
Medical Insurance	5,060

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2007

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

SCHOOL FEDERAL PROJECTS (CONTINUED)

REGULAR INSTRUCTIONAL PROGRAM (CONTINUED)

ADMINISTRATION (CONTINUED)

Maintenance and Repair Service	3,063	
Travel	5,793	
Other Supplies and Materials	2,050	
In-service Workshops	149,018	
Other Charges	49,559	
Indirect Cost	17,735	
<b>TOTAL ADMINISTRATION</b>	<b>380,044</b>	

TOTAL REGULAR INSTRUCTIONAL PROGRAM

1,780,326

SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	42,159	
Educational Assistants	743,631	
Speech Pathologist	29,892	
Other Salaries and Wages	104,704	
Social Security and Medicare	66,534	
State Retirement	105,483	
Medical Insurance	244,540	
<b>TOTAL CLASSROOM</b>	<b>1,336,943</b>	

ADMINISTRATION

Travel	800	
Other Contracted Services	44,101	
In-Service Workshops	40,848	
Other Supplies and Materials	62,732	
Other Charges	4,239	
Indirect Cost	17,373	
<b>TOTAL ADMINISTRATION</b>	<b>170,093</b>	

TOTAL SPECIAL EDUCATION PROGRAM

1,507,036

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	45,261	
Social Security and Medicare	3,462	
State Retirement	2,774	
Medical Insurance	2,559	
Instructional Supplies and Materials	56,934	
Indirect Cost	984	
<b>TOTAL CLASSROOM</b>	<b>111,974</b>	

TOTAL VOCATIONAL EDUCATION PROGRAM

111,974

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNITS  
 For the Fiscal Year Ended June 30, 2007

COMONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS (CONTINUED)		
OTHER STUDENT SUPPORT		
Guidance	35,311	
Secretary (s)	6,358	
Social Security and Medicare	486	
State Retirement	886	
Evaluation and Testing	2,335	
Travel	9,307	
In-Service Workshops	27,082	
Other Supplies and Materials	5,406	
	87,171	
TOTAL OTHER STUDENT SUPPORT		87,171
TRANSPORTATION		
Bus Drivers	210,263	
Social Security and Medicare	15,592	
State Retirement	26,734	
Medical Insurance	37,631	
	290,220	
TOTAL TRANSPORTATION		290,220
TOTAL SCHOOL FEDERAL PROJECTS		\$ 3,776,727
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	\$ 1,346,611	
Food	1,538,889	
Non-Food and Other Supplies	324,233	
Utilities	10,000	
Contracted Services	44,253	
Capital Outlay	41,698	
	3,305,684	
TOTAL SCHOOL FOOD SERVICE FUND		\$ 3,305,684
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION		\$ 59,426,963

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2007

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>ASSETS</b>									
Equity in Pooled Cash	\$ 17,345,720	-	-	-	-	-	-	-	17,345,720
Cash on Hand	400	1,100	1,050	1,451	-	150	100	6,822	11,073
Cash in Bank	-	777,670	180,270	61,231	176,060	187,441	383,992	42,552	1,809,216
Investments	14,300,000	-	371,997	63,676	526,194	2,945,336	-	-	18,207,203
Receivables	-	-	-	-	-	-	1,068	22,183	23,251
Due from State	7,458,867	-	-	-	-	-	-	-	7,458,867
<b>TOTAL ASSETS</b>	<b>\$ 39,104,987</b>	<b>778,770</b>	<b>553,317</b>	<b>126,358</b>	<b>702,254</b>	<b>3,132,927</b>	<b>385,160</b>	<b>71,557</b>	<b>44,855,330</b>
<b>LIABILITIES</b>									
<b>DUE STATE OF TENNESSEE</b>									
Business and Gross Receipts Tax	\$ -	161,595	-	-	-	-	-	-	161,595
Marriage Licenses	-	4,991	-	-	-	-	-	-	4,991
Motor Vehicle Registration	-	194,097	-	-	-	-	-	-	194,097
Sales and Use Tax	-	282,886	-	-	-	-	-	-	282,886
Mfg Home Installation Permits	-	333	-	-	-	-	-	-	333
Realty Transfer and Mortgage Transfer Tax	-	-	-	-	-	-	285,922	-	285,922
County Officials Retirement Tax	-	-	-	-	-	-	7,208	-	7,208
<b>DUE TO LITIGANTS, HEIRS AND OTHERS</b>									
Donor Awareness	-	203	-	-	-	-	-	-	203
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	25	-	-	-	-	-	-	25
Helping Schools	-	93	-	-	-	-	-	-	93
Court Funds and Costs	-	-	53,954	11,245	176,135	130,022	-	-	371,356
Deposits	-	-	371,997	63,676	526,193	2,945,336	-	-	3,907,202

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2007

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
LIABILITIES (CONTINUED)									
Due to Litigants, Heirs and Others									
Delinquent Property Taxes	-	-	-	-	-	57,074	-	-	57,074
Publications	-	-	-	-	-	495	-	-	495
Cash Bonds	-	-	13,000	54,700	-	-	-	-	67,700
Due to Inmates	-	-	-	-	-	-	-	30,671	30,671
Drug Program	-	-	-	-	-	-	-	6,722	6,722
Swanson and Others	-	-	-	-	-	-	-	34,164	34,164
Due to Johnson City Schools	1,741,153	-	-	-	-	-	-	-	1,741,153
Due to Sales Tax Fund	3,427,113	-	-	-	-	-	-	-	3,427,113
Due to Johnson City									
Business Tax and Marriage Licenses	-	29,431	-	-	-	-	-	-	29,431
Due to General Purpose School Fund	2,216,013	-	-	-	-	-	-	-	2,216,013
FUNDS									
General	10,364,164	-	-	-	-	-	-	-	10,364,164
Solid Waste Sanitation	880,473	-	-	-	-	-	-	-	880,473
Library Operation	53,615	-	-	-	-	-	-	-	53,615
Highway Upkeep	1,981,417	-	-	-	-	-	-	-	1,981,417
General Purpose School	9,743,507	-	-	-	-	-	-	-	9,743,507
School Federal Projects	216,262	-	-	-	-	-	-	-	216,262
Debt Service	4,517,733	-	-	-	-	-	-	-	4,517,733
Capital Projects	3,191,012	-	-	-	-	-	-	-	3,191,012
Self Insurance	143,606	-	-	-	-	-	-	-	143,606
Drug Fines	236,471	-	-	-	-	-	-	-	236,471
District Attorney	5,691	-	-	-	-	-	-	-	5,691
Judicial District Drug	237,506	-	-	-	-	-	-	-	237,506
Cities-Sales Tax Fund	4,640	-	-	-	-	-	-	-	4,640
Commission Account	144,611	104,016	114,366	(3,263)	(74)	-	92,030	-	451,686
<b>TOTAL LIABILITIES</b>	<b>\$ 39,104,987</b>	<b>778,770</b>	<b>553,317</b>	<b>126,358</b>	<b>702,254</b>	<b>3,132,927</b>	<b>385,160</b>	<b>71,557</b>	<b>44,855,330</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 For the Fiscal Year Ended June 30, 2007

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 183,877,800	-	-	-	-	-	-	-	183,877,800
State of Tennessee	-	8,259,955	115,536	676,185	18,036	19,609	3,858,677	-	12,947,998
Litigants, Heirs and Others	-	6,465	587,516	2,036,070	832,447	6,094,161	-	876,321	10,432,980
County Revenue Clearing Account	-	2,026,578	126,195	946,264	22,422	647,314	-	22,988	3,791,761
Fee and Commission Account	1,506,572	1,083,468	257,413	852,325	187,256	409,024	907,181	-	5,203,239
<b>TOTAL RECEIPTS</b>	185,384,372	11,376,466	1,086,660	4,510,844	1,060,161	7,170,108	4,765,858	899,309	216,253,778
<b>DISBURSEMENTS</b>	186,141,486	11,317,990	2,060,644	3,648,132	1,893,941	6,193,178	4,813,717	891,671	216,960,759
Excess of Receipts Over (Under) Disbursements	(757,114)	58,476	(973,984)	862,712	(833,780)	976,930	(47,859)	7,638	(706,981)
Transfers from Session and Law to Circuit Court	-	-	1,040,171	(852,915)	(187,256)	-	-	-	-
Cash Balance, July 1, 2006	32,403,234	720,294	487,130	116,561	1,723,290	2,155,997	431,951	41,736	38,080,193
Cash Balance, June 30, 2007	\$ 31,646,120	778,770	553,317	126,358	702,254	3,132,927	384,092	49,374	37,373,212

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK  
 For the Fiscal Year Ended June 30, 2007

RECEIPTS	General Sessions - Jonesborough	General Sessions- Civil Court - Johnson City	General Sessions- State Court - Johnson City	General Sessions- Juvenile Court	Total General Sessions - Court Clerk
State of Tennessee	\$ 111,160	90,711	473,764	550	676,185
Washington County	213,460	222,239	506,669	3,896	946,264
Litigants, Heirs and Others	207,817	1,350,193	453,701	24,359	2,036,070
Fee and Commission Account	120,888	304,337	416,107	10,993	852,325
<b>TOTAL RECEIPTS</b>	<b>653,325</b>	<b>1,967,480</b>	<b>1,850,241</b>	<b>39,798</b>	<b>4,510,844</b>
<b>DISBURSEMENTS</b>	<b>542,292</b>	<b>1,666,728</b>	<b>1,412,834</b>	<b>26,278</b>	<b>3,648,132</b>
Excess of Receipts Over (Under) Disbursements	111,033	300,752	437,407	13,520	862,712
Transfers from Sessions to Circuit Court	(120,888)	(304,338)	(416,696)	(10,993)	(852,915)
Balance, July 1, 2006	21,722	6,438	27,562	60,839	116,561
Balance, June 30, 2007	\$ 11,867	2,852	48,273	63,366	126,358

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CLERK AND MASTER  
 For the Fiscal Year Ended June 30, 2007

