

WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2008

	<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	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Assets – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Statement of Fiduciary Net Assets – Agency Funds	25
Notes to Financial Statements	26
SECTION III – REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Budgetary Comparison Schedule	68
Highway Fund- Budgetary Comparison Schedule	72
Notes to Required Supplementary Information	74
Schedule of Funding Progress (Unaudited)	75

WASHINGTON COUNTY, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 For the Fiscal Year Ended June 30, 2008

	<u>PAGE</u>
SECTION IV – SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds - Combining Balance Sheet	76
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	77
Solid Waste/Sanitation Fund - Budgetary Comparison Schedule	78
Library Fund - Budgetary Comparison Schedule	80
Drug Fines Fund - Budgetary Comparison Schedule	81
Discretely Presented Component Unit	
Government-wide Financial Statements	
Statement of Activities	82
Fund Financial Statements	
Balance Sheet – Governmental Funds	83
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	84
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	85
Reconciliation of the Statement of Revenues, Expenditures and Fund Balances of Governmental Funds to the Statement of Activities	86
Budgetary Comparison Schedule	87
Other Supplemental Schedules	
Schedule of Changes in General Long-Term Debt and Other Notes Payable	89
Schedule of Transfers - All Funds	92
Schedule of Salaries and Official Bonds of Principal Officials	93
Schedule of Investments	94
Schedule of Detailed Revenues - All Governmental Fund Types and Discretely Presented Component Unit	95
Schedule of Detailed Revenues - Special Revenue Funds	100
Schedule of Detailed Revenues - Discretely Presented Component Unit	102
Schedule of Detailed Expenditures - All Governmental Fund Types and Discretely Presented Component Unit	104
Constitutional Officers	
Combined Schedule of Assets and Liabilities	138
Combined Schedule of Cash Receipts, Disbursements and Balances	140
Combining Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk	141

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2008

	<u>PAGE</u>
SECTION IV – SUPPLEMENTARY INFORMATION (CONTINUED)	
Other Supplemental Schedules (Continued)	
Combining Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master	142
Schedule of Cash Receipts, Disbursements and Balances - County Clerk	143
Schedule of Cash Receipts, Disbursements and Balances - Circuit Court Clerk	144
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Jonesborough	145
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Civil Court - Johnson City	146
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - State Court - Johnson City	147
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Juvenile	148
Schedule of Cash Receipts, Disbursements and Balances - Law Court Clerk - Johnson City	149
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Jonesborough	150
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Johnson City	151
Schedule of Cash Receipts, Disbursements and Balances - Register	152
Schedule of Cash Receipts, Disbursements and Balances - Sheriff	153
Combined Schedule of Changes in Fee and Commission Accounts	154
Schedule of Expenditures of Federal Awards	156
Schedule of Expenditures of State Awards	158
 SECTION V – STATISTICAL SECTION (UNAUDITED)	
Net Assets by Component	160
Changes in Net Assets	161
Fund Balances, Governmental Funds	163
Changes in Fund Balances of Governmental Funds	164
Assessed Value and Actual Value of Taxable Property	165

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2008

	<u>PAGE</u>
SECTION V – STATISTICAL SECTION (UNAUDITED)	
Direct and Overlapping Property Tax Rates	166
Principal Property Taxpayers	167
Property Tax Levies and Collections	168
Ratios of Outstanding Debt by Type	169
Ratios of General Bonded Debt Outstanding	170
Legal Debt Margin Information	171
Demographic and Economic Statistics	172
Principal Employers	173
Full Time Equivalent County Government Employees by Function	174
Operating Indicators by Function	175
Capital Asset Statistics by Function	176
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>	177
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	179
Schedule of Findings and Questioned Costs	181

SECTION I

INTRODUCTORY

WASHINGTON COUNTY, TENNESSEE
ROSTER OF COUNTY OFFICIALS
June 30, 2008

<u>Title</u>	<u>Name</u>
County Mayor	George Jaynes
Superintendent of Highways	John Deakins, Jr.
Director of Schools	Ronald Dykes
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

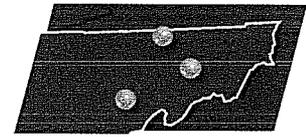
William Biles	Greg Matherly
Frank Bolus	Richard Matherly
Benjamin Bowman	Wendell Messimer
Scott Buckingham	Phillip McPeak
Sid Campbell	James T. Powell
Daniel Edens	Peggy Richardson
Ron England	Kyle Shell
Mark Ferguson	Gerald Sparks
Mark Hicks	Pete Speropulos III
Sam Humphreys	Janice White
Evert Jarrett	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, 2008, 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.

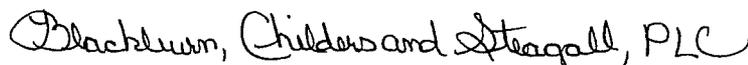
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008 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 15 and 68 through 75 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

December 23, 2008

WASHINGTON COUNTY GOVERNMENT Management's Discussion and Analysis

As management of the Washington County, TN Government, we offer readers of the Washington County, TN Government's financial statements this narrative overview and analysis of the financial activities of the Washington County, TN Government for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented in this report.

Financial Highlights **Primary Government**

- The liabilities of the Washington County Primary Government exceeded its assets at the close of the most recent fiscal year by \$40,323,640 (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 \$48,988,765. *Unrestricted net assets* after eliminating the debt of schools, of \$78,784,494 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$56,806,635.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$63,596,630, a decrease of \$71,452,063 in comparison with the prior year. Approximately 99.22 percent of this total amount, \$63,097,642, 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 \$12,940,961, or 42 percent of the total general fund expenditures.
- Washington County's total debt decreased by \$4,581,813 during the current fiscal year.
- Washington County Board of County Commissioners did not issue any new debt during the 2007-2008 fiscal year.

Component Unit- **School Board**

- The assets of the Washington County Board of Education, a component unit, exceeded its liabilities at the close of the most recent fiscal year by \$99,725,186. Of this amount, \$8,944,407 (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 \$36,931,543.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Washington County's basic financial statements. Washington County's basic financial statements 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 the Washington County Government'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, economic development, and culture and recreation. The activities of the 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 16-17 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 two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Washington County maintains 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, constitutional office's fees 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 18-21 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 22-24 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 25 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 26 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. Required supplementary information can be found on page 68-75 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 76-81 of this report.

Financial statements for the Washington County School Board of Education are presented immediately following the nonmajor funds on pages 82-88 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 \$59,401,546 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 is 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

Primary Governmental Activities

Component Unit Washington County Board of Education

Year	2007	2008	2007	2008
Current and other assets	179,892,512	114,320,053	18,354,321	20,414,036
Capital assets	52,898,394	62,537,524	55,341,183	90,780,779
Total Assets	232,790,906	176,857,577	73,695,504	111,194,815
Long-term liabilities outstanding	168,829,609	164,763,017	-----	-0-
Other liabilities	47,478,303	52,418,200	10,901,863	11,469,629
Total liabilities	216,307,912	217,181,217	10,901,863	11,469,629

Net assets:

Invested in capital assets, net of related debt	39,414,017	37,992,480	55,341,183	90,780,779
Restricted	175,741	210,752	-----	-----
Unrestricted	(23,106,763)	(78,526,872)	7,452,460	8,944,407
Total net assets	16,482,995	(40,323,640)	62,793,643	99,725,186

In fiscal year 2007-2008, \$210,752 is subject to external restrictions on Washington County's net assets. *Unrestricted net assets* (\$78,526,872) and \$8,944,407, 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 \$56,806,635 during the current fiscal year.

The Board of Education's net assets increased by \$36,931,543.

Key elements of these changes are as follows:

Washington County Government's Changes in Net Assets

Primary Governmental Activities

Component Unit Washington County Board of Education

Year	2007	2008	2007	2008
Revenues:				
Program Revenues:				
Charges for services	8,702,375	8,676,408	2,063,826	2,210,351
Operating grants and contributions	6,317,538	4,662,527	6,427,973	6,205,919
Capital grants and contributions	2,163,264	1,500,642	12,142,103	36,587,579
General revenues:				
Property taxes	25,000,732	33,675,981	9,623,453	10,229,540
Other taxes	1,272,433	1,494,306	13,471,504	14,002,350
Grants and contributions not restricted to specific programs	3,112,002	3,438,070	27,407,173	30,410,047
Other	3,535,084	4,578,378	558,302	453,605
Total revenues	50,103,428	58,026,312	71,694,334	100,099,391
Expenses:				
General government	33,567,576	57,083,936	-----	-----
Public safety	9,289,512	9,842,642	-----	-----
Highway / streets	8,092,168	8,687,288	-----	-----
Sanitation	1,729,629	1,763,928	-----	-----
Library	616,323	546,008	-----	-----
Debt Service	4,173,695	7,597,620	-----	-----
Education	-----	-----	60,459,383	63,194,439
Total Expenses	57,468,903	85,521,422	60,459,383	63,194,439
Increase in net assets before transfers & special items	(7,365,475)	(27,495,110)	11,234,951	36,904,952
Special Items	12,570	18,865	33,055	25,591
Transfers	(5,511,025)	(29,330,390)	-0-	-0-
Increase in net assets	(12,863,930)	(56,806,635)	11,268,006	36,931,543
Net assets (7-1) Beginning	23,622,743	16,482,995	51,525,637	62,793,643
Prior Period Adjustments	5,724,182	-0-	-0-	-0-
Net assets Restated	29,346,925	16,482,995	51,525,637	62,793,643
Net assets (6-30) Ending	16,482,995	(40,323,640)	62,793,643	99,725,186

- Property tax rates increased 7% for fiscal year 2006-2007 and 17.5% for fiscal year 2007-2008. The current year increased the Debt Service Fund 11 cents, 5 cents to the Highway Fund and 19 cents to the General Fund. Washington County Government has a county-wide re-appraisal every 6 years.
- The certified tax rate for the fiscal year 2007-2008 was \$2.35 on each \$100.00 of taxable property, which provides revenue for the operation of the County.
- Washington County Government had maintained the same tax rate of \$1.87 for the previous 2 years, before increasing the rate to \$2.00 in the 2006-2007 fiscal year, and an increase to \$2.35 in fiscal year 2007-2008. 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 \$662,622, 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 \$63,596,630, a decrease of \$71,452,063 in comparison with the prior year. Approximately 99.22 percent of this total amount \$63,097,642 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved 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 (\$498,988), 2) Unemployment and General Liabilities (\$1,354,638), 3) Debt Service (\$7,794,619), or 4) for a variety of other restricted purposes (\$40,120,192).

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 \$10,084,415, while total fund balance reached \$13,355,518. 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 32.88 percent of total general fund expenditures, while total fund balance represents 43.55 percent of that same amount.

The fund balance of Washington County's general fund decreased by \$2,008,586 during the current fiscal year.

The debt service fund has a total fund balance of \$7,794,619, 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 \$1,373,512. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$10,137,885 in the current fiscal year.

General Fund Budgetary Highlights

During the year there was an increase of \$2,802,485 in appropriations between the original and final amended budget. Following is a brief summary of the difference:

- \$493,563 – CDBG Grant – Waterline Grant (Bayless Road).
- \$858,446 - Homeland Security Grants
- \$339,387 - Public Safety (Grants)
- \$86,629 - THDA (Home Grants)
- \$600,000 – Employee Medical Insurance
- \$173,277 – Appropriated for various operational expenses
- \$251,183 – Various Reserves Budgeted

Additional information on the General Fund Budgetary Highlights may be found on page 67 of this report.

Capital Asset and Debt Administration

Capital Assets. Washington County's investment in capital assets as of June 30, 2008, amounts to \$62,537,524 (net of accumulated depreciation), and \$90,780,779 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.

There were no major capital asset events during the current fiscal year, however construction on the previous years bond and note issues (see below) are still in progress with final completion expected in the fall of 2009.

- On May 15, 2007, the 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 issued debt service funds of \$128,347. The proceeds were used to finance the construction of two (2) new K-8 schools and improvements to 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 Government 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 \$60,458,308.00 of the bond proceeds and the City of Johnson City's share will be 43.9397% or \$47,386,830.00. From these 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 \$4,674,945.10 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 \$1,230,150.

Washington County's Capital Assets
(net of depreciation)

Primary
Governmental

Component Unit
Washington County

Year	Activities		Board of Education	
	2007	2008	2007	2008
Land	3,026,957	3,026,957	1,888,432	1,888,432
Library Infrastructure	711,649	769,587	-----	-----
Buildings and Improvements	19,629,392	20,330,789	57,394,663	57,608,384
Furniture and Fixture	85,184	85,184	1,020,249	1,020,249
Office Machinery and Equipment	1,646,207	1,710,412	538,113	538,113
Machinery and Equipment	13,826,564	14,281,650	12,164,282	12,952,155
Infrastructure	46,084,587	46,073,971	-----	-----
Construction in Progress	2,091,425	11,433,043	13,622,393	50,214,552
Less: Accumulated Depreciation	(32,549,592)	(35,174,069)	(31,286,949)	(33,441,106)
Total	53,840,724	62,537,524	55,341,183	90,780,779

Additional information on the Washington County Government's capital assets can be found in note -- on this report.

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of \$167,731,644. Of this amount, \$157,119,811 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	2007	2008
General Obligation Bonds	159,587,497	157,119,811
Capital Outlay Notes	12,601,600	10,611,833
Total	172,189,097	167,731,644

- Washington County's total bonded debt and notes payable decreased \$4,457,453 during the current fiscal year
- The principal on the general bonded debt decreased \$2,300,000 and notes payable decreased \$1,989,767.

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 a 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 strong tax base growth, a substantial job base dominated by medical, educational, and a variety of industrial employers supports an average employment rate of 6.1% as of August 2008, versus a 6.8% rate for the state.
- Funded by a bond issue in the amount of \$21,000,000, construction is continuing for the 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.

- The Washington County Mayor and the Board of County Commissioners approved a PILOT program for two (2) Japanese manufacturers, which are locating in the Washington County Industrial Park. Nakatetsu Corporation, LTD and Koyo Corporation will begin employment with 100 employees each and both 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.
- Koyo Corporation and Nakatetsu Corporation, LTD have currently opened their operations and have hired approximately 100 employees
- Washington County Board of County Commissioners is currently negotiating for 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 a joint venture with the City of Johnson City at an estimated cost of \$1,500,000.
- The Elderly Tax Relief Act allows Washington County to appropriate money for immediate property tax refunds or reductions for eligible seniors, and the Trustee currently implements the Elderly Tax Relief Act in conjunction with the State of Tennessee program. Washington County's Elderly Tax Relief Study Committee 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 Tennessee would be approximately one cent (1¢) in property tax or \$204,000.

All of these factors were considered in preparing the Washington County Government's budget for the 2008-09 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$12,940,961. Washington County has appropriated \$1,205,968 of this amount for spending in the 2008-09 fiscal year budget. Historically, this appropriation has not been utilized and returned in 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 the 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, 2008

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
ASSETS			
Equity in Pooled Cash and Deposits	\$ 30,178,696	5,135,960	-
Cash and Cash Equivalents	2,757,118	853,885	1,166,553
Investments	38,928,684	-	-
Due from Federal Government	206,648	484,737	-
Due from State of Tennessee	1,097,390	289,307	-
Due from Other Local Governments	284,367	-	-
Due from Others	1,199,032	-	117,942
Sales Tax Receivable	-	2,270,101	-
Taxes Receivable	38,350,661	11,248,609	-
Allowance for Uncollectibles	(33,042)	(10,397)	-
Inventories	-	141,834	-
Prepaid Expenses	-	-	24,162
Bond Issue Costs, Net	1,350,499	-	-
Plant and Equipment, Net	62,537,524	90,780,779	496,478
TOTAL ASSETS	176,857,577	111,194,815	1,805,135
LIABILITIES			
Accounts Payable	6,573,663	539,507	100
Accrued Expenses	1,263,201	-	80,838
Retainages Payable	4,204,979	-	-
Due to Other Governments	302,452	-	-
Due to Others	46,478	-	-
Unearned Revenues	35,672,554	10,795,893	-
Long-term Liabilities			
Due Within One Year	4,354,873	134,229	49,255
Due Within More Than One Year	164,763,017	-	-
TOTAL LIABILITIES	217,181,217	11,469,629	130,193
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	37,992,480	90,780,779	496,478
Restricted for Public Safety	210,752	-	-
Unrestricted	(78,526,872)	8,944,407	1,178,464
TOTAL NET ASSETS	\$ (40,323,640)	99,725,186	1,674,942

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES
June 30, 2008

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT GOVERNMENT ACTIVITIES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Washington County School Board	Emergency Communications District
General Government	\$ 57,083,936	5,411,978	1,172,956	1,008,787	(49,490,215)	-	-
Sheriff's Department	9,842,642	2,558,250	453,549	450,474	(6,380,369)	-	-
Highways and Streets	8,687,288	309,895	2,752,378	-	(5,625,015)	-	-
Library	546,008	30,872	15,985	41,381	(457,770)	-	-
Sanitation	1,763,928	365,413	267,659	-	(1,130,856)	-	-
Interest on Long-Term Debt	7,597,620	-	-	-	(7,597,620)	-	-
TOTAL PRIMARY GOVERNMENT	85,521,422	8,676,408	4,662,527	1,500,642	(70,681,845)	-	-
COMPONENT UNITS							
Education - Board of Education	63,194,439	2,210,351	6,205,919	36,587,579	-	(18,190,590)	-
Emergency Communications	2,569,492	1,627,681	1,093,946	41,107	-	-	193,242
TOTAL COMPONENT UNITS	65,763,931	3,838,032	7,299,865	36,628,686	-	(18,190,590)	193,242
GENERAL REVENUES							
Taxes							
Property Taxes					33,675,981	10,229,540	-
In Lieu of Taxes					505,020	155,005	-
Sales Taxes					-	13,529,794	-
Business Taxes					989,286	317,551	-
Miscellaneous					1,635,328	104,566	-
Other Local Governments					1,077,839	92,343	-
State Aid					724,903	30,213,138	-
Unrestricted Investment Earnings					4,578,378	453,605	24,315
Special Items							
Gain on Sale of Assets					18,859	18,806	2,574
Damages from Individuals					6	7,785	-
Bond Proceeds Remitted to Johnson City Schools					(29,330,390)	-	-
TOTAL GENERAL REVENUES AND SPECIAL ITEMS					13,875,210	55,122,133	26,889
CHANGE IN NET ASSETS					(56,806,635)	36,931,543	220,131
NET ASSETS - BEGINNING					16,482,995	62,793,643	1,454,811
NET ASSETS - ENDING					\$ (40,323,640)	99,725,186	1,674,942

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

WASHINGTON COUNTY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Deposits	\$ 13,118,535	2,117,580	6,225,979	7,527,901	1,188,701	30,178,696
Cash with Paying Agent	-	-	2,471,281	-	-	2,471,281
Cash	100	-	-	-	285,737	285,837
Investments with Paying Agent	-	-	38,928,684	-	-	38,928,684
Due from Federal Government	206,648	-	-	-	-	206,648
Due from State of Tennessee	1,002,646	-	-	-	94,744	1,097,390
Due from Other Local Governments	69,907	207,346	-	-	7,114	284,367
Due from Others	156,574	3,968	215,549	5,234	45,086	426,411
Taxes Receivable	20,424,616	5,226,156	-	11,480,625	1,219,264	38,350,661
Allowance for Uncollectibles	(17,468)	(3,999)	-	(10,523)	(1,052)	(33,042)
Due from Other Funds	439,257	18,109	-	264,793	-	722,159
TOTAL ASSETS	<u>\$ 35,400,815</u>	<u>7,569,160</u>	<u>47,841,493</u>	<u>19,268,030</u>	<u>2,839,594</u>	<u>112,919,092</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ 667,555	704	4,761,548	4,123	8,361	5,442,291
Retainages Payable	-	-	4,204,979	-	-	4,204,979
Accrued Expenses	313,472	67,488	-	-	19,702	400,662
Deferred Revenues	20,530,102	4,627,175	-	11,469,288	1,218,125	37,844,690
Due to Other Funds	185,238	137,827	264,793	-	493,052	1,080,910
Due to Other Governments	302,452	-	-	-	-	302,452
Due to Others	46,478	-	-	-	-	46,478
TOTAL LIABILITIES	<u>22,045,297</u>	<u>4,833,194</u>	<u>9,231,320</u>	<u>11,473,411</u>	<u>1,739,240</u>	<u>49,322,462</u>
FUND EQUITY						
Reserved for						
Encumbrances	225,241	3,100	-	-	59,895	288,236
Public Safety	189,316	-	-	-	21,436	210,752
Unreserved, Designated For, Reported In						
General Fund	2,856,546	-	-	-	-	2,856,546
Highway Fund	-	8,111	-	-	-	8,111
Debt Service Fund	-	-	-	7,794,619	-	7,794,619
Capital Projects Fund	-	-	38,610,173	-	-	38,610,173
Unreserved, Undesignated For, Reported In						
General Fund	10,084,415	-	-	-	-	10,084,415
Highway Fund	-	2,724,755	-	-	-	2,724,755
Special Revenue Funds	-	-	-	-	1,019,023	1,019,023
TOTAL FUND EQUITY	<u>13,355,518</u>	<u>2,735,966</u>	<u>38,610,173</u>	<u>7,794,619</u>	<u>1,100,354</u>	<u>63,596,630</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 35,400,815</u>	<u>7,569,160</u>	<u>47,841,493</u>	<u>19,268,030</u>	<u>2,839,594</u>	<u>112,919,092</u>

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, 2008

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 63,596,630
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 \$97,711,593 and the accumulated depreciation is \$35,174,069.	62,537,524
Revenue for amounts not received during the period of availability and, therefore, not considered "available" has been deferred in the funds.	2,172,136
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 \$243,976.	1,350,499
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(862,539)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(169,117,890)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ (40,323,640)</u>

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 19,790,878	4,355,145	-	10,757,280	1,160,852	36,064,155
Licenses and Permits	477,423	647	-	1,619	189	479,878
Fines, Forfeitures and Penalties	627,197	-	-	-	76,913	704,110
Charges for Current Services	626,823	31,671	-	-	135,444	793,938
Other Local Revenues	275,154	302,579	-	-	350,209	927,942
Investment Income	320,502	61,598	3,947,443	221,448	27,386	4,578,377
Revenue from State of Tennessee	3,786,983	2,712,685	-	173,512	295,117	6,968,297
Revenue from Federal Government	1,146,897	-	-	-	-	1,146,897
Revenue from Other Governments and Citizens Groups	614,044	-	-	-	5,483,870	6,097,914
TOTAL REVENUES	<u>27,665,901</u>	<u>7,464,325</u>	<u>3,947,443</u>	<u>11,153,859</u>	<u>7,529,980</u>	<u>57,761,508</u>
EXPENDITURES						
General Government	19,964,896	-	853	-	100,628	20,066,377
Sheriff's Department	9,555,519	-	-	-	-	9,555,519
Highways and Streets	-	7,252,647	-	-	-	7,252,647
Library	-	-	-	-	533,725	533,725
Sanitation	-	-	-	-	1,755,369	1,755,369
Debt Service	-	-	-	12,325,026	-	12,325,026
Capital Outlay	1,146,530	43,375	46,990,160	-	214,453	48,394,518
TOTAL EXPENDITURES	<u>30,666,945</u>	<u>7,296,022</u>	<u>46,991,013</u>	<u>12,325,026</u>	<u>2,604,175</u>	<u>99,883,181</u>
OTHER FINANCING SOURCES (USES)						
Contribution to the City of Johnson City	-	-	(29,330,390)	-	-	(29,330,390)
Transfers to Other Funds	(449,612)	(25,000)	(2,519,679)	-	(5,459,242)	(8,453,533)
Transfers from Other Funds	5,459,242	-	-	2,544,679	449,612	8,453,533
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,009,630</u>	<u>(25,000)</u>	<u>(31,850,069)</u>	<u>2,544,679</u>	<u>(5,009,630)</u>	<u>(29,330,390)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,008,586	143,303	(74,893,639)	1,373,512	(83,825)	(71,452,063)
Fund Balance, July 1, 2007	11,346,932	2,592,663	113,503,812	6,421,107	1,184,179	135,048,693
Fund Balance, June 30, 2008	<u>\$ 13,355,518</u>	<u>2,735,966</u>	<u>38,610,173</u>	<u>7,794,619</u>	<u>1,100,354</u>	<u>63,596,630</u>

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

WASHINGTON COUNTY, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$(71,452,063)

Amounts reported for governmental activities in the statement of net assets 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 capital outlay additions \$48,394,518 exceeds depreciation of (\$2,786,796) in the period.	45,607,722
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.	(35,968,592)
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 \$1,877,570.	474,101
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 decreased by this amount for the current year.	31,452
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.	147,196
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.	4,382,676
	<u>\$ (56,806,635)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Self-Insurance Fund
ASSETS	
Due from Others	\$ 772,621
Due from Other Funds	358,751
	1,131,372
TOTAL ASSETS	1,131,372
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Benefits Payable	1,131,372
	1,131,372
TOTAL LIABILITIES	1,131,372
NET ASSETS	
Unrestricted	-
	-
TOTAL NET ASSETS	\$ 0

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Self-Insurance Fund
OPERATING REVENUE	
Charges for Services	\$ 4,780,069
Miscellaneous Refunds - Reinsurance	857,261
TOTAL OPERATING REVENUE	5,637,330
OPERATING EXPENSES	
Insurance Claims	5,666,457
TOTAL OPERATING EXPENSES	5,666,457
OPERATING LOSS	(29,127)
CHANGE IN NET ASSETS	(29,127)
NET ASSETS, July 1, 2007	29,127
NET ASSETS, June 30, 2008	\$ 0

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers - including other funds	\$ 5,212,702
Claims Paid	(5,261,334)
NET CASH USED BY OPERATING ACTIVITIES	(48,632)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,632)
CASH AND CASH EQUIVALENTS, JULY 1, 2007	48,632
CASH AND CASH EQUIVALENTS, JUNE 30, 2008	\$ 0
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (29,127)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
(Increase) Decrease in Assets	
Due from Others	(219,072)
Due from Other Funds	(205,556)
Increase (Decrease) in Liabilities	
Benefits Payable	405,123
Net Cash Used by Operating Activities	\$ (48,632)

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008

	Agency Funds				Total Agency Funds
	Johnson City School Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	
ASSETS					
Cash on Hand and in Bank	\$ -	-	6,576,265	-	6,576,265
Equity in Pooled Cash and Deposits	-	-	-	171,928	171,928
Accounts Receivable	-	-	23,323	103,607	126,930
Taxes Receivable	8,788,183	-	-	-	8,788,183
Allowance for Uncollectibles	(8,123)	-	-	-	(8,123)
Sales Tax Receivable	1,741,153	3,526,578	-	-	5,267,731
TOTAL ASSETS	\$ 10,521,213	3,526,578	6,599,588	275,535	20,922,914
LIABILITIES					
Due to Other Governments	\$ 10,521,213	3,526,578	14,880	273,813	14,336,484
Due to State	-	-	796,598	-	796,598
Due to Litigants, Heirs and Others	-	-	5,788,110	1,722	5,789,832
TOTAL LIABILITES	\$ 10,521,213	3,526,578	6,599,588	275,535	20,922,914

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, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Washington County, Tennessee (the County), 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 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, 2008

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, 2008

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 prior 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.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2008

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 account for the proceeds of specific revenue sources that are legally restricted for a 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, 2008

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, 2008. 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 1st 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, 2008

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, including 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, 2008

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, 2008

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, 2008, the County had \$138,937,000 in outstanding debt for capital purchases purposed for the discretely presented Washington County Board of Education and the City of Johnson City Public School System. 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 proration. 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. This resulted in (\$78,526,872) in Unrestricted Net Assets to be reflected for the Primary Government.