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 11,186	8,423	19,609
Washington County	378,304	269,010	647,314
Litigants, Heirs and Others	3,043,263	3,050,898	6,094,161
Fee and Commission Account	<u>206,548</u>	<u>202,476</u>	<u>409,024</u>
<b>TOTAL RECEIPTS</b>	<b>3,639,301</b>	<b>3,530,807</b>	<b>7,170,108</b>
<b>DISBURSEMENTS</b>	<b><u>2,563,522</u></b>	<b><u>3,629,656</u></b>	<b><u>6,193,178</u></b>
Excess of Receipts Over (Under) Disbursements	1,075,779	(98,849)	976,930
Transfers from Jonesborough to Johnson City	(174,919)	174,919	-
Balance, July 1, 2006	<u>511,805</u>	<u>1,644,192</u>	<u>2,155,997</u>
Balance, June 30, 2007	<u><u>\$ 1,412,665</u></u>	<u><u>1,720,262</u></u>	<u><u>3,132,927</u></u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 COUNTY CLERK  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
Business and Gross Receipts Tax	\$ 102,620	1,408,556	-	70,427	1,279,154	161,595
Marriage Licenses	5,302	48,237	-	662	47,886	4,991
Motor Vehicle Registration	211,899	3,585,206	-	-	3,603,008	194,097
Mfg Home Installation Permits	37	2,109	-	-	1,813	333
Sales and Use Tax	281,289	2,974,692	-	148,734	2,824,361	282,886
Motor Vehicle Titles	-	219,232	-	-	219,232	-
Motor Vehicle Retirement	-	21,923	-	-	21,923	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>601,147</b>	<b>8,259,955</b>	<b>-</b>	<b>219,823</b>	<b>7,997,377</b>	<b>643,902</b>
<b>WASHINGTON COUNTY / JOHNSON CITY</b>						
Business Tax and Marriage Licenses	21,848	1,545,868	-	77,292	1,460,993	29,431
Beer Tax	-	352,587	-	17,630	334,957	-
Building Permits	-	128,123	-	6,406	121,717	-
<b>TOTAL WASHINGTON COUNTY/ JOHNSON CITY</b>	<b>21,848</b>	<b>2,026,578</b>	<b>-</b>	<b>101,328</b>	<b>1,917,667</b>	<b>29,431</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Notary Seals	90	2,285	-	-	2,350	25
Public Notices	-	-	-	-	-	-
Donor Awareness	282	2,630	-	-	2,709	203
Helping Schools	186	1,550	-	-	1,643	93
Due to County Clerk	1,100	-	-	-	-	1,100
Deposits	-	-	-	-	-	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,658</b>	<b>6,465</b>	<b>-</b>	<b>-</b>	<b>6,702</b>	<b>1,421</b>
<b>FEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	95,641	762,317	321,151	-	1,075,093	104,016
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>95,641</b>	<b>762,317</b>	<b>321,151</b>	<b>-</b>	<b>1,075,093</b>	<b>104,016</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 720,294</b>	<b>11,055,315</b>	<b>321,151</b>	<b>321,151</b>	<b>10,996,839</b>	<b>778,770</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CIRCUIT COURT CLERK  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	69,006	-	2,948	66,058	-
Department of Safety	-	6,052	-	303	5,749	-
Tennessee Bureau of Investigations	-	3,245	-	162	3,083	-
Public Defender	-	29,242	-	1,462	27,780	-
Attorney General	-	7,991	-	400	7,591	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>115,536</b>	<b>-</b>	<b>5,275</b>	<b>110,261</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	11,953	-	807	11,146	-
Special Litigation Tax	-	1,063	-	71	992	-
Litigation Tax / Jail	-	4,888	-	330	4,558	-
County Fines	-	13,930	-	697	13,233	-
Drug Fines	-	24,173	-	1,209	22,964	-
Drug Court Fund	-	4,677	-	234	4,443	-
County Officer's Cost	-	23,007	-	1,150	21,857	-
Jail Fees	-	27,551	-	1,376	26,175	-
Other Collections	-	12,023	-	106	11,917	-
Data Processing Fee	-	1,576	-	-	1,576	-
Court Security Fee	-	1,354	-	62	1,292	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>126,195</b>	<b>-</b>	<b>6,042</b>	<b>120,153</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	68,165	392,801	-	-	407,012	53,954
Deposits	311,915	85,515	-	-	25,433	371,997
Alimony/Child Support	-	7,080	-	-	7,080	-
Cash Bonds	11,900	27,134	-	-	26,034	13,000
Constable's Cost	-	360	-	18	342	-
Fines and Arrest Fees – Jonesborough	-	8,312	-	416	7,896	-
Fines and Arrest Fees - Johnson City	-	30,210	-	1,511	28,699	-
Drug Fines - Johnson City	-	36,104	-	1,805	34,299	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>391,980</b>	<b>587,516</b>	<b>-</b>	<b>3,750</b>	<b>536,795</b>	<b>438,951</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	95,150	1,282,517	15,067	-	1,278,368	114,366
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>95,150</b>	<b>1,282,517</b>	<b>15,067</b>	<b>-</b>	<b>1,278,368</b>	<b>114,366</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 487,130</b>	<b>2,111,764</b>	<b>15,067</b>	<b>15,067</b>	<b>2,045,577</b>	<b>553,317</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - JONESBOROUGH  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	86,260	-	5,284	80,976	-
Department of Safety	-	15,232	-	761	14,471	-
Tennessee Bureau of Investigations	-	7,305	-	365	6,940	-
Public Defender	-	1,168	-	58	1,110	-
Attorney General	-	1,195	-	60	1,135	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>111,160</b>	<b>-</b>	<b>6,528</b>	<b>104,632</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	34,837	-	2,351	32,486	-
Special Litigation Tax	-	21,255	-	1,063	20,192	-
Litigation Tax / Jail	-	14,665	-	990	13,675	-
County Fines	-	27,900	-	1,395	26,505	-
Drug Fines	-	13,723	-	686	13,037	-
Drug Court Fund	-	3,936	-	197	3,739	-
County Officer's Cost	-	43,705	-	2,183	41,522	-
Jail Fees	-	45,039	-	2,252	42,787	-
Other Collections	-	4,140	-	205	3,935	-
Data Processing Fee	-	2,910	-	-	2,910	-
Court Security Fee	-	1,350	-	68	1,282	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>213,460</b>	<b>-</b>	<b>11,390</b>	<b>202,070</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	210	153,154	-	-	146,009	7,355
Cash Bonds	22,000	28,500	-	-	45,500	5,000
Alimony/Child Support	-	1,057	-	-	1,057	-
Constable's Cost	-	3,424	-	230	3,194	-
Fines and Arrest Fees – Jonesborough	-	21,427	-	1,071	20,356	-
Fines and Arrest Fees – Johnson City	-	255	-	15	240	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>22,210</b>	<b>207,817</b>	<b>-</b>	<b>1,316</b>	<b>216,356</b>	<b>12,355</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(488)	101,654	19,234	-	120,888	(488)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(488)</b>	<b>101,654</b>	<b>19,234</b>	<b>-</b>	<b>120,888</b>	<b>(488)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 21,722</b>	<b>634,091</b>	<b>19,234</b>	<b>19,234</b>	<b>643,946</b>	<b>11,867</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - CIVIL COURT - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	90,711	-	6,125	84,586	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>90,711</b>	<b>-</b>	<b>6,125</b>	<b>84,586</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	64,997	-	4,387	60,610	-
Special Litigation Tax	-	71,291	-	3,743	67,548	-
Litigation Tax / Jail	-	50,997	-	3,442	47,555	-
County Officer's Cost	-	24,093	-	1,205	22,888	-
Other Collections	-	15	-	1	14	-
Data Processing Fee	-	10,132	-	-	10,132	-
Court Security Fee	-	714	-	36	678	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>222,239</b>	<b>-</b>	<b>12,814</b>	<b>209,425</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	5,951	1,275,054	-	-	1,278,644	2,361
Deposits	406	5	-	-	-	411
Alimony/Child Support	-	3,843	-	-	3,843	-
Constable's Cost	-	71,291	-	3,644	67,647	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>6,357</b>	<b>1,350,193</b>	<b>-</b>	<b>3,644</b>	<b>1,350,134</b>	<b>2,772</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	81	281,754	22,583	-	304,338	80
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>81</b>	<b>281,754</b>	<b>22,583</b>	<b>-</b>	<b>304,338</b>	<b>80</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 6,438</b>	<b>1,944,897</b>	<b>22,583</b>	<b>22,583</b>	<b>1,948,483</b>	<b>2,852</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - STATE COURT - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	274,700	-	17,859	256,841	-
AOC for Private Atty Fee	-	350	-	18	332	-
Wildlife Resources	-	8,642	-	473	8,169	-
Department of Safety	-	150,914	-	7,546	143,368	-
ADAT	-	250	-	13	237	-
Tennessee Bureau of Investigation	-	30,812	-	1,540	29,272	-
Public Defender	-	1,783	-	89	1,694	-
Attorney General	-	6,313	-	316	5,997	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>473,764</b>	<b>-</b>	<b>27,854</b>	<b>445,910</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	149,033	-	10,060	138,973	-
Special Litigation Tax	-	78,269	-	4,109	74,160	-
Litigation Tax / Jail	-	52,968	-	3,575	49,393	-
County Fines	-	36,417	-	1,821	34,596	-
Drug Fines	-	7,298	-	365	6,933	-
Drug Court Fund	-	11,582	-	579	11,003	-
County Officer's Cost	-	33,045	-	1,652	31,393	-
Jail Fees	-	110,582	-	5,529	105,053	-
Other Collections	-	13,362	-	668	12,694	-
Data Processing Fee	-	10,812	-	-	10,812	-
Court Security Fee	-	3,301	-	165	3,136	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>506,669</b>	<b>-</b>	<b>28,523</b>	<b>478,146</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	2,329	130,319	-	-	131,219	1,429
Cash Bonds	27,500	118,000	-	-	95,800	49,700
Constable's Cost	-	3,043	-	152	2,891	-
Fines and Arrest Fees - Jonesborough	-	118	-	6	112	-
Fines and Arrest Fees - Johnson City	-	155,381	-	7,769	147,612	-
Drug Fines - Johnson City	-	46,840	-	2,342	44,498	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>29,829</b>	<b>453,701</b>	<b>-</b>	<b>10,269</b>	<b>422,132</b>	<b>51,129</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(2,267)	349,461	66,646	-	416,696	(2,856)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(2,267)</b>	<b>349,461</b>	<b>66,646</b>	<b>-</b>	<b>416,696</b>	<b>(2,856)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 27,562</b>	<b>1,783,595</b>	<b>66,646</b>	<b>66,646</b>	<b>1,762,884</b>	<b>48,273</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - JUVENILE  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	550	-	25	525	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>25</b>	<b>525</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Fines	-	1,379	-	96	1,283	-
Drug Fines	-	100	-	5	95	-
County Officer's Cost	-	2,123	-	106	2,017	-
Data Processing Fee	-	294	-	-	294	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>3,896</b>	<b>-</b>	<b>207</b>	<b>3,689</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds & Costs	-	10,822	-	-	10,722	100
Deposits	60,838	2,427	-	-	-	63,265
Alimony/Child Support	-	9,870	-	-	9,870	-
Fines and Arrest Fees - Jonesborough	-	1,240	-	62	1,178	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>60,838</b>	<b>24,359</b>	<b>-</b>	<b>62</b>	<b>21,770</b>	<b>63,365</b>
<b>FEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	1	10,726	267	-	10,993	1
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>1</b>	<b>10,726</b>	<b>267</b>	<b>-</b>	<b>10,993</b>	<b>1</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 60,839</b>	<b>39,531</b>	<b>267</b>	<b>294</b>	<b>36,977</b>	<b>63,366</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 LAW COURT CLERK - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	18,036	-	1,217	16,819	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>18,036</b>	<b>-</b>	<b>1,217</b>	<b>16,819</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	8,906	-	601	8,305	-
Special Litigation Tax	-	1,514	-	102	1,412	-
Litigation Tax / Jail	-	7,570	-	511	7,059	-
Court Security	-	60	-	4	56	-
County Officer's Cost	-	2,435	-	122	2,313	-
Other Collections	-	-	-	-	-	-
Data Processing Fee	-	1,937	-	-	1,937	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>-</b>	<b>22,422</b>	<b>-</b>	<b>1,340</b>	<b>21,082</b>	<b>-</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	117,941	584,388	-	-	526,194	176,135
Deposits	1,605,423	188,072	-	-	1,267,302	526,193
Alimony/Child Support	-	55,456	-	-	55,456	-
Constable's Cost	-	4,531	-	226	4,305	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,723,364</b>	<b>832,447</b>	<b>-</b>	<b>226</b>	<b>1,853,257</b>	<b>702,328</b>
<b>FEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(74)	184,473	2,783	-	187,256	(74)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(74)</b>	<b>184,473</b>	<b>2,783</b>	<b>-</b>	<b>187,256</b>	<b>(74)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,723,290</b>	<b>1,057,378</b>	<b>2,783</b>	<b>2,783</b>	<b>2,078,414</b>	<b>702,254</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CLERK AND MASTER - JONESBOROUGH  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
STATE OF TENNESSEE						
Litigation Tax	\$ -	11,186	-	755	10,431	-
TOTAL STATE OF TENNESSEE	-	11,186	-	755	10,431	-
WASHINGTON COUNTY						
County Litigation Tax	-	5,566	-	376	5,190	-
Special Litigation Tax	-	948	-	64	884	-
Litigation Tax - Jail	-	4,701	-	317	4,384	-
County Officer's Cost	-	1,806	-	90	1,716	-
Delinquent Taxes	-	246,621	-	12,331	234,290	-
Delinquent Taxes - Penalty and Interest	-	106,504	-	5,325	101,179	-
Delinquent Taxes - Court Costs	-	6,413	-	-	6,413	-
Data Processing Fee	-	4,701	-	-	4,701	-
Court Security Fee	-	1,044	-	-	1,044	-
TOTAL WASHINGTON COUNTY	-	378,304	-	18,503	359,801	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds & Costs	5,720	1,598,591	-	-	1,600,146	4,165
Deposits	506,085	1,175,137	-	-	273,217	1,408,005
Publications	-	17,393	-	-	16,898	495
Alimony/ Child Support	-	94,945	-	-	94,945	-
Constables, Legal Process	-	10,766	-	-	10,766	-
Attorney's Fees and Commissions						
- Delinquent Tax	-	76,303	-	-	76,303	-
City Delinquent Taxes	-	31,891	-	1,595	30,296	-
City Delinquent Taxes - Penalty and Interest	-	23,075	-	1,154	21,921	-
City Delinquent Tax - Court Costs	-	803	-	-	803	-
Jonesborough Delinquent Taxes	-	10,304	-	515	9,789	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	3,845	-	192	3,653	-
Jonesborough Delinquent Taxes - Court Costs	-	210	-	-	210	-
TOTAL LITIGANTS, HEIRS AND OTHERS	511,805	3,043,263	-	3,456	2,138,947	1,412,665
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	152,205	22,714	-	174,919	-
Special Commissioner Fees	-	31,629	-	-	31,629	-
TOTAL FEE AND COMMISSION ACCOUNT	-	183,834	22,714	-	206,548	-
TOTAL ALL ACCOUNTS	\$ 511,805	3,616,587	22,714	22,714	2,715,727	1,412,665

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CLERK AND MASTER - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfers		Disbursements	Balance 6/30/2007
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	8,423	-	569	7,854	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>-</b>	<b>8,423</b>	<b>-</b>	<b>569</b>	<b>7,854</b>	<b>-</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	4,165	-	281	3,884	-
Special Litigation Tax	-	712	-	48	664	-
Litigation Tax / Jail	-	3,560	-	240	3,320	-
County Officers' Cost	-	4,061	-	203	3,858	-
Delinquent Taxes	57,074	190,028	-	6,648	183,380	57,074
Delinquent Taxes - Penalty and Interest	-	61,347	-	3,067	58,280	-
Delinquent Tax - Court Costs	-	4,061	-	-	4,061	-
Data Processing Fee	-	968	-	-	968	-
Court Security Fee	-	108	-	-	108	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>57,074</b>	<b>269,010</b>	<b>-</b>	<b>10,487</b>	<b>258,523</b>	<b>57,074</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	128,670	1,741,099	-	-	1,743,912	125,857
Deposits	1,458,448	920,394	-	-	841,511	1,537,331
Alimony/ Child Support	-	208,041	-	208,041	-	-
Constables, Legal Process	-	7,103	-	7,103	-	-
Attorneys Fees and Commissions - Delinquent Tax	-	51,427	-	51,427	-	-
City Delinquent Taxes	-	67,749	-	3,388	64,361	-
City Delinquent Taxes - Penalty and Interest	-	52,265	-	2,613	49,652	-
City Delinquent Taxes - Court Costs	-	1,807	-	1,807	-	-
Jonesborough Delinquent Taxes	-	434	-	434	-	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	376	-	376	-	-
Jonesborough Delinquent Taxes - Court Costs	-	38	-	38	-	-
Publications	-	165	-	165	-	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,587,118</b>	<b>3,050,898</b>	<b>-</b>	<b>275,392</b>	<b>2,699,436</b>	<b>1,663,188</b>
<b>FEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	176,410	17,097	-	193,507	-
Special Commissioner Fees	-	8,969	-	-	8,969	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>-</b>	<b>185,379</b>	<b>17,097</b>	<b>-</b>	<b>202,476</b>	<b>-</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,644,192</b>	<b>3,513,710</b>	<b>17,097</b>	<b>286,448</b>	<b>3,168,289</b>	<b>1,720,262</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 REGISTER  
 For the Fiscal Year Ended June 30, 2007

Account	Balance 7/1/2006	Receipts	Transfer		Disbursements	Balance 6/30/2007
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 323,054	3,858,677	-	92,608	3,804,269	284,854
County Officials' Retirement Tax	8,177	-	-	-	969	7,208
TOTAL STATE OF TENNESSEE	331,231	3,858,677	-	92,608	3,805,238	292,062
FEES AND COMMISSION ACCOUNT	100,720	814,573	92,608	-	915,871	92,030
TOTAL ALL ACCOUNTS	\$ 431,951	4,673,250	92,608	92,608	4,721,109	384,092

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 SHERIFF  
 For the Fiscal Year Ended June 30, 2007

---

Cash Balance, 7/1/2006		\$ 41,736
<b>RECIEPTS</b>		
Officers Costs	22,988	
Cash Bonds - Various Courts	113,517	
Inmates Deposits	732,157	
Fingerprinting	2,306	
Handgun Permits	4,160	
Sexual Offender Registration	3,781	
Reimbursement	8,600	
Incentives	<u>11,800</u>	
<b>TOTAL RECEIPTS</b>		<b>899,309</b>
<b>DISBURSEMENTS</b>		
<b>BY CHECK</b>		
Officers Costs Reported to County	22,988	
Cash Bonds - Various Courts	113,517	
Payments to Inmates	727,967	
Handgun Permits	4,160	
Incentives	11,800	
Fingerprinting	2,306	
SOR	3,781	
<b>BY CASH</b>		
Drug Buy	<u>5,152</u>	
<b>TOTAL DISBURSEMENTS</b>		<b><u>891,671</u></b>
Receipts Over (Under) Disbursements		<u>7,638</u>
Cash Balance, 6/30/2007		<u><u>\$ 49,374</u></u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
 For the Fiscal Year Ended June 30, 2007

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>REVENUE AND OTHER SOURCES</b>									
<b>REVENUE</b>									
Fees	\$ -	705,199	217,974	743,595	184,473	322,729	814,387	-	2,988,357
Special Commissioner Fees	-	-	-	-	-	40,598	-	-	40,598
Interest Earned	-	57,118	24,372	-	-	5,886	186	-	87,562
Commissions	1,506,572	321,151	15,067	108,730	2,783	39,811	92,608	-	2,086,722
<b>TOTAL REVENUE</b>	<b>1,506,572</b>	<b>1,083,468</b>	<b>257,413</b>	<b>852,325</b>	<b>187,256</b>	<b>409,024</b>	<b>907,181</b>	<b>-</b>	<b>5,203,239</b>
<b>OTHER SOURCES</b>									
<b>OPERATING TRANSFERS</b>									
General Sessions - Jonesborough	-	-	120,888	-	-	-	-	-	120,888
General Sessions - Civil Court - Johnson City	-	-	304,338	-	-	-	-	-	304,338
General Sessions - State Court - Johnson City	-	-	416,696	-	-	-	-	-	416,696
General Sessions - Juvenile Court	-	-	10,993	-	-	-	-	-	10,993
Law Court	-	-	187,256	-	-	-	-	-	187,256
<b>TOTAL REVENUE AND OTHER SOURCES</b>	<b>1,506,572</b>	<b>1,083,468</b>	<b>1,297,584</b>	<b>852,325</b>	<b>187,256</b>	<b>409,024</b>	<b>907,181</b>	<b>-</b>	<b>6,243,410</b>
<b>EXPENDITURES AND OTHER USES</b>									
<b>EXPENDITURES</b>									
Special Commissioner Fees	-	-	-	-	-	40,598	-	-	40,598
Bank Charges	-	-	8,821	-	-	-	-	-	8,821
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>8,821</b>	<b>-</b>	<b>-</b>	<b>40,598</b>	<b>-</b>	<b>-</b>	<b>49,419</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
 For the Fiscal Year Ended June 30, 2007