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, 2008

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	\$ (152,410,000)	-
Less: Deferred Charge on Refunding (net of amortization of \$279,301 recorded as interest expense)	899,245	-
Add: Bond Premium (net of amortization of \$1,030,219 recorded as interest expense)	(5,609,056)	-
Notes Payable	(10,611,833)	-
Lease Payable	(23,591)	-
Contingent Liability	(250,000)	-
Compensated Absences	<u>(1,112,655)</u>	<u>(134,229)</u>
 Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>(169,117,890)</u>	 <u>(134,229)</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	\$ 1,619,085	509,478
Income Taxes	112,540	-
Beer Taxes	4,423	-
TVA	631	-
Federal Prison Board	126,120	-
State Prison Board	123,445	-
State Homeland Security	116,220	-
Local Tax Revenue	<u>69,672</u>	<u>-</u>
 Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>2,172,136</u>	 <u>509,478</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 \$(35,968,592) 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.	\$ 623,712
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.	(36,587,579)
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>(4,725)</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>(35,968,592)</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 \$4,382,676 difference are as follows:

Principal Repayments:	
General Obligation Debt	\$ 4,364,767
Capital Leases	<u>17,909</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>4,382,676</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 \$147,196 difference are as follows:

Prior year Accrued Interest	\$ 908,031
Current year Accrued Interest	(862,539)
Amortization of Bond Issuance Costs	(65,982)
Amortization of Bond Premiums	249,827
Amortization of Deferred Charge on Refunding	<u>(82,141)</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>147,196</u>
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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, 2008

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 in the following funds:

<u>Fund / Major Category</u>	<u>Amount Overspent</u>
General Fund:	
Chancery Court	\$ (5,093)

Such over expenditures are a violation of state statute (TCA 8-20-101) and the letter agreement for compensation of employees. These over expenditures were funded by available chancery court fund balance. The expenditures were for deputy salaries and overtime.

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 its 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	\$ 30,178,696	5,135,960	-
Cash and Cash Equivalents	<u>2,757,118</u>	<u>853,885</u>	<u>1,166,553</u>
<u>Agency Funds</u>	<u>\$ 32,935,814</u>	<u>5,989,845</u>	<u>1,166,553</u>
Equity in Pooled Cash		\$ 171,928	
Cash on Hand and in Bank		<u>6,576,265</u>	
		<u>\$ 6,748,193</u>	

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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 \$35,486,584 and the bank balance was \$29,544,671. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2008.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 balances are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Primary Government:		
Cash in Bank - Others (Elected Officials Accounts)	\$ <u>6,856,920</u>	<u>7,677,946</u>
Cash with Paying Agent - Bond Proceeds	\$ <u>2,471,181</u>	<u>2,471,181</u>
Component Unit:		
Washington County Emergency Communications District	\$ <u>1,166,101</u>	<u>1,039,067</u>
Washington County Board of Education - School Food Service	\$ <u>853,811</u>	<u>908,870</u>

All of the County and its component units' deposits 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, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

As of June 30, 2008, the County held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
US Treasuries	\$ 12,618,684	0.38
Municipal Bonds	<u>26,310,000</u>	0.25
	<u>\$ 38,928,684</u>	

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>Internal Service</u>	<u>Total Primary Government</u>	<u>Component Units</u>	<u>Reporting Entity Total (Memorandum Only)</u>
Sales Tax	\$ -	-	-	-	-	-	-	2,270,101	2,270,101
Property Tax	20,424,616	5,226,156	11,480,625	-	1,219,264	-	38,350,661	11,248,609	49,599,270
Accounts	156,574	3,968	5,234	215,549	45,086	772,621	1,199,032	-	1,199,032
Intergovernmental	1,279,201	207,346	-	-	101,858	-	1,588,405	774,044	2,362,449
Gross Receivables	<u>21,860,391</u>	<u>5,437,470</u>	<u>11,485,859</u>	<u>215,549</u>	<u>1,366,208</u>	<u>772,621</u>	<u>41,138,098</u>	<u>14,292,754</u>	<u>55,430,852</u>
Less: Allowance for Uncollectibles	<u>(17,468)</u>	<u>(3,999)</u>	<u>(10,523)</u>	<u>-</u>	<u>(1,052)</u>	<u>-</u>	<u>(33,042)</u>	<u>(10,397)</u>	<u>(43,439)</u>
Net Total Receivables	<u>\$21,842,923</u>	<u>5,433,471</u>	<u>11,475,336</u>	<u>215,549</u>	<u>1,365,156</u>	<u>772,621</u>	<u>41,105,056</u>	<u>14,282,357</u>	<u>55,387,413</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 \$48,597,010 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	\$ 855,950	19,121,101	-	-
Highway Fund	195,940	4,431,235	-	-
Debt Service Fund	515,632	10,953,656	-	-
Solid Waste Fund	51,563	1,166,562	-	-
General Purpose School Fund	-	-	509,478	10,795,893
Beer Tax (General Fund)	4,423	-	-	-
Income Tax Receivable (General Fund)	112,540	-	-	-
TVA (General Fund)	631	-	-	-
Federal Prisoner Board (General Fund)	126,120	-	-	-
State Prisoner Board (General Fund)	123,445	-	-	-
State Homeland Security (General Fund)	116,220	-	-	-
Local Tax Revenue (General Fund)	69,672	-	-	-
	<u>\$ 2,172,136</u>	<u>35,672,554</u>	<u>509,478</u>	<u>10,795,893</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets
Primary Government

Capital asset activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 3,026,957	-	-	-	3,026,957
Library Infrastructure	711,649	66,663	(8,725)	-	769,587
Construction in Progress	1,149,095	46,990,160	-	(36,706,212)	11,433,043
Total, Capital Assets, Not Being Depreciated	<u>4,887,701</u>	<u>47,056,823</u>	<u>(8,725)</u>	<u>(36,706,212)</u>	<u>15,229,587</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	19,629,392	701,895	(498)	-	20,330,789
Furniture and Fixtures	85,184	-	-	-	85,184
Office Machinery and Equipment	1,646,207	64,205	-	-	1,710,412
Machinery and Equipment	13,826,564	638,258	(183,172)	-	14,281,650
Roads and Bridges	45,372,938	582,400	-	118,633	46,073,971
Total, Capital Assets, Being Depreciated	<u>80,560,285</u>	<u>1,986,758</u>	<u>(183,670)</u>	<u>118,633</u>	<u>82,482,006</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(7,029,415)	(495,874)	162	-	(7,525,127)
Furniture and Fixtures	(71,067)	(3,176)	-	-	(74,243)
Office Machinery and Equipment	(1,394,887)	(77,031)	-	-	(1,471,918)
Machinery and Equipment	(8,812,064)	(1,072,942)	162,157	-	(9,722,849)
Roads and Bridges	(15,242,159)	(1,137,773)	-	-	(16,379,932)
Total Accumulated Depreciation	<u>(32,549,592)</u>	<u>(2,786,796)</u>	<u>162,319</u>	<u>-</u>	<u>(35,174,069)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,010,693</u>	<u>(800,038)</u>	<u>(21,351)</u>	<u>118,633</u>	<u>47,307,937</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,898,394</u>	<u>46,256,785</u>	<u>(30,076)</u>	<u>(36,587,579)</u>	<u>62,537,524</u>

Note 1: The \$(36,587,579) 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. The remaining (\$118,633) is due to the transfer of new bridges to infrastructure asset accounts.

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, 2008

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	\$ 814,523
Sheriff's Department	394,857
Highways and Streets, including Depreciation of General Infrastructure Assets	1,529,810
Library	21,290
Sanitation	26,316
	<hr/>
Total Depreciation Expense-Governmental Activities	<u><u>\$ 2,786,796</u></u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Discretely Presented Component Units

Washington County Board of Education

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated					
Land	\$ 1,888,432	-	-	-	1,888,432
Construction In Progress	13,622,393	4,580	-	36,587,579	50,214,552
Total Capital Assets, Not Being Depreciated	<u>15,510,825</u>	<u>4,580</u>	<u>0</u>	<u>36,587,579</u>	<u>52,102,984</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	57,394,663	213,721	-	-	57,608,384
Furniture and Fixtures	1,020,249	-	-	-	1,020,249
Office Machinery and Equipment	538,113	-	-	-	538,113
Machinery and Equipment	12,164,282	932,408	(144,535)	-	12,952,155
Total, Capital Assets Not Being Ddepreciated	<u>71,117,307</u>	<u>1,146,129</u>	<u>(144,535)</u>	<u>0</u>	<u>72,118,901</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(20,078,303)	(1,652,455)	-	-	(21,730,758)
Furniture and Fixtures	(933,683)	(41,885)	-	-	(975,568)
Office Machinery and Equipment	(503,001)	(17,607)	-	-	(520,608)
Machinery and Equipment	(9,771,962)	(586,745)	144,535	-	(10,214,172)
Total Accumulated Depreciation	<u>(31,286,949)</u>	<u>(2,298,692)</u>	<u>144,535</u>	<u>0</u>	<u>(33,441,106)</u>
Total Capital Assets, Being Depreciated, Net	<u>39,830,358</u>	<u>(1,152,563)</u>	<u>0</u>	<u>0</u>	<u>38,677,795</u>
Washington County Board of Education Capital Assets, Net	<u>\$ 55,341,183</u>	<u>(1,147,983)</u>	<u>0</u>	<u>36,587,579</u>	<u>90,780,779</u>

Note: The adjustment is due to transfer of construction in progress from the Primary Government.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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	104,991	(124,899)	-
Total Capital Assets Not Being Depreciated	<u>19,908</u>	<u>104,991</u>	<u>(124,899)</u>	<u>0</u>
Capital Assets, Being Depreciated				
Building Improvements	355,856	142,375	-	498,231
Vehicles	41,962	-	-	41,962
Office Equipment	907,804	62,079	(24,141)	945,742
Furniture and Fixtures	55,124	1,344	-	56,468
Total, Capital Assets Being Depreciated	<u>1,360,746</u>	<u>205,798</u>	<u>(24,141)</u>	<u>1,542,403</u>
Less Accumulated Depreciation for				
Building Improvements	(213,026)	(22,280)	-	(235,306)
Vehicles	(11,016)	(8,060)	-	(19,076)
Office Equipment	(671,540)	(93,746)	24,141	(741,145)
Furniture and Fixtures	(48,891)	(1,507)	-	(50,398)
Total Accumulated Depreciation	<u>(944,473)</u>	<u>(125,593)</u>	<u>24,141</u>	<u>(1,045,925)</u>
Total, Capital Assets Being Depreciated, Net	<u>\$ 436,181</u>	<u>185,196</u>	<u>(124,899)</u>	<u>496,478</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Construction Commitments

At June 30, 2008, the County had uncompleted construction contracts of \$22,500,000 for school improvement projects and a justice center in the Capital Projects fund. Funding has been provided for these expenditures through the issuance of debt.

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, 2008 amount to \$48,015. Future minimum lease payments are as follows:

Year Ending	
<u>June 30</u>	<u>Amount</u>
2009	\$ 58,133
2010	37,446
2011	23,296
2012	16,921
2013	<u>8,255</u>
Total	\$ <u>144,051</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, 2008 amount to \$2,575. Future minimum lease payments are as follows:

Year Ending	
<u>June 30</u>	<u>Amount</u>
2009	\$ 2,575
2010	<u>1,931</u>
Total	\$ <u>4,506</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, 2008

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>(16,445)</u>
Total	\$ <u>13,454</u>
Copy Equipment	\$ 10,431
Less: Accumulated Depreciation	<u>(5,824)</u>
Total	\$ <u>4,607</u>
Copy Equipment	\$ 12,443
Less: Accumulated Depreciation	<u>(6,533)</u>
Total	\$ <u>5,910</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>(28,942)</u>
Total	\$ <u>19,295</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>(2,567)</u>
Total	\$ <u>2,933</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2008, are presented in section G of this footnote.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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, 2008.

Governmental Activities

	Balance Beginning of Year	Additions	Retirements / Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
Primary Government					
General Obligation Bonds	\$ 154,710,000	-	(2,300,000)	152,410,000	2,475,000
Less Deferred Amounts on Refunding	(981,386)	-	82,141	(899,245)	-
For Issuance of Premium	5,858,883	-	(249,827)	5,609,056	-
Total General Obligation Bonds	159,587,497	-	(2,467,686)	157,119,811	2,475,000
Capital Outlay Notes	12,601,600	-	(1,989,767)	10,611,833	1,462,767
Capital Leases	41,498	-	(17,907)	23,591	10,943
Compensated Absences	1,144,108	-	(31,453)	1,112,655	156,163
Settlement Payable	75,000	-	(75,000)	-	-
Contingent Liability	250,000	-	-	250,000	250,000
Primary Government Long-Term Liabilities	<u>\$ 173,699,703</u>	<u>0</u>	<u>(4,581,813)</u>	<u>169,117,890</u>	<u>4,354,873</u>
Component Unit					
Compensated Absences	127,909	6,320	-	134,229	134,229
Component Unit Long-Term Liabilities	<u>\$ 127,909</u>	<u>6,320</u>	<u>-</u>	<u>134,229</u>	<u>134,229</u>

	Date Issued	Date Matures	Amount Issued	Interest Rate	Outstanding June 30, 2008
<u>Leases Payable</u>					
Sheriff Copier	6/30/2005	6/30/2010	\$ 48,237	2.13%	\$ 19,878
County Court Clerk Copier	3/8/2006	3/8/2011	5,500	21.23%	3,713
Total					<u>\$ 23,591</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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>
2009	\$ 9,833	328	10,161
2010	<u>10,045</u>	<u>116</u>	<u>10,161</u>
Total	<u>\$ 19,878</u>	<u>444</u>	<u>20,322</u>

County Court Clerk Copier

Fiscal Year			
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 3,713</u>	<u>1,220</u>	<u>4,933</u>

Total future minimum lease obligations are as follows:

Fiscal Year			
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 10,943	1,012	11,955
2010	11,414	540	11,954
2011	<u>1,234</u>	<u>112</u>	<u>1,346</u>
Total	<u>\$ 23,591</u>	<u>1,664</u>	<u>25,255</u>

<u>Bonds Payable</u>	<u>Date</u> <u>Issued</u>	<u>Date</u> <u>Matures</u>	<u>Amount</u> <u>Issued</u>	<u>Interest Rate</u>	<u>Outstanding</u> <u>June 30, 2008</u>
School Construction Bonds	10/21/99	10/21/08	\$ 8,100,000	3.55-5.50%	\$ 800,000
School Construction Bonds	03/01/99	03/01/09	8,100,000	4.90-5.20%	1,550,000
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	4.37-5.00%	105,675,000
Refunding Bonds	01/23/07	06/01/18	4,275,000	4.37-5.00%	4,275,000
Justice Center Construction Bond	01/23/07	06/01/35	20,410,000	4.37-5.00%	<u>20,410,000</u>
Total					<u>\$ 152,410,000</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Bonds Payable (Continued)

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

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 800,000	32,800	832,800
Total	<u>\$ 800,000</u>	<u>32,800</u>	<u>832,800</u>

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

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,550,000	80,600	1,630,600
Total	<u>\$ 1,550,000</u>	<u>80,600</u>	<u>1,630,600</u>

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

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,970,000	588,250	2,558,250
2014-2018	<u>9,795,000</u>	<u>1,474,750</u>	<u>11,269,750</u>
Total	<u>\$ 19,700,000</u>	<u>5,570,875</u>	<u>25,270,875</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	-	4,929,256	4,929,256
2014-2018	-	24,646,282	24,646,282
2019-2023	18,795,000	22,961,132	41,756,132
2024-2028	23,895,000	17,854,031	41,749,031
2029-2033	30,255,000	11,499,831	41,754,831
2034-2037	<u>32,730,000</u>	<u>3,876,244</u>	<u>36,606,244</u>
Total	<u>\$105,675,000</u>	<u>105,483,800</u>	<u>211,158,800</u>

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	204,250	204,250
2010	-	204,250	204,250
2011	-	204,250	204,250
2012	-	204,250	204,250
2013	150,000	204,250	354,250
2014-2018	<u>4,125,000</u>	<u>738,350</u>	<u>4,863,350</u>
Total	<u>\$ 4,275,000</u>	<u>1,759,600</u>	<u>6,034,600</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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 Ending June 30	Principal	Interest	Total
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	230,000	941,331	1,171,331
2014-2018	1,310,000	4,552,507	5,862,507
2019-2023	4,005,000	3,998,357	8,003,357
2024-2028	5,085,000	2,911,657	7,996,657
2029-2033	6,450,000	1,557,806	8,007,806
2034-2035	<u>3,005,000</u>	<u>198,625</u>	<u>3,203,625</u>
Total	<u>\$20,410,000</u>	<u>17,971,207</u>	<u>38,381,207</u>

Total bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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	2,350,000	6,663,088	9,013,088
2014-2018	15,230,000	31,411,888	46,641,888
2019-2023	22,800,000	26,959,488	49,759,488
2024-2028	28,980,000	20,765,688	49,745,688
2029-2033	36,705,000	13,057,638	49,762,638
2034-2037	<u>35,735,000</u>	<u>4,074,869</u>	<u>39,809,869</u>
Total	<u>\$152,410,000</u>	<u>130,898,882</u>	<u>283,308,882</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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, 2008</u>
Highway Department Capital Outlay	03/25/03	03/25/10	\$ 211,000	3.05%	\$ 60,500
Education Department Capital Outlay	04/29/03	04/29/15	4,742,000	1.46-3.80%	2,767,000
Highway Department Capital Outlay	12/28/05	12/28/08	760,000	3.583%	250,000
Education Department Capital Outlay	09/15/05	09/15/17	5,000,000	3.20-3.80%	4,170,000
Highway Department Capital Outlay	08/23/06	07/23/09	235,000	4.09%	156,000
General Capital Outlay	05/15/07	09/15/08	3,500,000	4.079%	<u>3,208,333</u>
Total					<u>\$ 10,611,833</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 30,100	1,845	31,945
2010	<u>30,400</u>	<u>927</u>	<u>31,327</u>
Total	<u>\$ 60,500</u>	<u>2,772</u>	<u>63,272</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 395,000	96,061	491,061
2010	395,000	84,409	479,409
2011	395,000	71,571	466,571
2012	395,000	57,943	452,943
2013	395,000	43,921	438,921
2014-2015	<u>792,000</u>	<u>44,788</u>	<u>836,788</u>
Total	<u>\$ 2,767,000</u>	<u>398,693</u>	<u>3,165,693</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

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>
2009	\$ 250,000	4,479	254,479
Total	\$ <u>250,000</u>	<u>4,479</u>	<u>254,479</u>

Education Department Capital Outlay Note payable issued September 15, 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>
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	417,000	84,234	501,234
2014-2018	<u>2,085,000</u>	<u>194,843</u>	<u>2,279,843</u>
Total	\$ <u>4,170,000</u>	<u>758,836</u>	<u>4,928,836</u>

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

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 79,000	6,380	85,380
2010	<u>77,000</u>	<u>3,149</u>	<u>80,149</u>
Total	\$ <u>156,000</u>	<u>9,529</u>	<u>165,529</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

General Capital Outlay Note payable issued May 15, 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>
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	291,667	83,280	374,947
2014-2018	1,458,332	237,941	1,696,273
2019	<u>291,666</u>	<u>11,897</u>	<u>303,563</u>
Total	<u>\$ 3,208,333</u>	<u>785,208</u>	<u>3,993,541</u>

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>
2009	\$ 1,462,767	380,579	1,843,346
2010	1,211,067	334,536	1,545,603
2011	1,103,667	291,652	1,395,319
2012	1,103,667	251,845	1,355,512
2013	1,103,667	211,435	1,315,102
2014-2018	4,335,332	477,573	4,812,905
2019	<u>291,666</u>	<u>11,897</u>	<u>303,563</u>
Total	<u>\$ 10,611,833</u>	<u>1,959,517</u>	<u>12,571,350</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 year period. The final payment was made this fiscal year.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 10 years by \$685,000 and resulted in an economic gain of \$270,000.

On June 30, 2008, 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	\$ 8,900,000	1999
1/23/2007	GO School Bonds	4,250,000	2000

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, 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	\$ -	-	-	439,257	439,257
Highway Fund	-	-	-	18,109	18,109
Debt Service	-	264,793	-	-	264,793
Self-Insurance Fund	185,238	-	137,827	35,686	358,751
	<u>\$ 185,238</u>	<u>264,793</u>	<u>137,827</u>	<u>493,052</u>	<u>1,080,910</u>

Interfund Transfers

	Transfer In			Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
Transfer Out				
General Fund	\$ -	-	449,612	449,612
Highway Fund	-	25,000	-	25,000
Capital Projects	-	2,519,679	-	2,519,679
Constitutional Officers	5,459,242	-	-	5,459,242
Total Transfers Out	<u>\$ 5,459,242</u>	<u>2,544,679</u>	<u>449,612</u>	<u>8,453,533</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, 2008

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 \$136,419 to the operations during the year ended June 30, 2008.

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 \$1,291,272 to the operations during the year ended June 30, 2008.

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 \$135,187 to the operations during the year ended June 30, 2008.

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 % 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 \$204,358 to the operations during the year ended June 30, 2008. 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.

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, 2008, 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, 2008, therefore, the information reflected is for June 30, 2007.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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	\$ 102,409	6,147,136	380,750	6,117,331
Operating Expenses	(474,256)	(7,400,802)	(431,100)	(5,415,059)
Depreciation	-	(443,308)	(1,180)	(2,889,942)
Amortization	-	-	-	(13,501)
Other Income (Expense)	369,238	1,919,523	29,997	878,429
Capital Contributions	-	-	-	4,330,262
Net Income(Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	(2,609)	222,549	(21,533)	3,007,520
Total Fund Equity, July 1	366,724	2,308,719	920,094	47,157,818
Prior Period Adjustments:				
J.C. Summit Fund	-	-	199	-
Total Fund Equity, June 30	<u>\$ 364,115</u>	<u>2,531,268</u>	<u>898,760</u>	<u>50,165,338</u>
Total Assets	\$ 407,339	4,675,381	945,764	59,600,781
Total Liabilities	43,224	2,144,113	47,004	9,435,443
Total Fund Equity	<u>\$ 364,115</u>	<u>2,531,268</u>	<u>898,760</u>	<u>50,165,338</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, 2008

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, 2006	\$ 184,786
June 30, 2007	240
June 30, 2008	153

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

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 \$125,000 per specific loss and \$3,000,000 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, 2008 is as follows:

	2008
Claims Accrued at July 1	\$ 726,249
Claims Incurred	5,666,457
Claims Paid	<u>(5,261,334)</u>
Claims Accrued at June 30	<u>\$ 1,131,372</u>

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, 2008 and 2007 are as follows:

	2008	2007
Claims Accrued at July 1	\$ 207	\$ 1,322
Claims Incurred	283,423	241,736
Claims Paid	<u>(283,218)</u>	<u>(242,851)</u>
Claims Accrued at June 30	<u>\$ 412</u>	<u>\$ 207</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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 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 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, Chapter 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, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Both Washington County and WCECD has adopted a noncontributory retirement plan for its 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, 2008 was 13.96% 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, 2008 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, 2008

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Annual Pension Cost

For the year ending June 30, 2008, the Washington County annual pension cost of \$2,940,960 to TCRS was equal to Washington County's required and actual contributions and the WCECD annual pension cost of \$156,481 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 the 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, 2007, which established contribution rates effective July 1, 2008.

Washington County

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 2,940,960	100%	\$ 0
June 30, 2007	\$ 2,807,436	100%	\$ 0
June 30, 2006	\$ 2,536,466	100%	\$ 0

WCECD

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 156,481	100%	\$ 0
June 30, 2007	\$ 142,622	100%	\$ 0
June 30, 2006	\$ 118,465	100%	\$ 0

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the Washington County plan was 88.85% funded. The actuarial accrued liability for benefits was \$55.98 million, and the actuarial value of assets was \$49.73 million, resulting in an unfunded actuarial accrued liability (UAAL) to the covered payroll was 31.32%. The WCECD plan was 78.21% funded. The actuarial accrued liability for benefits was \$2.45 million, and the actuarial value of assets was \$1.92 million, resulting in an UAAL of \$0.53 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.27 million, and the ratio of the UAAL to the covered payroll was 42.04%.

The schedules of funding progress presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to service as a surrogate for the funded status and funding progress of the plan.

Washington County

	(a)	(b) (AAL) Actuarial	(b) – (a)	(a/b)	(c)	((b-a)/c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability -Entry Age</u>	<u>(UAAL) Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2007	\$ 49,734	55,977	6,243	88.85%	19,930	31.32%

Washington County Emergency Communications District

	(a)	(b) (AAL) Actuarial	(b) – (a)	(a/b)	(c)	((b-a)/c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability -Entry Age</u>	<u>(UAAL) Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2007	\$ 1,918	2,452	534	78.21%	1,271	42.04%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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 of 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, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

Funding Policy

Most teachers are required by state statute to contribute 5.0% 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, 2008 was 6.24% 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, 2008, 2007, and 2006 were \$1,685,290, \$1,604,029, and \$1,403,937, respectively, equal to the required contributions for each year.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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

SECTION III

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget- Favorable (Unfavorable)
REVENUES				
Taxes	\$ 18,893,016	18,899,516	19,790,878	891,362
Licenses and Permits	426,000	426,000	477,423	51,423
Fines, Forfeitures and Penalties	323,700	325,016	627,197	302,181
Charges for Current Services	592,000	592,000	626,823	34,823
Other Local Revenues	425,500	472,154	595,656	123,502
Revenue from State of Tennessee	3,162,968	3,511,697	3,786,983	275,286
Revenue from Federal Government	21,000	1,489,005	1,146,897	(342,108)
Revenue from Other Governments and Citizens Groups	535,000	592,210	614,044	21,834
TOTAL REVENUES	24,379,184	26,307,598	27,665,901	1,358,303
EXPENDITURES AND ENCUMBRANCES				
County Commission	166,400	168,750	159,976	8,774
Boards and Committees	500	500	-	500
Board of Equalization	5,010	5,010	3,589	1,421
County Mayor	189,552	189,552	184,364	5,188
County Attorney	44,730	44,730	41,408	3,322
Election Commission	476,930	478,704	426,010	52,694
Register of Deeds	472,233	472,233	405,429	66,804
Planning and Zoning	30,991	30,991	24,671	6,320
Codes Compliance	236,223	236,919	223,503	13,416
County Building	59,050	59,050	16,487	42,563
Other General Administration	2,191,146	2,246,690	1,913,411	333,279
Accounting and Budgeting	275,667	275,667	259,452	16,215
Purchasing	151,042	151,042	131,664	19,378
Property Assessor	446,982	446,982	377,742	69,240
Reappraisal Program	310,867	310,867	275,000	35,867
Trustee	406,756	406,756	339,136	67,620
County Clerk	795,637	795,637	758,723	36,914
General Sessions Judge	357,011	357,011	339,976	17,035
Drug Court	-	51,119	69,854	(18,735)
Circuit Court	1,262,321	1,280,321	1,219,960	60,361
Chancery Court	511,792	514,737	511,998	2,739
District Attorney General	-	56,250	56,250	-
Juries	242,441	242,441	144,618	97,823
Sheriff's Department	4,986,323	5,075,306	4,805,533	269,773
Rural Traffic Enforcement	-	22,787	11,629	11,158
Substance Abuse Grant	-	133,314	133,314	-
Training for Awareness and Response	-	29,592	15,096	14,496
Jail	4,900,814	4,958,173	4,735,766	222,407
Juvenile Services	451,037	451,037	435,392	15,645
Work Release Program	13,133	13,133	12,394	739
Federal Asset Forfeiture	15,000	15,000	48,110	(33,110)
JAG Grant	-	46,147	-	46,147
Fire Prevention and Control	835,000	835,000	835,000	-
Civil Defense	109,058	217,404	218,495	(1,091)
Haz-Mat	-	1,325	1,429	(104)
Rescue Squad	74,300	74,300	74,300	-