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
EXPENDITURES AND OTHER USES (CONTINUED)									
TOTAL EXPENDITURES (BROUGHT FORWARD)	-	-	8,821	-	-	40,598	-	-	49,419
OTHER USES									
Fees & Commissions to County General Fund	1,506,572	1,083,468	1,288,763	(590)	-	368,426	907,181	-	5,153,820
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	852,915	187,256	-	-	-	1,040,171
Total Expenditures and Other Uses	<u>1,506,572</u>	<u>1,083,468</u>	<u>1,297,584</u>	<u>852,325</u>	<u>187,256</u>	<u>409,024</u>	<u>907,181</u>	<u>-</u>	<u>6,243,410</u>
Excess Fees, June 30, 2007									
Add: Due to County General Fund -									
Excess Fees	144,611	104,016	111,029	-	-	-	92,030	-	451,686
Due to General Sessions -									
State Court - Johnson City	-	-	2,856	-	-	-	-	-	2,856
Due to General Sessions -									
Jonesborough	-	-	488	-	-	-	-	-	488
Due to Law Court	-	-	74	-	-	-	-	-	74
Less: Due from General Sessions -									
Civil Court - Johnson City	-	-	(80)	-	-	-	-	-	(80)
Due from General Sessions -									
Juvenile	-	-	(1)	-	-	-	-	-	(1)
Less: Due from Circuit Court Clerk	-	-	-	(3,263)	(74)	-	-	-	(3,337)
Cash Balance, June 30, 2007	<u>\$ 144,611</u>	<u>104,016</u>	<u>114,366</u>	<u>(3,263)</u>	<u>(74)</u>	<u>-</u>	<u>92,030</u>	<u>-</u>	<u>451,686</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2007

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2006	Cash Receipts	Expenditures	Balance June 30, 2007
<b>PRIMARY GOVERNMENT</b>						
<u>GENERAL FUND</u>						
16.600	Federal Boarding of Prisoners**	U.S. Marshalls	\$ 89,208	536,640	529,536	82,104
PASS-THROUGH STATE OF TENNESSEE						
16.005	Residence Substance Abuse #Z-000002568	U.S. Department of Justice	\$ 33,329	133,314	133,314	33,329
16.005	Law Enforcement Assistance Grant	U.S. Department of Justice	(318)	-	318	-
TOTAL LAW ENFORCEMENT ASSISTANT GRANTS			<u>33,011</u>	<u>133,314</u>	<u>133,632</u>	<u>33,329</u>
16.710	Bullet Proof Vests	U.S. Department of Justice	(155)	-	155	-
97.004	Office of Domestic Preparedness State Homeland Security Grant Program #Z-04-022504-01	U.S. Department of Homeland Security	-	-	104,802	104,802
97.004	Office of Domestic Preparedness State Homeland Security Grant Program #Z-04-022504-02	U.S. Department of Homeland Security	-	256,012	256,012	-
97.004	Office of Domestic Preparedness State Homeland Security Grant Program CG-07-20661-00	U.S. Department of Homeland Security	-	-	22,134	22,134
97.004	Office of Domestic Preparedness State Homeland Security Grant Program GC-05-11618-00	U.S. Department of Homeland Security	(129,932)	-	21,695	(108,237)
97.004	Office of Domestic Preparedness State Homeland Security Grant Program #Z-04-025219-00	U.S. Department of Homeland Security	21,473	27,723	47,840	41,590
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>(108,459)</u>	<u>283,735</u>	<u>452,483</u>	<u>60,289</u>
14.239	Home Grant DA-04-00070	U.S. Department of Housing and Urban Development	-	174,734	174,734	-
PASS-THROUGH OTHER AGENCIES						
16.579	Byrne Formula Grant Program	U.S. Department of Justice from City of Johnson City	(10,933)	18,104	15,357	(13,680)
16.579	Byrne Formula Grant Program	U.S. Department of Justice from Appalachia High Intensity Drug Trafficking Area	10,141	18,199	8,058	-
14.218	Community Development Block Grant	U.S. Department of Justice from Town of Jonesborough	-	6,438	131,306	124,868
TOTAL GENERAL FUND GRANTS			<u>(76,240)</u>	<u>634,524</u>	<u>915,570</u>	<u>204,806</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2007

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2006	Cash Receipts	Expenditures	Balance June 30, 2007
<b>COMPONENT UNITS</b>						
<u>GENERAL PURPOSE SCHOOL FUND</u>						
PASS-THROUGH STATE OF TENNESSEE						
84.027	IDEA - Part B	U.S. Department of Education	-	9,132	9,132	-
84.938	Title IV Hurrigan Educ Recovery Act	U.S. Department of Education	31,438	40,095	8,657	-
84.318	Education Technology State Grants #Z-04-020859, GG-0511212	U.S. Department of Education	17,645	17,645	-	-
TOTAL GENERAL PURPOSE SCHOOL GRANTS			49,083	66,872	17,789	-
<u>SCHOOL FEDERAL PROJECTS</u>						
PASS-THROUGH STATE OF TENNESSEE						
84.173	Preschool Incentive Funds	U.S. Department of Education	-	47,265	48,990	1,725
84.010	Title I Funds	U.S. Department of Education	162,274	1,594,189	1,486,390	54,475
84.027	Idea - Part B	U.S. Department of Education	85,909	1,730,991	1,748,065	102,983
84.186	Drug-Free Grant	U.S. Department of Education	-	35,311	35,311	-
84.048	Carl Perkins - Program Improvement *	U.S. Department of Education	-	107,828	154,449	46,621
84.367A	Title II-A	U.S. Department of Education	41,195	313,111	305,972	34,056
84.298	Title V	U.S. Department of Education	9,085	14,714	6,560	931
84.318	Title II-D	U.S. Department of Education	-	3,875	15,449	11,574
N/A	D.A.R.E. FP.47590	U.S. Department of Education	4,250	4,250	-	-
TOTAL SCHOOL FEDERAL PROJECTS GRANTS			302,713	3,851,534	3,801,186	252,365
<u>SCHOOL FOOD SERVICE</u>						
10.550	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	124,935	124,935	-
10.553	National School Breakfast Program *	U.S. Department of Agriculture	209,765	1,544,805	1,455,246	120,206
10.555	National School Lunch Program*	U.S. Department of Agriculture	70,990	454,425	423,770	40,335
TOTAL SCHOOL FOOD SERVICE GRANTS			280,755	2,124,165	2,003,951	160,541
<b>AGENCY FUNDS</b>						
<u>JUDICIAL DISTRICT DRUG TASK FORCE</u>						
PASS-THROUGH STATE OF TENNESSEE						
JUDICAL DRUG TASK FORCE						
31.706	Byrne Formula Grant Program #Z-06-027479	U.S. Department of Justice	-	35,675	75,040	39,365
31.706	Byrne Formula Grant Program - Meth #Z-06-027479	U.S. Department of Justice	-	8,960	8,960	-
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE			-	44,635	84,000	39,365
TOTAL FEDERAL GRANTS			\$ 556,311	6,721,730	6,822,496	657,077

\*Major Program

\*\*Other Federal Assistance - must comply with Circular OMB A-87 Only

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 For the Fiscal Year Ended June 30, 2007

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2006	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2007
<b>PRIMARY GOVERNMENT</b>							
<u>GENERAL FUND</u>							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 146,600	1,739,430	1,776,430	(13,600) *	170,000
N/A	Litter Grant #Z-06-028020-00	Tennessee Department of Transportation	8,820	59,782	58,594	-	7,632
N/A	Juvenile Grant #Z-06-002656-00	Tennessee Department of Justice	-	12,000	12,000	-	-
N/A	Juvenile Grant #Z-06-002656-00	Tennessee Department of Justice	-	9,000	9,000	-	-
N/A	Health Department #Z-07-031599-01	Tennessee Department of Health	281,146	872,389	818,814	-	227,571
N/A	Health Department #GG-07-12643-00	Tennessee Department of Health	10,000	16,731	12,000	-	5,269
N/A	Nakatetsu Incorporated #GC-07-21922-00	Department of Economic & Community Development	-	-	750,000	-	750,000
N/A	Koyo Corporation #GC-07-21923-00	Department of Economic & Community Development	-	-	750,000	-	750,000
N/A	Voting System #Z-06-033005-00	Tennessee Division of Elections	265,000	265,000	-	-	-
N/A	Vote Wise Training #Z-07-037466-00	Tennessee Division of Elections	-	10,675	10,675	-	-
N/A	High Visibility Law Enforcement #Z-07-037466-00	Tennessee Department of Transportation	-	1,683	4,561	-	2,878
N/A	Network Coordinator Grant #Z-07-036024-00	Tennessee Department of Transportation	-	246	246	-	-
N/A	Reappraisal Program	State Board of Equalization	-	33,123	33,123	-	-
<b>TOTAL GENERAL FUND</b>			<u>711,566</u>	<u>3,020,059</u>	<u>4,235,443</u>	<u>(13,600)</u>	<u>1,913,350</u>
<u>HIGHWAY FUND</u>							
N/A	State Aid Bridge Replacement Program	Tennessee Department of Transportation	-	131,927	263,853	-	131,926
N/A	Optional Safety Money	Tennessee Department of Transportation	-	45,000	45,000	-	-
N/A	Rural Road Program	Tennessee Department of Transportation	-	268,808	402,678	-	133,870
<b>TOTAL HIGHWAY FUND</b>			<u>-</u>	<u>445,735</u>	<u>711,531</u>	<u>-</u>	<u>265,796</u>
<u>SANITATION FUND</u>							
N/A	Recycling Rebate #Z-04-018175-00	Tennessee Department of Environment and Conservation	-	-	25,000	-	25,000
N/A	Used Oil #Z-05-5024396-00	Tennessee Department of Environment and Conservation	-	-	-	-	-
N/A	Waste Tire Contract #Z-03-011329-02	Tennessee Department of Environment and Conservation	50,293	289,983	278,938	-	39,248
<b>TOTAL SANITATION FUND</b>			<u>50,293</u>	<u>289,983</u>	<u>303,938</u>	<u>-</u>	<u>64,248</u>
<u>LIBRARY FUND</u>							
N/A	Library Technology Grant #Z-07-20186	Tennessee Department of State Library and Archives	-	4,200	4,200	-	-
N/A	Library Technology Grant #Z-07-20549	Tennessee Department of State Library and Archives	-	-	16,837	-	16,837
<b>TOTAL LIBRARY FUND</b>			<u>-</u>	<u>4,200</u>	<u>21,037</u>	<u>-</u>	<u>16,837</u>
<b>TOTAL PRIMARY GOVERNMENT</b>			<u>761,859</u>	<u>3,759,977</u>	<u>5,271,949</u>	<u>(13,600)</u>	<u>2,260,231</u>

\*The adjustment to the State Boarding of Prisoners was for the Cost Report Settlement.