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

EXPENDITURES AND ENCUMBRANCES (CONTINUED)	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Emergency Management	11,400	53,900	64,834	(10,934)
County Coroner	133,862	133,862	127,262	6,600
School Resource Officer	-	1,700	1,659	41
Other Public Safety	42,690	42,690	39,556	3,134
Sheriff's Traffic Safety Grant	-	20,327	4,429	15,898
County Health Center	769,190	769,190	747,549	21,641
Health Center Grant	856,489	856,489	674,900	181,589
Rabies and Animal Control	115,000	136,419	136,419	-
Ambulance Service	1,291,272	1,291,272	1,291,272	-
Alcohol and Drug Programs	12,160	12,160	-	12,160
Regional Mental Health Center	65,250	65,250	65,250	-
Public Welfare	95,000	112,939	106,239	6,700
Aid to Dependent Children	5,000	5,000	5,000	-
Sanitation Education	53,076	53,076	50,340	2,736
Senior Citizen's Assistance	135,058	135,058	135,058	-
Libraries	127,500	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	230,129	230,129	223,423	6,706
Forest Service	1,500	1,500	1,500	-
Soil Conservation	71,798	71,798	69,081	2,717
Storm Water Management	75,085	83,585	72,610	10,975
Agriculture and Natural Resources	17,040	17,040	11,275	5,765
Tourism	6,971	6,971	6,971	-
Industrial Development	135,187	135,187	135,187	-
Housing and Urban Development	-	581,152	456,283	124,869
Economic and Community Development	21,250	21,250	21,250	-
Contributions to Airport	13,000	13,000	13,000	-
Contributions to Other Agencies	59,200	65,700	348,390	(282,690)
Employee Benefits	4,550,000	5,150,000	4,728,359	421,641
Judgments	25,000	25,000	153	24,847
Emergency Communications District	546,246	546,246	546,246	-
Capital Outlay	448,000	1,273,917	1,178,595	95,322
TOTAL EXPENDITURES AND ENCUMBRANCES	29,996,299	32,798,784	30,664,269	2,134,515
OTHER FINANCING SOURCES (USES)				
Transfer to Library Fund	(449,612)	(449,612)	(449,612)	-
Transfer from Constitutional Officers - Fees Fund	4,895,000	4,895,000	5,459,242	564,242
TOTAL OTHER FINANCING SOURCES (USES)	4,445,388	4,445,388	5,009,630	564,242
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(1,171,727)	(2,045,798)	2,011,262	4,057,060
Fund Balance, July 1, 2007	11,119,015	11,119,015	11,119,015	-
Fund Balance, June 30, 2008	\$ 9,947,288	9,073,217	13,130,277	4,057,060

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2008	Add: Encumbrances 6/30/2007	
TOTAL REVENUES	\$ 27,665,901	-	-	27,665,901
EXPENDITURES				
County Commission	159,976	-	-	159,976
Boards and Committees	3,589	-	-	3,589
County Mayor	184,364	-	-	184,364
County Attorney	41,408	-	-	41,408
Election Commission	426,010	160	-	425,850
Register of Deeds	405,429	-	-	405,429
Planning and Zoning	24,671	-	-	24,671
Codes Compliance	223,503	-	-	223,503
County Building	16,487	1,000	9,721	25,208
Other General Administration	1,913,411	115,621	95,920	1,893,710
Accounting and Budgeting	259,452	-	-	259,452
Purchasing	131,664	-	-	131,664
Property Assessor	377,742	-	-	377,742
Reappraisal Program	275,000	-	26,635	301,635
Trustee	339,136	2,638	-	336,498
County Clerk	758,723	-	665	759,388
General Sessions Judge	339,976	-	-	339,976
Drug Court	69,854	-	-	69,854
Circuit Court	1,219,960	-	6,829	1,226,789
Chancery Court	511,998	-	365	512,363
District Attorney	56,250	-	-	56,250
Judicial Court	144,618	-	-	144,618
Sheriff's Department	4,805,533	12,167	24,129	4,817,495
NETCIAU	11,629	-	-	11,629
Substance Abuse Grant	133,314	-	-	133,314
NCIC	15,096	-	-	15,096
Jail	4,735,766	5,141	7,399	4,738,024
Juvenile Services	435,392	-	-	435,392
Work Release Program	12,394	-	-	12,394
Federal Asset Forfeiture	48,110	-	5,354	53,464
Fire Protection and Control	835,000	-	-	835,000
Civil Defense	218,495	-	-	218,495
Haz-Mat	1,429	-	-	1,429
Rescue Squad	74,300	-	-	74,300
Emergency Management	64,834	-	-	64,834
County Coroner	127,262	-	-	127,262
School Resource Officer	1,659	-	-	1,659
Other Public Safety	39,556	-	-	39,556
Public Safety Grant	4,429	-	-	4,429
County Health Center	747,549	-	1,133	748,682
Health Center Grant	674,900	-	-	674,900
Rabies and Animal Control	136,419	-	-	136,419
Ambulance Service	1,291,272	-	-	1,291,272

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2008	Add: Encumbrances 6/30/2007	
EXPENDITURES (CONTINUED)				
Regional Mental Health Center	65,250	-	-	65,250
Public Welfare	106,239	-	-	106,239
Aid to Dependent Children	5,000	-	-	5,000
Sanitation Education	50,340	-	-	50,340
Senior Citizen's Assistance	135,058	-	-	135,058
Libraries	127,500	-	-	127,500
Social, Cultural and Recreational	15,000	-	-	15,000
National Storytelling	50,000	-	-	50,000
Agriculture Extension Service	223,423	-	-	223,423
Forest Service	1,500	-	-	1,500
Soil Conservation	69,081	-	-	69,081
Storm Water Management	72,610	6,687	-	65,923
Agriculture and Natural Resources	11,275	-	5	11,280
Tourism	6,971	-	-	6,971
Industrial Development	135,187	-	-	135,187
Housing and Urban Development	456,283	-	-	456,283
Economic and Community Development	21,250	-	-	21,250
Contributions to Airpot	13,000	-	-	13,000
Contributions to Other Agencies	348,390	-	-	348,390
Employee Benefits	4,728,359	-	-	4,728,359
Judgments	153	-	-	153
Emergency Communications District	546,246	-	-	546,246
Capital Outlay	1,178,595	81,827	49,762	1,146,530
TOTAL EXPENDITURES	30,664,269	225,241	227,917	30,666,945
TOTAL OTHER FINANCING SOURCES	5,009,630	0	0	5,009,630
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,011,262	225,241	(227,917)	2,008,586
Fund Balance, July 1, 2007	11,119,015	-	227,917	11,346,932
Fund Balance, June 30, 2008	<u>\$ 13,130,277</u>	<u>225,241</u>	<u>0</u>	<u>13,355,518</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.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
HIGHWAY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 4,184,022	4,164,022	4,355,145	191,123
Licenses and Permits	500	500	647	147
Charges for Current Services	100,000	100,000	31,671	(68,329)
Other Local Revenue	165,000	165,000	364,177	199,177
Revenue from State of Tennessee	2,726,235	2,746,235	2,712,685	(33,550)
TOTAL REVENUES	<u>7,175,757</u>	<u>7,175,757</u>	<u>7,464,325</u>	<u>288,568</u>
EXPENDITURES AND ENCUMBRANCES				
Administration	598,768	590,118	531,378	58,740
Highway and Bridge Maintenance	2,409,826	2,497,426	2,388,504	108,922
Operation and Maintenance of Equipment	751,573	752,673	667,789	84,884
Asphalt Plant Operations	3,570,023	2,540,023	2,280,802	259,221
Other Charges	113,000	114,500	112,135	2,365
Employee Benefits	1,094,000	1,304,000	1,275,139	28,861
Capital Outlay	487,742	549,281	43,375	505,906
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>9,024,932</u>	<u>8,348,021</u>	<u>7,299,122</u>	<u>1,048,899</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(50,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(50,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(1,874,175)	(1,197,264)	140,203	1,287,467
Fund Balance, July 1, 2007	<u>2,592,663</u>	<u>2,592,663</u>	<u>2,592,663</u>	<u>-</u>
Fund Balance, June 30, 2008	<u>\$ 718,488</u>	<u>1,395,399</u>	<u>2,732,866</u>	<u>1,287,467</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
HIGHWAY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2008	Add: Encumbrances 6/30/2007	
TOTAL REVENUES	\$ 7,464,325	-	-	7,464,325
EXPENDITURES				
Administration	531,378	3,100	-	528,278
Highway and Bridge Maintenance	2,388,504	-	-	2,388,504
Operation and Maintenance of Equipment	667,789	-	-	667,789
Asphalt Plant Operations	2,280,802	-	-	2,280,802
Other Charges	112,135	-	-	112,135
Employee Benefits	1,275,139	-	-	1,275,139
Capital Outlay	43,375	-	-	43,375
TOTAL EXPENDITURES	7,299,122	3,100	0	7,296,022
OTHER FINANCING SOURCES(USES)				
Transfer to Other Funds	(25,000)	-	-	(25,000)
TOTAL OTHER FINANCING SOURCES(USES)	(25,000)	0	0	(25,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	140,203	3,100	-	143,303
Fund Balance, July 1, 2007	2,592,663	-	-	2,592,663
Fund Balance, June 30, 2008	\$ 2,732,866	3,100	0	2,735,966

(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, 2008

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, 2008

(Dollar Amounts in Thousands)

Washington County

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	(AAL) Actuarial Accrued <u>Liability</u>	(UAAL) Unfunded <u>AAL</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	UAAL as a % of Covered <u>Payroll</u>
July 1, 2007	\$ 49,734	55,977	6,243	88.85%	19,930	31.32%

Washington County Emergency Communications District

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u>	(AAL) Actuarial Accrued <u>Liability</u>	(UAAL) Unfunded <u>AAL</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	UAAL as a % of Covered <u>Payroll</u>
July 1, 2007	\$ 1,918	2,452	534	78.21%	1,271	42.04%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

SECTION IV

SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2008

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	
ASSETS						
Equity in Pooled Cash and Deposits	\$ 663,222	57,714	296,465	17,779	153,521	1,188,701
Cash	-	-	-	-	285,737	285,737
Due from State of Tennessee	94,744	-	-	-	-	94,744
Due from Other Local Governments	5,746	-	1,000	368	-	7,114
Due from Others	44,691	285	110	-	-	45,086
Taxes Receivable	1,219,264	-	-	-	-	1,219,264
Allowance for Uncollectibles	(1,052)	-	-	-	-	(1,052)
TOTAL ASSETS	\$ 2,026,615	57,999	297,575	18,147	439,258	2,839,594
LIABILITIES						
Accounts Payable	\$ 1,586	969	5,806	-	-	8,361
Accrued Expenses	11,601	8,101	-	-	-	19,702
Due to Other Funds	50,516	3,278	-	-	439,258	493,052
Deferred Revenues	1,218,125	-	-	-	-	1,218,125
TOTAL LIABILITIES	1,281,828	12,348	5,806	0	439,258	1,739,240
FUND EQUITY						
Reserved for						
Encumbrances	59,895	-	-	-	-	59,895
Public Safety	-	-	21,436	-	-	21,436
Unreserved, Undesignated for, Reported in Special Revenue Funds	684,892	45,651	270,333	18,147	-	1,019,023
TOTAL FUND EQUITY	744,787	45,651	291,769	18,147	0	1,100,354
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,026,615	57,999	297,575	18,147	439,258	2,839,594

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, 2008

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	
REVENUES						
Taxes	\$ 1,160,852	-	-	-	-	1,160,852
Licenses and Permits	189	-	-	-	-	189
Fines, Forfeitures and Penalties	-	6,977	36,144	33,792	-	76,913
Charges for Current Services	129,987	5,457	-	-	-	135,444
Other Local Revenues	250,327	12,975	61,779	-	25,128	350,209
Investment Income	22,444	848	4,094	-	-	27,386
Revenue from State of Tennessee	286,117	9,000	-	-	-	295,117
Revenue from Other Governments and Citizens Groups	-	12,517	-	-	5,471,353	5,483,870
TOTAL REVENUES	1,849,916	47,774	102,017	33,792	5,496,481	7,529,980
EXPENDITURES						
General Government	-	-	44,106	19,283	37,239	100,628
Library	-	533,725	-	-	-	533,725
Sanitation	1,755,369	-	-	-	-	1,755,369
Capital Outlay	214,453	-	-	-	-	214,453
TOTAL EXPENDITURES	1,969,822	533,725	44,106	19,283	37,239	2,604,175
OTHER FINANCING SOURCES (USES)						
Transfers to Other Funds	-	-	-	-	(5,459,242)	(5,459,242)
Transfers from Other Funds	-	449,612	-	-	-	449,612
TOTAL OTHER FINANCING SOURCES (USES)	0	449,612	0	0	(5,459,242)	(5,009,630)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(119,906)	(36,339)	57,911	14,509	-	(83,825)
Fund Balance, July 1, 2007	864,693	81,990	233,858	3,638	-	1,184,179
Fund Balance, June 30, 2008	\$ 744,787	45,651	291,769	18,147	0	1,100,354

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SOLID WASTE / SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,114,490	1,114,490	1,160,852	46,362
Licenses and Permits	200	200	189	(11)
Charges for Current Services	137,000	137,000	129,987	(7,013)
Other Local Revenues	157,000	157,000	272,771	115,771
Revenue from State of Tennessee	290,000	315,000	286,117	(28,883)
TOTAL REVENUES	<u>1,698,690</u>	<u>1,723,690</u>	<u>1,849,916</u>	<u>126,226</u>
EXPENDITURES				
Sanitation	1,845,409	1,900,409	1,755,459	144,950
Capital Outlay	240,000	290,000	237,726	52,274
TOTAL EXPENDITURES	<u>2,085,409</u>	<u>2,190,409</u>	<u>1,993,185</u>	<u>197,224</u>
Excess of Revenues Over (Under) Expenditures	(386,719)	(466,719)	(143,269)	323,450
Fund Balance, July 1, 2007	<u>828,161</u>	<u>828,161</u>	<u>828,161</u>	-
Fund Balance, June 30, 2008	<u>\$ 441,442</u>	<u>361,442</u>	<u>684,892</u>	<u>323,450</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
SOLID WASTE/SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2008	Add: Encumbrances 6/30/2007	
TOTAL REVENUES	\$ 1,849,916	-	-	1,849,916
EXPENDITURES				
Sanitation Operations	1,371,012	90	-	1,370,922
Tire Center Operations	384,447	-	-	384,447
Capital Outlay	237,726	59,805	36,532	214,453
TOTAL EXPENDITURES	1,993,185	59,895	36,532	1,969,822
Excess of Revenues Over (Under) Expenditures	(143,269)	59,895	(36,532)	(119,906)
Fund Balance, July 1, 2007	828,161	-	36,532	864,693
Fund Balance, June 30, 2008	\$ 684,892	59,895	0	744,787

(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.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 5,000	5,000	6,977	1,977
Charges for Current Services	10,000	10,000	5,457	(4,543)
Other Local Revenues	100	1,086	13,823	12,737
Revenue from State of Tennessee	-	9,000	9,000	-
Revenue from Other Governments and Citizens Groups	10,000	10,069	12,517	2,448
TOTAL REVENUES	25,100	35,155	47,774	12,619
EXPENDITURES				
Library	491,818	516,373	533,725	(17,352)
TOTAL EXPENDITURES	491,818	516,373	533,725	(17,352)
OTHER FINANCING SOURCES				
Transfers from Other Funds	449,612	449,612	449,612	-
TOTAL OTHER FINANCING SOURCES	449,612	449,612	449,612	0
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(17,106)	(31,606)	(36,339)	(4,733)
Fund Balance, July 1, 2007	81,990	81,990	81,990	-
Fund Balance, June 30, 2008	\$ 64,884	50,384	45,651	(4,733)

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 DRUG FINES FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 35,000	35,000	36,144	1,144
Other Local Revenues	12,500	12,500	65,873	53,373
TOTAL REVENUES	47,500	47,500	102,017	54,517
EXPENDITURES				
General Government	47,500	52,500	44,106	8,394
TOTAL EXPENDITURES	47,500	52,500	44,106	8,394
Excess of Revenues Over (Under) Expenditures	-	(5,000)	57,911	62,911
Fund Balance, July 1, 2007	233,858	233,858	233,858	-
Fund Balance, June 30, 2008	\$ 233,858	228,858	291,769	62,911

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Board of Education</u> Governmental Activities
COMPONENT UNIT					
GOVERNMENTAL ACTIVITIES					
Regular Instruction	\$ 34,415,114	9,950	2,226,313	31,099,442	(1,079,409)
Special Education	5,535,175	-	1,895,587	3,658,758	19,170
Vocational Education	2,220,883	-	151,355	1,829,379	(240,149)
Adult Education	8,714	3,305	-	-	(5,409)
Attendance	103,713	-	-	-	(103,713)
Health Services	826,820	-	105,000	-	(721,820)
Other Student Support	1,069,525	-	-	-	(1,069,525)
Board of Education	993,775	-	-	-	(993,775)
Office of the Director	610,285	-	-	-	(610,285)
Office of the Principal	2,725,638	-	-	-	(2,725,638)
Fiscal Services	182,710	-	-	-	(182,710)
Operation of Plant	3,110,590	3,350	-	-	(3,107,240)
Maintenance of Plant	1,684,030	-	-	-	(1,684,030)
Transportation	2,816,308	-	-	-	(2,816,308)
Central and Other	138,340	-	-	-	(138,340)
Food Service	3,874,869	1,643,098	1,827,664	-	(404,107)
Community Service	579,258	550,648	-	-	(28,610)
Depreciation - All Unallocated	2,298,692	-	-	-	(2,298,692)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 63,194,439	2,210,351	6,205,919	36,587,579	(18,190,590)
GENERAL REVENUES					
Taxes					
Property Taxes					10,229,540
In Lieu of Taxes					155,005
Sales Taxes					13,529,794
Business Taxes					317,551
Miscellaneous					104,566
Other Local Governments					92,343
State Aid					30,213,138
Unrestricted Investment Earnings					453,605
Gain of Sale of Capital Assets					18,806
Special Item - Damages Recovered from Individuals					7,785
TOTAL GENERAL REVENUES AND SPECIAL ITEMS					55,122,133
CHANGE IN NET ASSETS					
Net Assets - Beginning					36,931,543
					62,793,643
Net Assets - Ending					\$ 99,725,186

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2008

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
ASSETS				
Equity in Pooled Cash and Deposits	\$ 5,144,783	(8,823)	-	5,135,960
Cash and Deposits	-	-	853,885	853,885
Accounts Receivable				
Due from State of Tennessee	289,307	-	-	289,307
Due from Federal Government	197,441	110,077	177,219	484,737
Other	-	-	-	-
Due from Other Funds	25,116	-	-	25,116
Sales Tax Receivable	2,270,101	-	-	2,270,101
Inventory - Food Service	-	-	141,834	141,834
Taxes Receivable	11,248,609	-	-	11,248,609
Allowance for Uncollectibles	(10,397)	-	-	(10,397)
TOTAL ASSETS	\$ 19,164,960	101,254	1,172,938	20,439,152
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 531,869	7,638	-	539,507
Accrued Expenses	-	-	-	-
Deferred Revenues	11,238,212	67,159	-	11,305,371
Due to Other Funds	-	25,116	-	25,116
TOTAL LIABILITIES	11,770,081	99,913	0	11,869,994
FUND EQUITY				
Reserved for Encumbrances	1,109,938	1,341	-	1,111,279
Reserved for Inventory	-	-	141,834	141,834
Reserved for Special Projects	1,941,064	-	-	1,941,064
Unreserved	4,343,877	-	1,031,104	5,374,981
TOTAL FUND EQUITY	7,394,879	1,341	1,172,938	8,569,158
TOTAL LIABILITIES AND FUND EQUITY	\$ 19,164,960	101,254	1,172,938	20,439,152

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, 2008

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 8,569,158
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 \$124,221,885 and the accumulated depreciation is \$33,441,106.	90,780,779
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.	509,478
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.	<u>(134,229)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 99,725,186</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2008

	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	\$ 24,178,427	-	-	24,178,427
Licenses and Permits	1,729	-	-	1,729
Fines, Forfeitures and Penalties	61,276	-	-	61,276
Charges for Current Services	567,552	-	1,643,098	2,210,650
Other Local Revenue	105,946	-	-	105,946
Other Local - Investment Income	442,965	-	10,640	453,605
Revenue from State of Tennessee	30,652,380	-	-	30,652,380
Revenue from Federal Government	145,937	3,824,069	1,827,664	5,797,670
TOTAL REVENUES	<u>56,156,212</u>	<u>3,824,069</u>	<u>3,481,402</u>	<u>63,461,683</u>
EXPENDITURES				
Regular Instruction	32,652,991	1,769,345	-	34,422,336
Special Education	3,974,800	1,574,930	-	5,549,730
Vocational Education	2,096,856	125,342	-	2,222,198
Adult Education	8,714	-	-	8,714
Attendance	103,713	-	-	103,713
Health Services	826,820	-	-	826,820
Other Student Support	987,887	81,638	-	1,069,525
Board of Education	993,775	-	-	993,775
Office of the Director	610,285	-	-	610,285
Office of the Principal	2,725,638	-	-	2,725,638
Fiscal Services	182,710	-	-	182,710
Operation of Plant	3,110,590	-	-	3,110,590
Maintenance of Plant	1,684,030	-	-	1,684,030
Transportation	2,505,285	311,023	-	2,816,308
Central and Other	138,340	-	-	138,340
Food Service	432,180	-	3,442,689	3,874,869
Community Service	579,258	-	-	579,258
Capital Outlay	997,113	-	153,596	1,150,709
TOTAL EXPENDITURES	<u>54,610,985</u>	<u>3,862,278</u>	<u>3,596,285</u>	<u>62,069,548</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,545,227	(38,209)	(114,883)	1,392,135
Fund Balance, July 1, 2007	<u>5,849,652</u>	<u>39,550</u>	<u>1,287,821</u>	<u>7,177,023</u>
Fund Balance, June 30, 2008	<u>\$ 7,394,879</u>	<u>1,341</u>	<u>1,172,938</u>	<u>8,569,158</u>

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, 2008

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,392,135
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 \$2,298,692 exceeds capital outlay of \$1,150,709.	(1,147,983)
The effect of other transactions involving capital assets such as a contribution from the primary government is to increase net assets.	36,587,579
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.	106,132
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 less than the amount earned.	(6,320)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 36,931,543</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis) (See Note A)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 23,857,038	24,137,157	24,178,427	41,270
Licenses and Permits	2,100	2,100	1,729	(371)
Fines, Forfeitures and Penalties	60,480	61,980	61,276	(704)
Charges for Current Services	577,435	601,992	567,552	(34,440)
Other Local Revenue	597,886	510,725	548,911	38,186
Revenue from State of Tennessee	30,297,662	32,471,835	30,652,380	(1,819,455)
Revenue from Federal Government	2,166,082	166,988	145,937	(21,051)
TOTAL REVENUES	<u>57,558,683</u>	<u>57,952,777</u>	<u>56,156,212</u>	<u>(1,796,565)</u>
EXPENDITURES				
Regular Instruction	33,804,897	34,544,012	33,428,638	1,115,374
Special Education Program	4,049,035	3,995,739	3,974,800	20,939
Vocational Education Program	2,046,568	2,091,365	2,086,226	5,139
Adult Education Program	6,743	8,717	8,714	3
Attendance	103,922	104,115	103,713	402
Health Services	834,416	835,936	826,885	9,051
Other Student Services	1,045,603	987,896	987,887	9
Board of Education	1,014,753	996,813	993,775	3,038
Office of Director	620,431	627,796	610,285	17,511
Office of Principal	2,666,856	2,793,983	2,779,745	14,238
Fiscal Services	183,156	183,786	182,315	1,471
Operation of Plant	3,291,088	3,255,545	3,183,449	72,096
Maintenance of Plant	1,595,434	1,652,402	1,661,223	(8,821)
Transportation	3,256,800	2,519,725	2,500,443	19,282
Central and Other	136,575	146,525	137,693	8,832
Food Service	2,371,305	2,301,823	432,180	1,869,643
Community Service	552,692	581,601	580,258	1,343
Capital Outlay	110,000	1,071,495	1,066,932	4,563
TOTAL EXPENDITURES	<u>57,690,274</u>	<u>58,699,274</u>	<u>55,545,161</u>	<u>3,154,113</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(131,591)	(746,497)	611,051	1,357,548
Fund Balance, July 1, 2007	<u>5,673,890</u>	<u>5,673,890</u>	<u>5,673,890</u>	<u>-</u>
Fund Balance, June 30, 2008	<u>\$ 5,542,299</u>	<u>4,927,393</u>	<u>6,284,941</u>	<u>1,357,548</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 GENERAL PURPOSE SCHOOL FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2008

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2008	Add: Encumbrances 6/30/2007	
TOTAL REVENUES	\$ 56,156,212	-	-	56,156,212
EXPENDITURES				
Regular Instruction	33,428,638	889,784	114,137	32,652,991
Special Education Program	3,974,800	-	-	3,974,800
Vocational Education Program	2,086,226	139	10,769	2,096,856
Adult Education Program	8,714	-	-	8,714
Attendance	103,713	-	-	103,713
Health Services	826,885	65	-	826,820
Other Student Services	987,887	-	-	987,887
Board of Education	993,775	-	-	993,775
Office of Director	610,285	-	-	610,285
Office of Principal	2,779,745	54,107	-	2,725,638
Fiscal Services	182,315	-	395	182,710
Operation of Plant	3,183,449	72,859	-	3,110,590
Maintenance of Plant	1,661,223	14,080	36,887	1,684,030
Transportation	2,500,443	-	4,842	2,505,285
Central and Other	137,693	4	651	138,340
Food Service	432,180	-	-	432,180
Community Service	580,258	1,000	-	579,258
Capital Outlay	1,066,932	77,900	8,081	997,113
TOTAL EXPENDITURES	55,545,161	1,109,938	175,762	54,610,985
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	611,051	1,109,938	(175,762)	1,545,227
Fund Balance, July 1, 2007	5,673,890	-	175,762	5,849,652
Fund Balance, June 30, 2008	\$ 6,284,941	1,109,938	0	7,394,879

(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.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2008

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2007	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2008	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES											
PAYABLE THROUGH DEBT SERVICE FUND											
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	\$ 455,000	-	455,000	-	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	90,600	-	30,100	60,500	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	3,162,000	-	395,000	2,767,000	Ad Valorem
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	67,000	-	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	505,000	-	255,000	250,000	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	4,587,000	-	417,000	4,170,000	Ad Valorem

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2008

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2007	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2008	Anticipated Source of Revenue	
NOTES PAYABLE (CONTINUED)												
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	-	79,000	156,000	Ad Valorem	
General Capital Outlay	Bank of America	Sections 5-10-501 to 5-10-509, T.C.A.	3,500,000	4.08%	5/15/2007	9/15/2018	3,500,000	-	291,667	3,208,333	Ad Valorem	
							\$ 12,601,600	-	1,989,767	10,611,833		
TOTAL CAPITAL OUTLAY NOTES PAYABLE - PAYABLE THROUGH DEBT SERVICE FUND												

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2008

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2007	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2008	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	\$ 200,000	-	200,000	-	Ad Valorem
School Bonds (1999)	Section 9-21-901 to 9-21-909, T.C.A.	8,100,000	3.55% 5.50%	10/21/1999	10/21/2018	1,500,000	-	700,000	800,000	Ad Valorem
School Bonds (1999)	Section 9-21-901 to 9-21-909, T.C.A.	8,100,000	4.9-5.2%	3/1/1999	3/1/2009	2,950,000	-	1,400,000	1,550,000	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
TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE						\$ 154,710,000	-	2,300,000	152,410,000	

* Includes \$4,550,000 refunded

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF TRANSFERS - ALL FUNDS
 For the Fiscal Year Ended June 30, 2008

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
General	Library	To provide funds for operations	\$ 449,612
Constitutional Officers - Fees Fund	General	Excess fees and commissions	5,459,242
Capital Projects	Debt Service	To provide funds for debt service	2,519,679
Highway	Debt Service	Quarry payment	<u>25,000</u>
TOTAL OPERATING TRANSFERS			<u><u>\$ 8,453,533</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, 2008