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 For the Fiscal Year Ended June 30, 2007

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2006	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2007
<b>COMPONENT UNITS</b>							
<u>GENERAL PURPOSE SCHOOL FUND</u>							
N/A	Safe Schools	Tennessee Department of Education	30,000	30,000	42,257	-	42,257
N/A	Transition School to Work GG-04-10268-00	Tennessee Department of Education	13,459	107,089	108,417	-	14,787
N/A	Family Resource Center #Z-05-021427	Tennessee Department of Education	-	33,300	33,300	-	-
N/A	Driver's Education	Tennessee Department of Education	15,675	32,959	36,664	-	19,380
N/A	Consolidated School Health Program GG-05-11130	Department of Human Services	8,731	96,918	88,187	-	-
TOTAL GENERAL PURPOSE SCHOOL FUND			<u>67,865</u>	<u>300,266</u>	<u>308,825</u>	<u>-</u>	<u>76,424</u>
<u>SCHOOL FOOD SERVICE</u>							
N/A	Preschool Agreement # 034759919008	Tennessee Department of Education	1,808	20,117	18,309	-	-
N/A	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	41,780	41,780	-	-
TOTAL SCHOOL FOOD SERVICE			<u>1,808</u>	<u>61,897</u>	<u>60,089</u>	<u>-</u>	<u>-</u>
TOTAL COMPONENT UNITS			<u>69,673</u>	<u>362,163</u>	<u>368,914</u>	<u>-</u>	<u>76,424</u>
TOTAL STATE GRANTS			<u>\$ 831,532</u>	<u>4,122,140</u>	<u>5,640,863</u>	<u>(13,600)</u>	<u>2,336,655</u>

See Independent Auditors' Report.

**SECTION V**

**STATISTICAL SECTION  
(UNAUDITED)**

WASHINGTON COUNTY, TENNESSEE  
NET ASSETS BY COMPONENT (UNAUDITED)  
Last Five Fiscal Years  
(Accrual Basis of Accounting)

	Schedule 1				
	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 37,964,783	33,819,706	37,303,495	40,363,458	39,414,017
Restricted	152,417	(137,908)	131,927	167,986	175,741
Unrestricted	(22,541,477)	(14,105,989)	(13,980,108)	(16,908,701)	(23,106,763)
Total Governmental Activities Net Assets	<u>\$15,575,723</u>	<u>\$19,575,809</u>	<u>\$23,455,314</u>	<u>\$23,622,743</u>	<u>16,482,995</u>

**NOTE:** Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

WASHINGTON COUNTY, TENNESSEE  
 CHANGES IN NET ASSETS (UNAUDITED)  
 Last Five Fiscal Years  
 (Accrual Basis of Accounting)

	Schedule 2				
	Fiscal Year				
	2003	2004	2005	2006	2007
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$14,276,978	15,095,581	15,048,925	16,091,952	33,567,576
Sheriff's Department	8,192,022	8,263,500	8,701,776	8,911,291	9,289,512
Highways and Streets	6,391,155	6,800,823	7,197,616	7,261,231	8,092,168
Library	338,159	342,683	384,489	455,090	616,323
Sanitation	1,295,172	1,372,151	1,480,623	1,553,258	1,729,629
Interest on Long-Term Debt	2,126,859	2,084,402	1,866,731	1,866,239	4,173,695
Total Governmental Activities Expenses	<u>32,620,345</u>	<u>33,959,140</u>	<u>34,680,160</u>	<u>36,139,061</u>	<u>57,468,903</u>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	4,027,078	4,327,469	4,448,536	4,718,310	5,120,716
Sheriff's Department	2,734,131	2,406,171	2,686,445	2,423,658	2,560,743
Highways and Streets	324,943	295,082	329,490	353,773	660,051
Library	10,872	13,308	18,090	22,333	33,576
Sanitation	201,578	197,398	238,762	309,965	327,289
Operating Grants and Contributions					
General Government	825,809	1,075,375	722,344	1,335,830	2,883,486
Sheriff's Department	388,194	428,152	372,955	366,013	328,365
Highways and Streets	405,369	714,156	197,960	2,475,920	2,780,712
Library	7,000	7,000	7,000	7,000	21,037
Sanitation	228,302	230,347	259,938	310,367	303,938
Capital Grants and Contributions					
General Government	370,045	250,000	439,233	1,323,847	445,285
Highways and Streets	-	-	1,384,221	1,532,077	1,639,002
Library	1,343,511	26,397	21,130	14,114	78,977
Total Governmental Activities Program Revenues	<u>\$10,866,832</u>	<u>9,970,855</u>	<u>11,126,104</u>	<u>15,193,207</u>	<u>17,183,177</u>

WASHINGTON COUNTY, TENNESSEE  
 CHANGES IN NET ASSETS (UNAUDITED)  
 Last Five Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
NET (EXPENSE)/REVENUE					
Total Governmental Activities Net Expense	(21,753,513)	(23,988,285)	(23,554,056)	(20,945,854)	(40,285,726)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental Activities					
Taxes					
Property Taxes	19,481,145	19,807,356	20,748,184	21,457,878	25,000,732
In Lieu of Taxes	361,000	369,987	354,468	382,971	407,086
Sales Taxes	732,912	-	-	-	-
Business Taxes	2,233,136	757,562	730,434	762,766	865,347
Motor Fuel and Inspection Fee	991,242	2,654,191	2,678,552	-	-
Miscellaneous	911,949	1,096,593	1,080,175	1,202,392	1,428,353
Other Local Governments	-	879,388	960,470	1,070,591	1,160,653
State Aid	442,347	452,819	650,023	417,082	515,918
Federal Aid	75,757	171,278	26,486	14,343	7,078
Unrestricted Investment Earnings	247,007	204,154	398,069	719,272	3,535,084
Special Items					
Sale of Property	-	10,800	62,668	80,820	12,570
Damages from Individuals	-	-	-	5,168	-
Contribution to Component Unit/ Note Proceeds	(4,742,000)	-	-	(5,000,000)	-
Bond Proceeds Remitted to Johnson City Schools	-	-	-	-	(5,511,025)
Grants and Contributions Not Restricted to Specific Programs	-	1,348,638	-	-	-
Transfers	585,605	235,605	(255,968)	-	-
Total Governmental Activities	<u>21,320,100</u>	<u>27,988,371</u>	<u>27,433,561</u>	<u>21,113,283</u>	<u>27,421,796</u>
CHANGE IN NET ASSETS					
Total Governmental Activities	<u>\$ (433,413)</u>	<u>\$ 4,000,086</u>	<u>\$ 3,879,505</u>	<u>\$ 167,429</u>	<u>(12,863,930)</u>

**NOTE:** Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

WASHINGTON COUNTY, TENNESSEE  
 FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)  
 Last Five Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Schedule 3				
	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 447,428	287,027	304,901	1,120,759	382,222
Unreserved	10,870,121	11,125,506	12,046,813	12,653,265	10,964,710
Total General Fund	<u>\$ 11,317,549</u>	<u>11,412,533</u>	<u>12,351,714</u>	<u>13,774,024</u>	<u>11,346,932</u>
All Other Governmental Funds					
Reserved	\$ -	343,182	401,990	16,929	57,968
Unreserved					
Highway Fund	3,519,867	3,582,508	3,053,324	2,565,827	2,592,663
Debt Service Fund	7,591,603	6,633,152	5,542,286	4,716,881	6,421,107
Capital Projects	-	-	-	-	113,503,812
Special Revenue Funds	927,346	1,111,621	1,188,493	2,037,948	1,126,211
Total All Other Governmental Funds	<u>\$ 12,038,816</u>	<u>\$ 11,670,463</u>	<u>10,186,093</u>	<u>9,337,585</u>	<u>123,701,761</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Schedule 4									
	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>										
Taxes	17,743,821	18,424,704	19,496,670	20,035,820	20,650,431	21,477,136	21,511,038	22,591,158	23,584,629	27,027,262
Licenses and Permits	238,682	254,888	279,766	307,056	324,813	338,989	364,663	402,569	438,950	457,549
Fines, Forfeitures and Penalties	357,153	399,240	433,835	365,920	396,867	413,610	432,207	421,533	479,370	554,028
Charges for Services	254,968	232,145	439,941	543,149	259,183	842,859	766,078	780,271	867,791	1,123,136
Other Local Revenues	884,214	1,071,712	1,052,549	1,189,837	1,066,897	739,957	800,987	1,113,606	1,577,698	4,602,293
Revenue from the State of Tennessee	4,665,845	4,930,777	5,617,091	5,707,306	6,162,089	6,646,273	6,633,176	6,705,892	6,436,731	8,762,004
Revenue from Federal Government	677,130	904,864	386,037	300,664	1,501,434	493,456	1,217,147	766,455	1,607,853	682,143
Revenue from Other Governments and Citizens Groups	137,077	77,117	562,998	392,347	732,129	628,715	491,196	748,073	568,552	5,811,485
Excess Fees and Commissions	3,172,058	3,303,080	3,435,410	3,578,950	3,982,952	4,098,502	4,382,774	4,542,054	4,801,904	-
<b>Total Revenues</b>	<b>28,130,948</b>	<b>29,598,527</b>	<b>31,704,297</b>	<b>32,421,049</b>	<b>35,076,795</b>	<b>35,679,497</b>	<b>36,599,266</b>	<b>38,071,611</b>	<b>40,363,478</b>	<b>49,019,900</b>
<b>EXPENDITURES</b>										
General Government	15,892,964	17,444,344	18,155,649	19,749,766	21,986,497	21,963,747	14,941,631	14,750,758	15,870,857	20,212,698
Sheriff's Department	-	-	-	-	-	-	7,809,677	8,290,528	8,490,630	8,885,500
Highways and Streets	4,586,306	4,634,249	4,124,251	4,467,724	4,812,836	5,315,352	5,743,069	6,061,147	6,104,752	6,624,458
Library	225,648	261,989	279,331	296,592	324,733	348,218	352,562	355,385	448,402	473,774
Sanitation	615,542	718,664	781,865	768,417	1,162,177	1,266,883	1,335,866	1,442,172	1,520,333	1,715,788
Debt Service Principal	15,383,717	11,300,994	3,166,737	3,336,156	16,564,807	3,924,284	4,408,041	4,255,523	4,174,187	5,945,771
Debt Service Interest	1,533,757	1,973,605	2,118,806	2,293,423	2,341,869	2,144,066	2,144,043	1,989,135	1,950,438	4,369,520
Capital Outlay	1,966,730	766,653	1,600,255	913,856	1,425,785	1,357,840	474,351	1,672,180	1,990,077	17,027,023
<b>Total Expenditures</b>	<b>40,204,664</b>	<b>37,100,498</b>	<b>30,226,894</b>	<b>31,825,934</b>	<b>48,618,704</b>	<b>36,320,390</b>	<b>37,209,240</b>	<b>38,816,828</b>	<b>40,549,676</b>	<b>65,254,532</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(12,073,716)	(7,501,971)	1,477,403	595,115	(13,541,909)	(640,893)	(609,974)	(745,217)	(186,198)	(16,234,632)
<b>OTHER FINANCING SOURCES (USES)</b>										
Bonds Issued	-	-	-	-	-	-	-	-	-	126,085,000
Note Proceeds	12,540,000	12,100,000	493,000	1,091,000	338,720	436,000	101,000	203,000	760,000	3,735,000
Refunding Bond Issued	12,200,000	-	8,100,000	-	8,880,000	-	-	19,700,000	-	4,275,000
Bond Premium	-	-	-	6,100,000	3,680,000	-	-	2,106,596	-	4,262,687
Payment to Refund Bond Escrow Agent	-	-	(8,000,000)	(6,000,000)	269,992	-	-	(21,553,600)	-	(4,674,945)
Contribution to the City of Johnson City	-	-	-	-	-	-	-	-	-	(5,511,025)
Transfers to Other Funds	(3,935,712)	(3,551,625)	(4,312,288)	(4,255,547)	(4,997,181)	(4,391,474)	(4,698,300)	(4,888,042)	(5,198,472)	(8,277,532)
Transfers from Other Funds	4,839,388	4,500,910	5,615,233	6,859,289	5,874,298	4,391,474	4,698,300	4,888,042	5,198,472	8,277,532
Transfers (to)/ from Component Unit	(10,668,812)	(4,347,105)	(2,035,799)	(514,395)	(214,395)	585,605	235,605	(255,968)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>14,974,864</b>	<b>8,702,180</b>	<b>(139,854)</b>	<b>3,280,347</b>	<b>13,831,434</b>	<b>1,021,605</b>	<b>336,605</b>	<b>200,028</b>	<b>760,000</b>	<b>128,171,717</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,901,148</b>	<b>1,200,209</b>	<b>1,337,549</b>	<b>3,875,462</b>	<b>289,525</b>	<b>380,712</b>	<b>(273,369)</b>	<b>(545,189)</b>	<b>573,802</b>	<b>111,937,085</b>
Debt Service as a Percentage of Noncapital Expenditures	44.24%	36.54%	18.46%	18.21%	40.06%	17.36%	17.84%	16.81%	15.88%	21.39%

WASHINGTON COUNTY, TENNESSEE  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)  
 Last Ten Fiscal Years

Schedule 5

Fiscal Year Ended June 30	Real Property			Personal Property	Public Utility Property	Total Taxable Assessed Value	Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Real Property				
1998	616,810,544	351,547,280	61,115,150	114,837,234	53,517,903	1,197,828,111	2.22
1999	641,175,051	362,553,200	62,340,750	123,451,773	49,095,345	1,238,616,119	2.22
2000	807,616,629	438,563,560	79,473,675	142,088,198	59,472,704	1,527,214,766	1.93
2001	833,377,421	450,963,840	78,428,675	141,530,374	63,635,306	1,567,935,616	1.93
2002	866,520,699	463,401,920	77,125,300	128,614,732	63,056,050	1,598,718,701	1.93
2003	890,283,203	477,648,600	77,555,700	129,833,470	64,551,279	1,639,872,252	1.93
2004	925,591,450	481,506,400	77,164,675	128,009,734	66,149,544	1,678,421,803	1.93
2005	1,100,965,999	587,361,680	87,325,875	136,132,268	76,710,665	1,988,496,487	1.87
2006	1,143,649,572	594,756,640	87,252,625	136,327,392	78,166,876	2,040,153,105	1.87
2007	1,203,249,941	606,708,080	87,669,000	126,013,374	67,130,895	2,090,771,290	2.35

Source: Tennessee Comptroller of the Treasury Division of Property Assessments

Note: The amount of 'pick up' items and double or erroneous taxes will be included in Residential Property.

WASHINGTON COUNTY, TENNESSEE  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)

	Schedule 6									
	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Direct Rates										
General	\$0.75	0.75	0.75	0.66	0.66	0.66	0.66	0.63	0.63	0.82
Upkeep (Highway)	0.19	0.19	0.19	0.16	0.16	0.16	0.16	0.14	0.14	0.19
General Purpose School	0.86	0.86	0.86	0.76	0.76	0.76	0.76	0.82	0.82	0.82
Debt Service	0.38	0.38	0.38	0.31	0.31	0.31	0.31	0.23	0.23	0.47
Solid Waste/Sanitation	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Total Direct Rate	<u>\$2.22</u>	<u>2.22</u>	<u>2.22</u>	<u>1.93</u>	<u>1.93</u>	<u>1.93</u>	<u>1.93</u>	<u>1.87</u>	<u>1.87</u>	<u>2.35</u>
City Rates										
City of Johnson City	2.19	2.19	1.87	1.87	2.15	2.15	2.15	1.93	1.93	1.99
Town Rates										
Town of Jonesborough	1.70	1.70	1.70	1.53	1.53	1.53	1.75	1.54	1.54	1.89

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)  
 CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>			Schedule 7
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	
Sprint United Management	\$ 25,545,600	1	1.22%	-		-	
Johnson City Venture (Mall)	18,460,864	2	0.88%	14,721,254	2	1.23%	
Wal-Mart / Sam's Club	14,861,864	3	0.71%	-		-	
American Water Heater Company	10,804,457	4	0.52%	-		-	
Atmos Energy Corp.	9,715,190	5	0.46%	-		-	
Bosch Braking Systems	7,977,264	6	0.38%	13,318,873	3	1.11%	
Superior Industries	7,975,036	7	0.38%	-		-	
Harris-Tarkett	7,248,152	8	0.35%	-		-	
Johnson City Crossing	6,967,155	9	0.33%	-		-	
Institutional Jobbers Co.	4,782,221	10	0.23%	-		-	
United Telephone	-		-	31,448,261	1	2.63%	
Northside Hospital	-		-	7,522,801	4	0.63%	
United Cities Gas Company	-		-	6,177,803	5	0.52%	
SABH US Water Heater Group	-		-	6,002,029	6	0.50%	
Kennametal, Inc.	-		-	5,546,318	7	0.46%	
Burlington Industries	-		-	5,154,064	7	0.43%	
Harris Tarkett	-		-	5,041,979	9	0.42%	
Industrial Development Board	-		-	3,691,200	10	0.31%	
	<u>\$114,337,803</u>		<u>5.5%</u>	<u>98,624,582</u>		<u>8.2%</u>	

See Independent Auditors' Report.

WASHINGTON COUNTY  
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Schedule 8 Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1998	*	*	26,591,784	25,240,214	94.9%	1,200,142	26,440,356	99.4%
1999	*	*	27,497,278	26,022,862	94.6%	1,556,197	27,579,059	100.3%
2000	*	*	29,475,245	27,637,000	93.8%	1,239,383	28,876,383	98.0%
2001	30,339,772	(43,857)	30,295,915	28,334,769	93.5%	1,328,164	29,662,933	97.9%
2002	30,820,966	48,169	30,869,135	28,868,767	93.5%	1,378,297	30,196,931	97.8%
2003	31,762,768	(68,201)	31,694,567	29,861,069	94.2%	1,427,320	31,239,366	98.6%
2004	32,440,204	(10,144)	32,430,060	30,661,947	94.5%	1,240,851	32,089,267	98.9%
2005	37,184,044	70,112	37,254,156	35,123,059	94.3%	1,568,857	36,363,910	97.6%
2006	38,217,645	43,627	38,261,272	36,268,808	94.8%	1,460,031	37,837,665	98.9%
2007	41,835,939	143,193	41,979,132	39,878,098	95.0%	-	41,338,129	98.5%

\*Comparable information was not available for prior years.

WASHINGTON COUNTY, TENNESSEE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Schedule 9

Fiscal Year	General Obligation Bonds	Capital Outlay Notes	Capital Leases	Total	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
1998	\$ 18,560,000	21,411,650	-	39,971,650	*	437.92
1999	25,715,000	15,249,300	-	40,964,300	*	448.79
2000	33,055,000	14,399,804	-	47,454,804	*	519.90
2001	38,315,000	13,072,904	109,610	51,497,514	2.01%	480.40
2002	37,230,000	10,791,724	126,658	48,148,382	1.85%	449.15
2003	36,050,000	13,409,080	134,632	49,593,712	1.81%	450.53
2004	34,690,000	10,638,336	83,313	45,411,649	1.66%	412.54
2005	32,505,000	8,398,892	78,211	40,982,103	1.50%	364.26
2006	30,790,000	11,878,448	63,425	42,731,873	1.56%	379.82
2007	154,710,000	12,601,600	41,498	167,353,098	6.11%	1,463.95

\* Comparable information was not available for prior years.

**Note:** 2007, 2006, 2005 and 2004 percentages calculated using 2003 personal income data, which is the most recent available.