	Authorization for Salary	Salary Paid During Period	Special Commissioner Fees	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	\$ 98,419	-	50,000	Traveler's Casualty and Surety
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	85,212	-	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	109,671	-	100,000	Western Surety Company
TRUSTEE	Section 8-24-102, T.C.A.	70,422	-	2,000,000	Traveler's Casualty and Surety
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	70,422	-	10,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	70,422	-	50,000	Traveler's Casualty and Surety
CIRCUIT COURT CLERK	Section 8-24-102, T.C.A. Section 8-24-102(j)(2), T.C.A.	70,422 7,042	-	50,000	Traveler's Casualty and Surety
CLERK AND MASTER	Section 8-24-102, T.C.A. Section 8-21-801, T.C.A.	70,422	-	50,000	Traveler's Casualty and Surety
REGISTER	Section 8-24-102, T.C.A.	70,422	-	25,000	Traveler's Casualty and Surety
SHERIFF	Section 8-24-102, T.C.A. Section 8-24-111, T.C.A.	85,212 8,521	-	25,000	Traveler's Property and Casualty

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF INVESTMENTS
For the Fiscal Year Ended June 30, 2008

<u>Type</u>	<u>Amount</u>
<u>Primary Government</u>	
Capital Projects Fund	
US Treasuries	\$ 12,618,684
Municipal Bonds	<u>26,310,000</u>
Total Investments	<u><u>\$ 38,928,684</u></u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

Source	County General	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
TAXES							
Current Property Taxes	\$ 17,046,877	4,989,330	-	9,770,771	31,806,978	9,513,882	41,320,860
Taxes Prior Years							
Trustee	488,452	147,314	-	279,125	914,891	385,325	1,300,216
Clerk and Master	153,960	46,375	-	87,989	288,324	117,770	406,094
Interest and Penalty	151,497	45,499	-	86,514	283,510	106,430	389,940
Pick-Up Taxes	55,576	16,594	-	31,790	103,960	-	103,960
Tax Equivalent							
Federal	2,046	599	-	1,173	3,818	2,046	5,864
Local	253,824	91,047	-	145,566	490,437	141,764	632,201
Other	6,843	-	-	3,922	10,765	11,195	21,960
Excise Tax	80,670	23,611	-	46,238	150,519	45,022	195,541
Local Option Sales Tax	-	-	-	-	-	13,529,794	13,529,794
Interstate Telecommunications	6,812	-	-	-	6,812	7,648	14,460
Litigation Tax	500,892	-	-	-	500,892	-	500,892
Business Tax	529,466	155,628	-	304,192	989,286	317,551	1,306,837
Beer Tax	342,612	-	-	-	342,612	-	342,612
Other Statutory Local Tax	171,351	-	-	-	171,351	-	171,351
TOTAL TAXES	19,790,878	5,515,997	0	10,757,280	36,064,155	24,178,427	60,242,582
LICENSES AND PERMITS							
Marriage Licenses	2,827	836	-	1,619	5,282	1,729	7,011
Cable TV Franchise	373,213	-	-	-	373,213	-	373,213
Building Permits	101,383	-	-	-	101,383	-	101,383
Handgun Permits	-	-	-	-	-	-	-
TOTAL LICENSES AND PERMITS	477,423	836	0	1,619	479,878	1,729	481,607
FINES, FORFEITURES AND PENALTIES							
Circuit Court	41,233	48,335	-	-	89,568	61,276	150,844

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
FINES, FORFEITURES AND PENALTIES (CONTINUED)							
Criminal Court	220,034	-	-	-	220,034	-	220,034
General Sessions Court	222,163	21,577	-	-	243,740	-	243,740
Chancery Court	32,430	-	-	-	32,430	-	32,430
Other Courts	111,337	7,001	-	-	118,338	-	118,338
	<u>627,197</u>	<u>76,913</u>	<u>0</u>	<u>0</u>	<u>704,110</u>	<u>61,276</u>	<u>765,386</u>
TOTAL FINES, FORFEITURES AND PENALTIES							
CHARGES FOR CURRENT SERVICES							
Breakfast and Lunch Payments	-	-	-	-	-	1,156,911	1,156,911
Ala Carte Sales	-	-	-	-	-	312,275	312,275
Indirect Cost	-	-	-	-	-	173,912	173,912
Tuition and Fees	-	-	-	-	-	567,552	567,552
Other Employee Benefit	569,982	-	-	-	569,982	-	569,982
Other Charges	-	167,115	-	-	167,115	-	167,115
Work Release	56,841	-	-	-	56,841	-	56,841
	<u>626,823</u>	<u>167,115</u>	<u>0</u>	<u>0</u>	<u>793,938</u>	<u>2,210,650</u>	<u>3,004,588</u>
TOTAL CHARGES FOR CURRENT SERVICES							
OTHER LOCAL REVENUES							
Investment Income	320,502	88,984	3,947,443	221,448	4,578,377	453,605	5,031,982
Sale of Property	16,381	249,615	-	-	265,996	-	265,996
Refunds	41,825	1,757	-	-	43,582	-	43,582
Insurance Recovery	15,301	11,063	-	-	26,364	-	26,364
Damages from Individuals	5	-	-	-	5	7,785	7,790
Employee Benefit Charges	-	139,225	-	-	139,225	-	139,225
Rentals	-	-	-	-	-	3,350	3,350
Contributions	200	-	-	-	200	25,690	25,890
Fingerprinting Services	5,927	1,000	-	-	6,927	-	6,927
Proceeds-Confiscated Property	-	37,576	-	-	37,576	-	37,576

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

Source	County General	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
OTHER LOCAL REVENUES (CONTINUED)							
Other Local Revenue	120,281	22,924	-	-	143,205	69,121	212,326
Forfeitures and Seizures	-	6,181	-	-	6,181	-	6,181
Commissary Sales	75,234	-	-	-	75,234	-	75,234
Lease	-	158,319	-	-	158,319	-	158,319
Special Commissioner Fees	-	25,128	-	-	25,128	-	25,128
TOTAL OTHER LOCAL REVENUES	595,656	741,772	3,947,443	221,448	5,506,319	559,551	6,065,870
FROM STATE OF TENNESSEE							
Beer Tax	19,312	-	-	-	19,312	-	19,312
Income Tax	292,039	-	-	-	292,039	-	292,039
Alcoholic Beverage	115,412	-	-	-	115,412	1,582	116,994
State Preschool Funds	-	-	-	-	-	260,170	260,170
State Salary Supplements	16,380	-	-	-	16,380	-	16,380
Litter Grant	52,788	-	-	-	52,788	-	52,788
Contracted Prisoner Board	1,695,645	-	-	-	1,695,645	-	1,695,645
Basic Education Program	-	-	-	-	-	29,304,000	29,304,000
Gasoline and Motor Fuel	-	2,444,954	-	-	2,444,954	-	2,444,954
Gasoline Inspection Fee	-	7,163	-	-	7,163	-	7,163
Mineral Severance Tax	-	33,153	-	-	33,153	-	33,153
Petroleum Special Tax	-	86,103	-	-	86,103	-	86,103
Bridge Program	-	59,221	-	-	59,221	-	59,221
Health Department Programs	783,856	-	-	-	783,856	-	783,856
Driver Education	-	-	-	-	-	38,805	38,805
Law Enforcement Training	44,400	-	-	-	44,400	-	44,400
Reappraisal Program	34,002	-	-	-	34,002	-	34,002
Substance Grant	99,985	-	-	-	99,985	-	99,985
TVA Replacement	302,723	88,601	-	173,512	564,836	302,723	867,559
Juvenile Grant	12,000	-	-	-	12,000	-	12,000
Career Ladder/Extended Contract	-	-	-	-	-	606,414	606,414
Juvenile Services	9,000	-	-	-	9,000	-	9,000

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
FROM STATE OF TENNESSEE (CONTINUED)							
High Visibility Grant	433	-	-	-	433	-	433
Sheriff's Traffic Safety Grant	27,013	-	-	-	27,013	-	27,013
Board of Jurors	10,278	-	-	-	10,278	-	10,278
Tires/Solid Waste Grant	-	267,659	-	-	267,659	-	267,659
Other Public Works Grants	-	11,948	-	-	11,948	-	11,948
Other State Revenues	271,717	9,000	-	-	280,717	138,686	419,403
TOTAL FROM STATE OF TENNESSEE	3,786,983	3,007,802	0	173,512	6,968,297	30,652,380	37,620,677
FROM FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,401,476	1,401,476
School Breakfast Funds	-	-	-	-	-	411,281	411,281
School Snack Funds	-	-	-	-	-	14,907	14,907
R.O.T.C.	-	-	-	-	-	116,525	116,525
Title I Funds	-	-	-	-	-	1,376,609	1,376,609
Title II Funds	-	-	-	-	-	361,467	361,467
Title IV Funds	-	-	-	-	-	35,253	35,253
Title V Funds	-	-	-	-	-	13,432	13,432
Preschool and IDEA	-	-	-	-	-	1,885,953	1,885,953
Indirect Costs	-	-	-	-	-	29,412	29,412
Program Improvement	-	-	-	-	-	151,355	151,355
Prisoner Board	1,918	-	-	-	1,918	-	1,918
Community Development - CDBG	368,694	-	-	-	368,694	-	368,694
Asset Forfeiture Funds	9,796	-	-	-	9,796	-	9,796
Homeland Security Grants	634,825	-	-	-	634,825	-	634,825
Law Enforcement Grants	5,268	-	-	-	5,268	-	5,268
Federal Incentive	10,400	-	-	-	10,400	-	10,400
RSAT Expansion	86,628	-	-	-	86,628	-	86,628
Emergency Watershed Protection	-	-	-	-	-	-	-
Other Federal Revenues	29,368	-	-	-	29,368	-	29,368
TOTAL FROM FEDERAL GOVERNMENT	1,146,897	0	0	0	1,146,897	5,797,670	6,944,567

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

Source	County General	Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS							
District Attorney - Johnson City	56,250	-	-	-	56,250	-	56,250
Reappraisal Program - Johnson City	59,861	-	-	-	59,861	-	59,861
Donations from Citizens Groups	-	2,517	-	-	2,517	-	2,517
Donations from the Town of Jonesborough	-	10,000	-	-	10,000	-	10,000
Reimbursement - Local Governments	497,933	-	-	-	497,933	-	497,933
TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZENS GROUPS	614,044	12,517	0	0	626,561	0	626,561
EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS	-	2,335,792	-	-	2,335,792	-	2,335,792
Fees	-	3,135,561	-	-	3,135,561	-	3,135,561
Commissions	-	-	-	-	-	-	-
TOTAL EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS	0	5,471,353	0	0	5,471,353	0	5,471,353
TOTAL REVENUES	\$ 27,665,901	14,994,305	3,947,443	11,153,859	57,761,508	63,461,683	121,223,191

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2008

Source	Highway Fund	Solid Waste/ Sanitation Fund	Library Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
TAXES							
Current Property Taxes	\$ 3,949,884	1,039,446	-	-	-	-	4,989,330
Taxes Prior Years							
Trustee	108,548	38,766	-	-	-	-	147,314
Clerk and Master	34,275	12,100	-	-	-	-	46,375
Interest and Penalty	33,875	11,624	-	-	-	-	45,499
Pick-Up Taxes	12,528	4,066	-	-	-	-	16,594
Tax Equivalent							
Federal	474	125	-	-	-	-	599
Local and Other	75,153	15,894	-	-	-	-	91,047
Excise Tax	18,692	4,919	-	-	-	-	23,611
Business Tax	121,716	33,912	-	-	-	-	155,628
TOTAL TAXES	4,355,145	1,160,852	0	0	0	0	5,515,997
LICENSES AND PERMITS							
Marriage Licenses	647	189	-	-	-	-	836
TOTAL LICENSES AND PERMITS	647	189	0	0	0	0	836
FINES, FORFEITURES AND PENALTIES							
Fees and Dues	-	-	6,977	24	-	-	7,001
Circuit and Criminal Courts	-	-	-	14,543	33,792	-	48,335
General Sessions Court	-	-	-	21,577	-	-	21,577
TOTAL FINES, FORFEITURES AND PENALTIES	0	0	6,977	36,144	33,792	0	76,913
CHARGES FOR CURRENT SERVICES							
Other Charges	31,671	129,987	5,457	-	-	-	167,115
TOTAL CHARGES FOR CURRENT SERVICES	31,671	129,987	5,457	0	0	0	167,115
OTHER LOCAL REVENUE							
Investment Income	61,598	22,444	848	4,094	-	-	88,984
Sale of Property	13,291	236,324	-	-	-	-	249,615
Insurance Recovery	11,063	-	-	-	-	-	11,063
Refunds	1,757	-	-	-	-	-	1,757
Fingerprinting Services	-	-	-	1,000	-	-	1,000
Proceeds-Confiscated Property	-	-	-	37,576	-	-	37,576
Forfeitures and Seizures	-	-	-	6,181	-	-	6,181
Other Local Revenue	58	-	5,844	17,022	-	-	22,924
Employee Benefit Charges	118,091	14,003	7,131	-	-	-	139,225
Lease	158,319	-	-	-	-	-	158,319
Special Commissions	-	-	-	-	-	25,128	25,128
TOTAL OTHER LOCAL REVENUES	364,177	272,771	13,823	65,873	0	25,128	741,772