<sup>1</sup> Population and personal income data can be found in Schedule 12.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

WASHINGTON COUNTY, TENNESSEE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income <sup>2</sup>	Schedule 10	
					Percentage of Actual Value <sup>1</sup> of Taxable Property	Per Capita <sup>2</sup>
1998	\$ 18,560,000	4,139,925	14,420,075	*	1.20%	157.98
1999	25,715,000	5,031,808	20,683,192	*	1.67%	226.60
2000	33,055,000	6,274,301	26,780,699	*	1.75%	293.40
2001	38,315,000	7,168,983	31,146,017	1.21%	1.99%	290.55
2002	37,230,000	7,349,897	29,880,103	1.15%	1.87%	278.74
2003	36,050,000	7,591,603	28,458,397	1.04%	1.74%	258.53
2004	34,690,000	6,633,152	28,056,848	1.02%	1.67%	254.88
2005	32,505,000	5,542,286	26,962,714	0.98%	1.36%	239.65
2006	30,790,000	4,716,881	26,073,119	0.95%	1.28%	231.75
2007	154,710,000	6,421,107	148,288,893	5.41%	7.09%	1,297.18

\* Comparable information was not available for prior years.

**Note:** 2007, 2006, 2005 and 2004 percentages calculated using 2003 personal income data, which is the most recent available.

<sup>1</sup> See Schedule 5 for property value data.

<sup>2</sup> Population and personal income data can be found in Schedule 12.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

WASHINGTON COUNTY  
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)  
June 30, 2007

---

Schedule 11

The State of Tennessee has not placed any restrictions on the amount of debt that may be issued by Washington County.

WASHINGTON COUNTY, TENNESSEE  
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)  
 Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income	Schedule 12
				Unemployment Rate
1998	91,277	*	*	*
1999	91,277	*	*	*
2000	107,198	*	*	*
2001	107,198	2,568,356,882	23,959	*
2002	107,198	2,607,376,954	24,323	*
2003	110,078	2,739,401,108	24,886	4.9%
2004	110,078	**	**	4.9%
2005	112,507	**	**	4.9%
2006	112,507	**	**	4.9%
2007	114,316	**	**	4.4%

\*Comparable information was not available for prior years.

\*\*Information not yet available.

<sup>1</sup> Fiscal years 1998 - 1999 are 1990 U.S. Census figure and 2000 - 2002 are 2000 U.S. Census figure; all others are estimates from First Tennessee Development District.

**Source:** First Tennessee Development District

WASHINGTON COUNTY, TENNESSEE  
 PRINCIPAL EMPLOYERS (UNAUDITED)  
 Current Year and Nine Years Ago

EMPLOYER	2007			Schedule 13 1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mountain States Health Alliance	3,541	1	6.21%	-	-	-
East Tennessee State University	1,990	2	3.49%	1,880	3	4.14%
Citi Commerce Solutions	1,700	3	2.98%	-	-	-
Washington County School Systems	1,275	4	2.24%	1,025	6	2.26%
James H. Quillen VA Medical Center	1,259	5	2.21%	-	-	-
American Water Heater Company	1,194	6	2.10%	-	-	-
Cingular Wireless	1,000	7	1.75%	-	-	-
Johnson City School System	851	8	1.49%	760	9	1.67%
City of Johnson City	843	9	1.48%	876	7	1.93%
Advance Call Center Technologies	600	10	1.05%	-	-	-
Johnson City Medical Center	-	-	-	2,856	1	6.29%
SPS Transactions, Inc	-	-	-	1,911	2	4.21%
Veteran's Administration Hospital	-	-	-	1,372	4	3.02%
SABH US Water Heater Group	-	-	-	1,225	5	2.70%
Siemens Industrial Automation, Inc	-	-	-	850	8	1.87%
TPI Corporation	-	-	-	565	10	1.24%
	14,253		25.01%	13,320		29.33%

Source: Economic Development Board and First Tennessee Development District.

Note: The total county employment used for 2007 is based upon 2006 statistics which were the most recent statistics available.

WASHINGTON COUNTY, TENNESSEE  
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED)  
 Last Ten Fiscal Years

Schedule 14										
Full-time Equivalent Employees as of June 30										
FUNCTION	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	153	156	165	158	167	162	177	165	170	160
Sheriff's Department	156	155	155	177	186	186	182	193	195	183
Highway and Streets	98	98	96	98	99	99	96	93	96	96
Library	8	8	8	8	8	8	9	9	9	9
Sanitation	13	16	18	22	18	20	20	21	22	14
Total	<u>428</u>	<u>433</u>	<u>442</u>	<u>463</u>	<u>478</u>	<u>475</u>	<u>484</u>	<u>481</u>	<u>492</u>	<u>462</u>

Source: Washington County Payroll Records

WASHINGTON COUNTY, TENNESSEE  
 OPERATING INDICATORS BY FUNCTION (UNAUDITED)  
 Last Ten Fiscal Years

Schedule 15

<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Sheriff's Department</u>										
Jail Bookings	*	*	*	*	5,823	6,200	6,609	8,094	8,736	8,495
Average Daily Population	*	*	*	*	409	413	432	449	465	488
Physical Arrests	*	*	*	*	3,030	2,628	3,444	3,603	3,558	3,552
Warrants Processed	*	*	*	*	7,685	8,745	9,420	9,845	9,913	18,550
Warrants Served	*	*	*	*	4,973	4,828	5,120	5,640	5,987	13,386
Civil Papers Processed	*	*	*	*	7,076	8,176	9,681	9,915	10,163	*
Civil Papers Served	*	*	*	*	5,572	6,133	6,288	7,266	7,580	*
<u>Highway and Streets</u>										
Streets Maintained (miles)	*	*	*	747.75	749.61	751.64	754.03	757.07	762.50	766.02
Streets Resurfaced (miles)	42.00	75.75	34.57	49.186	43.922	38.356	38.70	50.80	*	21.63
<u>Library</u>										
Volumes in Circulation	*	*	82,689	116,575	112,167	107,033	113,149	105,650	113,042	98,200
<u>Sanitation</u>										
Refuse Collected (tons/day)	*	*	*	*	45.88	49.47	52.64	52.53	54.01	52.81
Recyclables Collected (tons/day)	*	*	*	*	10.22	11.31	12.95	11.37	11.46	12.01

\* Comparable information was not available.

Source: Various County departments.

WASHINGTON COUNTY, TENNESSEE  
 CAPITAL ASSET STATISTICS BY FUNCTION (UNAUDITED)  
 Last Ten Fiscal Years

Schedule 16

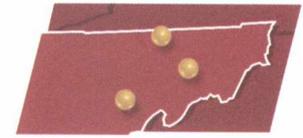
<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Sheriff's Department</u>										
Correction Facility Capacity	*	*	*	352	352	352	362	362	352	352
Stations	*	*	*	1	1	1	1	1	1	1
Zones	*	*	*	5	5	5	5	5	5	5
Patrol Units	*	*	*	35	35	35	35	35	31	32
Substations	*	*	*	1	1	1	2	3	3	3
<u>Highways and Streets</u>										
Bridges under 20 feet	369	369	369	369	369	369	369	369	369	369
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
<u>Library</u>										
Volumes in Collection	*	*	69,790	61,945	67,535	70,236	75,693	76,946	80,876	75,167
<u>Sanitation</u>										
Collection Trucks	*	*	*	*	3	3	3	3	4	4

\* Comparable information was not available for prior years.

Source: Various County departments.

**SECTION VI**

**INTERNAL CONTROL AND COMPLIANCE SECTION**



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

To the Honorable County Mayor  
and Board of Commissioners  
Washington County, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 3, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Washington County, Tennessee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington County, Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Washington County, Tennessee's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects Washington County, Tennessee's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Washington County, Tennessee financial statements that is more than inconsequential will not be prevented or detected by Washington County, Tennessee's internal control. We consider the deficiencies described in the accompanying schedules of findings and questioned costs to be significant deficiencies in internal control over financial reporting (07-1 to 07-16).

To the Honorable County Mayor  
and Board of Commissioners  
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Washington County, Tennessee's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that are might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 07-1 and 07-2 to be material weaknesses.

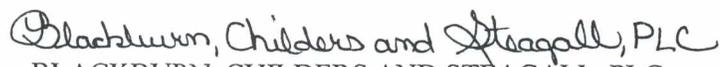
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

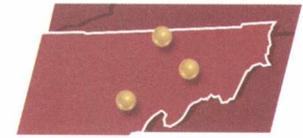
We noted certain matters that were reported to management of Washington County, Tennessee, in a separate letter dated December 3, 2007.

Washington County, Tennessee's response to the findings identified in our audit is described in the accompanying schedules of findings and questioned costs. We did not audit Washington County, Tennessee's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
BLACKBURN, CHILDERS AND STEAGALL, PLC

December 3, 2007



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable County Mayor  
and Board of Commissioners  
Washington County, Tennessee

Compliance

We have audited the compliance of Washington County, Tennessee, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Washington County, Tennessee's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Washington County, Tennessee's management. Our responsibility is to express an opinion on Washington County, Tennessee's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington County, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Washington County, Tennessee's compliance with those requirements.

In our opinion, Washington County, Tennessee, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

To the Honorable County Mayor  
and Board of Commissioners  
Page 2

Internal Control over Compliance

The management of Washington County, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Washington County, Tennessee's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington County, Tennessee's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Washington County, Tennessee's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Washington County, Tennessee's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Blackburn, Childers & Steagall, PLC*  
BLACKBURN, CHILDERS & STEAGALL, PLC

December 3, 2007

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section I - Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund and the aggregate remaining fund information of Washington County, Tennessee.
2. Sixteen significant deficiencies disclosed during the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs, two of which are considered to be material weaknesses.
3. No instances of noncompliance material to the financial statements of Washington County, Tennessee were disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the major federal award programs reported in the Schedule of Findings and Questioned Costs.
5. The auditors' report on compliance for the major federal award programs for Washington County, Tennessee expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were as follows:

<u>Program</u>	<u>CFDA Number</u>
IDEA	84.027
Title II A	84.367
National School Breakfast Program	10.553
National School Lunch Program	10.555

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Washington County, Tennessee was determined to be a low-risk auditee.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings

Current Year Audit Findings – Material Weaknesses

Food Service

07-1 United States Department of Agriculture Breakfast Revenue and Receivable

*Condition:* The computer software did not properly recognize the difference between breakfast reimbursements and severe need breakfast reimbursements, causing a potential material misstatement of revenues and related receivables.

*Criteria:* Breakfast reimbursements and severe need breakfast reimbursements are received from the United States Department of Agriculture. The rate of reimbursement differs for regular and severe need breakfast reimbursements. Therefore, the computer must recognize the difference between the two types of reimbursements to properly record the revenues and the related receivable each month.

*Effect:* United States Department of Agriculture breakfast revenues and related receivables were significantly overstated, resulting in an audit adjustment.

*Recommendation:* Seek guidance from the external information technology consultant on how this issue can be resolved to enable the computer software to properly recognize the activity of severe need breakfast reimbursements.

*Management's Comments:* This problem was addressed by the computer software company. The update of the software was completed November 2007 and is now properly recording the breakfast revenue.

Library

07-2 Bank Account

*Condition:* Bank accounts have been maintained separate from the County Trustee for the Library.

*Criteria:* Internal controls should be established to require that all funds are deposited with County Trustee to comply with Tennessee Code.

*Effect:* Significant activity was excluded from the general ledger. Maintaining separate bank accounts from the County Trustee is a violation of Tennessee Code.

*Recommendation:* All County funds received by the Library staff should be properly remitted to the County Trustee.

*Management's Comments:* All bank accounts have been closed and the money deposited with Washington County in the new revenue accounts.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Current Year Audit Findings – Significant Deficiencies

Sheriff's Department

07-3 Untimely Deposits

*Condition:* Revenue is received and not properly deposited in a timely manner.

*Criteria:* Internal controls should be in place to ensure the proper remittance of funds received within three business days, per TCA 5-8-207.

*Effect:* Deposit procedures are in violation of TCA 5-8-207.

*Recommendation:* All revenue received should be submitted for timely deposit within three business days of receipt.

*Management's Comments:* Management has discussed this matter with the responsible personnel and have been assured that, effective this date, the revenue will be submitted for deposit within three business days of receipt.

County Mayor

07-4 External Processing of Data

*Condition:* Data pertaining to Self Insurance Fund transactions, originating from Corporate Systems Administration, Inc., the County's third party administrator (TPA), was processed by an external information technology consultant prior to being posted to the County's accounting system. During external processing, alterations to the data occurred, eventually resulting in erroneous data being posted by County accounting personnel to the accounting system. Voided checks were recorded as issued checks.

*Criteria:* Internal controls should be in place to monitor any external processing of data, and its recording to the County's accounting system, to ensure its integrity from origination to posting.

*Effect:* Voided checks were listed and accounted for as outstanding items on accounting reconciliations for an extended period of time.

*Recommendation:* Develop a system for the verification of data being posted to the accounting system to ensure its integrity and appropriateness.

*Management's Comments:* Corporate Systems and the technology consultant have been contacted. Voided checks will be properly recorded in the future.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Current Year Audit Findings – Significant Deficiencies (continued)

County Mayor (continued)

07-5 Preparation of Government-Wide Adjustments

*Condition:* Historically, the County has not prepared a schedule of government-wide adjusting entries which are necessary for financial statement preparation.

*Criteria:* Controls should be in place to ensure all government-wide entries have been considered. A schedule of these entries should be prepared.

*Effect:* Without a schedule of government-wide adjustments, the County has not fully complied with having financial statements that are in accordance with GAAP.

*Recommendation:* We recommend the County begin working to complete the schedule of government-wide adjustments.

*Management's Comments:* A government-wide adjusting entry schedule will be prepared.

07-6 Budgets

*Condition:* Actual expenditures exceeded the amounts appropriated in the budget for Emergency Management.

*Criteria:* State statutes require all expenditures of the general fund, special revenue funds and component units to be authorized by the governing body.

*Effect:* When expenditures exceed the budget, unapproved expenditures are being made.

*Recommendation:* Management should compare budgets to actual expenditures to ensure that all expenditures are properly authorized.

*Management's Comments:* The Director of Emergency Management has been contacted. Expenses will be properly budgeted in the future.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Current Year Audit Findings – Significant Deficiencies (continued)

Food Service

07-7 Bank Accounts

*Condition:* The bank account reconciliations appear to be generally incomplete due to unreconciled differences between the bank balance and the general ledger.

*Criteria:* Bank account reconciliations are the primary internal control procedure relating to cash accounts. Small differences not reconciled on a monthly basis can build up to a significant difference that makes the bank accounts difficult to reconcile. Bank accounts should be reconciled and adjusted monthly.

*Effect:* The bank accounts were not completely reconciled.

*Recommendation:* All bank accounts should be reconciled each month. The composition of any unreconciled differences should be determined, and any necessary adjusting journal entries should be recorded in said period.

*Management's Comments:* All transactions, expenditures, deposits were reconciled monthly to the Bank Statement each month. The general ledger problem was found to be caused by a previous journal entry which was posted by management at a later date than anticipated. Bank accounts will continue to be reconciled monthly.

07-8 Inventory

*Condition:* An official physical inventory count for the summer program was not taken at June 30, 2007.

*Criteria:* Inventory counts provide a basis for updating inventory balances in the general ledger. Physical inventories also serve as checks on the performance of those responsible for inventory custody and the related functions of purchasing and receiving.

*Effect:* The value of inventory was understated at year end, resulting in an audit adjustment.

*Recommendation:* Physical inventory counts should be performed at the end of the school year and at the end of the fiscal year.

*Management's Comments:* A final physical inventory was taken at the end of the school year, May 23, 2007. This was the traditional "final" inventory date. However, now that the Summer Feeding Program is administered thru the State Nutrition Office rather than DHS, the final physical inventory will be taken June 30, 2008 and each year thereafter.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Current Year Audit Findings – Significant Deficiencies (continued)

Library

07-9 Budgets

*Condition:* Actual expenditures exceeded the amounts appropriated in the budget.

*Criteria:* State statutes require all expenditures of the general fund, special revenue funds and component units to be authorized by the governing body.

*Effect:* When expenditures exceed the budget, unapproved expenditures are being made.

*Recommendation:* Management should compare budgets to actual expenditures to ensure that all expenditures are properly authorized.

*Management's Comments:* All future expenditures will be included in the budget presented to Washington County.

07-10 Violation of Purchasing Policy

*Condition:* Purchases were made in violation of the County's purchasing policy.

*Criteria:* The County purchasing policy requires all purchases to be authorized by a purchase order prepared by the purchasing agent based upon a requisition from the requisitioner and signed by the department head or office holder. Purchases exceeding \$5,000 require formal invitation to bid and proper awarding of bids.

*Effect:* Unauthorized expenditures were made. Expenditures exceeding \$5,000 were not properly bid.

*Recommendation:* Management should ensure that all expenditures are properly authorized by a purchase order prepared by the purchasing agent and that all expenditures exceeding \$5,000 follow the proper bid policies.

*Management's Comments:* All future purchases of any amount will be made using established Washington County purchasing procedures.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Current Year Audit Findings – Significant Deficiencies (continued)

Library (continued)

07-11 Timely Deposits

*Condition:* Library revenue is received and not properly deposited in a timely manner.

*Criteria:* Internal controls should be in place to ensure the proper remittance of funds received within three business days, per TCA 5-8-207.

*Effect:* Deposit procedures in violation of TCA 5-8-207.

*Recommendation:* All revenue received should be submitted to the County Trustee for timely deposit within three business days of receipt.

*Management's Comments:* New procedures have been established to deposit funds within three business days of receipt.

07-12 Revenue

*Condition:* A significant amount of grant revenue was not properly recorded in general ledger.

*Criteria:* Internal controls should be in place to ensure the proper remittance of funds received to the County Trustee to ensure inclusion into the general ledger.

*Effect:* Audit adjustment was made to properly record grant revenue into the general ledger.

*Recommendation:* All revenue received should be submitted to the County Trustee.

*Management's Comments:* New revenue accounts will be established with Washington County for future grants.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented

County Mayor

07-13 Expenses (06-30-06 Report, Finding #3, Page 176, repeated from 6-30-92 Report, Finding #1, Page 91):

*Condition:* Telephone bills contained unidentified long distance calls, which were not detailed by office or included on any employee-maintained telephone log.

*Criteria:* Internal controls should be in place to ensure personal long distance calls are properly identified and agree to employee-maintained telephone logs.

*Effect:* Personal employee expenses are being charged to the County.

*Recommendation:* A detail of calls by location should be provided by the telephone company. Telephone logs should be maintained by each individual and submitted to bookkeeping for comparison to the detail provided from the telephone company.

*Management's Comments:* Telephone bills are reviewed and signed by each official for payment. Long distance logs will be addressed with each office holder.

07-14 Fixed Assets (6-30-06 Report, Finding #4, Page 176, repeated from 6-30-95 Report, Finding #2, Page 162):

*Condition:* Fixed assets are not tagged to facilitate periodic comparison of assets to detail records.

*Criteria:* Internal controls should be in place to ensure all fixed assets are properly identified and tagged.

*Effect:* Management is unable to compare physical inventory of fixed assets to detail records.

*Recommendation:* All fixed assets should be properly identified and tagged when placed into service.

*Management's Comments:* Fixed asset tags and logs will be addressed with officials.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented (continued)

Food Service

07-15 Budgets (6-30-06 Report, Finding #1, Page 175, repeated from 6-30-01, Finding #2, Page 171):

*Condition:* Actual expenditures exceeded the amounts appropriated in the budget.

*Criteria:* State statutes require all expenditures of the general fund, special revenue funds and component units to be authorized by the governing body.

*Effect:* When expenditures exceed the budget, unapproved expenditures are being made.

*Recommendation:* Management should compare budgets to actual expenditures to ensure that all expenditures are properly authorized.

*Management's Comments:* All expenditures are approved by management. Management does not amend the budget during the year, preferring instead to have a distinct picture at year's end of each expense account. All purchase orders, expenditures are approved before issuance.

07-16 Bank Accounts (6-30-06 Report, Finding #2, Page 175, repeated from 6-30-88, Finding #3, Page 81):

*Condition:* Bank accounts have been maintained for the school cafeteria funds separate from the County Trustee.

*Criteria:* Internal controls should be established to require that all funds are deposited with the County Trustee to comply with Tennessee Code.

*Effect:* Maintaining separate bank accounts from the County Trustee is a violation of Tennessee Code.

*Recommendation:* All funds should be deposited with the County Trustee.

*Management's Comments:* This action has not been advised by Washington County Board of Education.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007

---

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

There were no findings and questioned costs in regard to the major federal award programs audit.

Prior Year Recommendations Implemented

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
<u>Clerk and Master</u>		
1	172	Unauthorized Commissions
2	172	Cash Receipts
<u>Sheriff's Department</u>		
3	173	Revenue
4	173	Expenses
<u>County Mayor</u>		
5	174	Expenses
6	174	Questionable Payroll Disbursements