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2008

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	2,444,954	-	-	-	-	-	2,444,954
Gasoline Inspection Fee	7,163	-	-	-	-	-	7,163
Mineral Severance Tax	33,153	-	-	-	-	-	33,153
Petroleum Special Tax	86,103	-	-	-	-	-	86,103
Bridge Program	59,221	-	-	-	-	-	59,221
TVA Replacement	70,143	18,458	-	-	-	-	88,601
Tires/Solid Waste Grant	-	267,659	-	-	-	-	267,659
Other Public Works Grants	11,948	-	-	-	-	-	11,948
Other State Revenues	-	-	9,000	-	-	-	9,000
TOTAL FROM STATE OF TENNESSEE	<u>2,712,685</u>	<u>286,117</u>	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,007,802</u>
REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS							
Donations from Citizen Groups	-	-	2,517	-	-	-	2,517
Donations from Town of Jonesborough	-	-	10,000	-	-	-	10,000
TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS	<u>0</u>	<u>0</u>	<u>12,517</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,517</u>
EXCESS FEES AND COMMISSIONS							
Commissions	-	-	-	-	-	2,335,792	2,335,792
Fees	-	-	-	-	-	3,135,561	3,135,561
TOTAL EXCESS FEES AND COMMISSIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,471,353</u>	<u>5,471,353</u>
TOTAL REVENUES	<u>\$ 7,464,325</u>	<u>1,849,916</u>	<u>47,774</u>	<u>102,017</u>	<u>33,792</u>	<u>5,496,481</u>	<u>14,994,305</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Source	Special Revenue Funds			
	Washington County Board of Education			
	General Purpose School	School Federal Projects	School Food Service	Total Component Unit
TAXES				
Current Property Taxes	\$ 9,513,882	-	-	9,513,882
Property Taxes Prior Years				
Trustee	385,325	-	-	385,325
Clerk and Master	117,770	-	-	117,770
Interest and Penalty	106,430	-	-	106,430
Tax Equivalent				
Federal	2,046	-	-	2,046
Local	141,764	-	-	141,764
Other	11,195	-	-	11,195
Excise Tax	45,022	-	-	45,022
Local Option Sales Tax	13,529,794	-	-	13,529,794
Interstate Telecommunications	7,648	-	-	7,648
Business Tax	317,551	-	-	317,551
TOTAL TAXES	24,178,427	0	0	24,178,427
LICENSES AND PERMITS				
Marriage Licenses	1,729	-	-	1,729
TOTAL LICENSES AND PERMITS	1,729	0	0	1,729
FINES, FORFEITURES AND PENALTIES				
Court Fines	61,276	-	-	61,276
TOTAL FINES, FORFEITURES AND PENALTIES	61,276	0	0	61,276
CHARGES FOR CURRENT SERVICES				
Breakfast and Lunch Payments	-	-	1,156,911	1,156,911
Ala Carte Sales	-	-	312,275	312,275
Indirect Costs	-	-	173,912	173,912
Tuition and Fees	567,552	-	-	567,552
TOTAL CHARGES FOR CURRENT SERVICES	567,552	0	1,643,098	2,210,650
OTHER LOCAL REVENUE				
Investment Income	442,965	-	10,640	453,605
Damages	7,785	-	-	7,785
Rentals	3,350	-	-	3,350
Contributions and Gifts	25,690	-	-	25,690
Other	69,121	-	-	69,121
TOTAL OTHER LOCAL REVENUES	548,911	0	10,640	559,551

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Source	Special Revenue Funds			
	Washington County Board of Education			
	General Purpose School	School Federal Projects	School Food Service	Total Component Unit
FROM STATE OF TENNESSEE				
Basic Education Program	\$ 29,304,000	-	-	29,304,000
Driver Education	38,805	-	-	38,805
Alcoholic Beverage	1,582	-	-	1,582
State Preschool Funds	260,170	-	-	260,170
TVA Replacement	302,723	-	-	302,723
Career Ladder/Extended Contract	606,414	-	-	606,414
Other State Revenues	138,686	-	-	138,686
TOTAL FROM STATE OF TENNESSEE	30,652,380	0	0	30,652,380
FROM FEDERAL GOVERNMENT				
School Lunch Funds	-	-	1,401,476	1,401,476
School Breakfast Funds	-	-	411,281	411,281
School Snack Funds	-	-	14,907	14,907
R.O.T.C.	116,525	-	-	116,525
Title I Funds	-	1,376,609	-	1,376,609
Title II Funds	-	361,467	-	361,467
Title IV Funds	-	35,253	-	35,253
Title V Funds	-	13,432	-	13,432
Preschool and IDEA	-	1,885,953	-	1,885,953
Program Improvement	-	151,355	-	151,355
Indirect Costs	29,412	-	-	29,412
TOTAL FROM FEDERAL GOVERNMENT	145,937	3,824,069	1,827,664	5,797,670
TOTAL REVENUES	\$ 56,156,212	3,824,069	3,481,402	63,461,683

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND

COUNTY COMMISSION

Compensation	\$ 112,500
Per Diem Allowance	1,200
Social Security	5,605
State Retirement	12,087
Employer Medicare	1,312
Contracts with Other Public Agencies	8,576
Dues and Memberships	9,414
Travel	9,282
	<u>9,282</u>

TOTAL COUNTY COMMISSION 159,976

BOARDS AND COMMITTEES

Fees	3,410
Social Security	130
Employer Medicare	49
	<u>49</u>

TOTAL BOARDS AND COMMITTEES 3,589

COUNTY EXECUTIVE

Administrative Salaries	136,350
Social Security	8,360
State Retirement	19,007
Employer Medicare	1,955
Communication	6,250
Dues and Memberships	2,350
Freight	133
Postage and Box Rent	1,789
Travel	1,540
Gasoline	3,588
Office Supplies	2,492
Periodicals	550
	<u>550</u>

TOTAL COUNTY EXECUTIVE 184,364

COUNTY ATTORNEY

Compensation	30,000
Social Security	1,823
State Retirement	4,182
Employer Medicare	426
Dues and Memberships	710
Periodicals	2,843
Travel	1,424
	<u>1,424</u>

TOTAL COUNTY ATTORNEY 41,408

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

ELECTION COMMISSION

Personnel Salaries	217,864
Election Commission	16,950
Election Workers	42,738
In-Service Training	3,048
Social Security	14,006
State Retirement	21,439
Employer Medicare	3,323
Communication	11,776
Data Processing Services	12,691
Dues and Memberships	425
Freight Expenses	124
Legal Notices	16,339
Maintenance and Repair	1,470
Postal Charges	14,140
Printing, Stationery and Forms	19,836
Rentals	1,369
Travel	5,439
Other Contracted Services	4,800
Data Processing Supplies	9,644
Instruction Supplies	1,725
Office Supplies	4,507
Periodicals	11
Other Supplies and Materials	1,445
Other Charges	741

TOTAL ELECTION COMMISSION

425,850

REGISTER OF DEEDS

Personnel Salaries	275,289
Social Security	16,745
State Retirement	36,484
Employer Medicare	3,917
Communication	3,945
Dues and Memberships	853
Freight	1,225
Maintenance and Repair	25,464
Postal Charges	9,020
Rentals	2,920
Travel	1,508
Other Contracted Services	13,725

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
REGISTER OF DEEDS (CONTINUED)		
Data Processing Supplies	940	
Periodicals	35	
Office Supplies	12,851	
Surety Bond	508	
Capital Outlay	64,205	
TOTAL REGISTER OF DEEDS	469,634	469,634
PLANNING AND ZONING		
Board and Committee Members Fees	8,640	
Social Security	536	
Employer Medicare	125	
Contracts with Government Agencies	13,500	
Maintenance	265	
Postal Charges	500	
Rentals	1,105	
TOTAL PLANNING AND ZONING	24,671	24,671
CODES COMPLIANCE		
Salaries and Wages	164,661	
Social Security	9,922	
State Retirement	21,556	
Employer Medicare	2,321	
Communication	5,790	
Freight	229	
Maintenance	1,044	
Postal Charges	1,500	
Rentals	5,549	
Gasoline	2,901	
Office Supplies	7,149	
Periodicals	811	
Other Charges	70	
TOTAL CODES COMPLIANCE	223,503	223,503

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
COUNTY BUILDING		
Communication	57	
Maintenance and Repair	14,781	
Electricity	7,689	
Gasoline	428	
Water and Sewer	1,295	
Other Charges	958	
TOTAL COUNTY BUILDING		25,208
OTHER GENERAL ADMINISTRATION		
Personnel	190,568	
Social Security	11,226	
State Retirement	26,475	
Employer Medicare	2,625	
Other Fringe Benefits	8,580	
Professional Services	104,375	
Communication	9,629	
Engineering Services	10,604	
Freight Expense	372	
Legal Notices	23,078	
Legal Fees	140,895	
Maintenance and Repair	61,837	
Medical and Dental Services	6,017	
Pest Control	2,250	
Printing	3,400	
Rentals	30,345	
Travel	1,187	
Contracts with Public Agencies	3,500	
Other Contracted Services	2,390	
Custodial Supplies	23,457	
Duplicating Supplies	14,764	
Utilities	179,852	
Other Supplies and Materials	41,420	
Boiler Insurance	3,148	
Building and Contents Insurance	220,726	
Liability Insurance	136,747	
Trustee's Commission	438,752	
Workman's Compensation Insurance	164,534	
Other Charges	30,957	
TOTAL OTHER GENERAL ADMINISTRATION		1,893,710

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING

Salaries	204,125
Social Security	12,361
State Retirement	28,455
Employer Medicare	2,891
Communications	3,898
Freight	145
Postal Charges	761
Travel	104
Data Processing Supplies	3,126
Office Supplies	2,900
Premiums on Corporate Surety Bonds	686

TOTAL ACCOUNTING AND BUDGETING

259,452

PURCHASING

Administrative Salaries	101,861
Social Security	6,182
State Retirement	14,200
Employer Medicare	1,446
Communications	1,961
Legal Notices	4,283
Maintenance Agreements	300
Postal Charges	500
Data Processing Supplies	169
Office Supplies	662
Premiums on Corporate Surety Bonds	100

TOTAL PURCHASING

131,664

PROPERTY ASSESSOR

Salaries	265,246
Social Security	15,781
State Retirement	32,740
Employer Medicare	3,759
Training	40
Communications	5,000
Data Processing Services	29,570
Dues and Memberships	1,737
Freight	5
Legal Notices	368

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Maintenance and Repair	6,007	
Postal Charges	3,000	
Rentals	947	
Travel	2,325	
Gasoline	2,938	
Office Supplies	8,075	
Publications and Books	6	
Surety Bonds	198	
TOTAL PROPERTY ASSESSOR	377,742	377,742

REAPPRAISAL PROGRAM

Salaries	140,757	
Social Security	8,101	
State Retirement	19,110	
Employer Medicare	1,958	
Audit Service - Property	108,635	
Communication	2,190	
Data Processing Services	9,073	
Dues and Memberships	100	
Maintenance and Repair	642	
Postal Charges	5,000	
Rentals	1,200	
Gasoline	2,480	
Office Supplies	2,389	
TOTAL REAPPRAISAL PROGRAM	301,635	301,635

OFFICE OF COUNTY TRUSTEE

Salaries	247,472
Social Security	13,664
State Retirement	30,023
Employer Medicare	3,452
Communication	6,294
Data Processing Services	2,500
Dues and Memberships	703
Freight	54
Legal Notices	1,098
Maintenance and Repair	698
Postal Charges	15,584

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

OFFICE OF COUNTY TRUSTEE (CONTINUED)

Rentals	4,510	
Travel	518	
Data Processing Supplies	7,610	
Office Supplies	1,303	
Premiums on Corporate Surety	713	
Other Charges	302	
TOTAL OFFICE OF COUNTY TRUSTEE		336,498

OFFICE OF COUNTY CLERK

Salaries	565,126	
Social Security	33,754	
State Retirement	75,575	
Employer Medicare	7,943	
Communications	9,192	
Dues and Memberships	728	
Freight	133	
Maintenance and Repair	19,049	
Postal Charges	30,000	
Printing	1,713	
Rentals	4,746	
Travel	3,697	
Office Supplies	6,806	
Premium on Surety Bonds	855	
Other Charges	71	
TOTAL OFFICE OF COUNTY CLERK		759,388

CIRCUIT COURT

Salaries	948,519
Social Security	55,975
State Retirement	109,842
Employer Medicare	13,091
Communication	20,289
Dues and Memberships	648
Freight	338
Maintenance and Repair	9,101
Postal Charges	14,093
Printing, Stationery and Forms	6,580
Rentals	8,645
Travel	2,113
Office Supplies	23,726

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
CIRCUIT COURT (CONTINUED)		
Surety Bonds	1,685	
Other Charges	374	
Periodicals	233	
Data Processing Supplies	11,537	
TOTAL CIRCUIT COURT	11,537	1,226,789
GENERAL SESSIONS JUDGE		
Salaries	274,648	
Social Security	12,353	
State Retirement	38,145	
Employer Medicare	3,915	
Communication	995	
Dues and Memberships	630	
Travel	7,547	
Office Supplies	620	
Periodicals	322	
Other Charges	801	
TOTAL GENERAL SESSIONS JUDGE	801	339,976
DRUG COURT		
Remittance of Revenue	69,854	
TOTAL DRUG COURT	69,854	69,854
CHANCERY COURT		
Salaries	387,042	
Social Security	23,204	
State Retirement	52,842	
Employer Medicare	5,427	
Communication	6,331	
Dues and Memberships	648	
Freight	503	
Maintenance and Repair	4,660	
Rentals	5,933	
Travel	4,368	
Data Processing Services	2,945	
Office Supplies	11,467	
Periodicals	1,043	
Surety Bonds	450	
Postal Charges	5,500	
TOTAL CHANCERY COURT	5,500	512,363
DISTRICT ATTORNEY		
Other Contracted Services	56,250	
TOTAL DISTRICT ATTORNEY	56,250	56,250

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

JUDICIAL

Other Salaries	15,008	
Jury and Witness Fees	39,510	
Other Per Diem and Fees	3,200	
Social Security	913	
Employer Medicare	214	
Communication	57	
Legal Notices	84,422	
Postal Charges	1,208	
Office Supplies	86	
TOTAL JUDICIAL	144,618	144,618

SHERIFF'S DEPARTMENT

Salaries	3,350,267
State Salary Supplement	44,400
Employee Training	17,155
Social Security	202,324
State Retirement	449,039
Employer Medicare	47,317
Communication	21,299
Contracts with Government Agencies	200
Dues and Memberships	3,265
Freight	4,355
Legal Notices	464
Licenses	498
Maintenance and Repair	23,620
Postal Charges	4,633
Printing, Stationery and Forms	4,169
Rentals	36,739
Travel	12,385
Other Contracted Services	31,255
Animal Food and Supplies	867
Data Processing Supplies	28,644
Garage Supplies	12,104
Gasoline	263,074
Law Enforcement Supplies	65,253
Lubricants	9,567
Office Supplies	8,439
Periodicals	109
Tires and Tubes	18,045
Uniforms	71,000
Vehicle Parts	29,590
Other Supplies and Materials	40,311

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
SHERIFF'S DEPARTMENT (CONTINUED)		
Other Charges	17,108	
Capital Outlay	<u>321,480</u>	
TOTAL SHERIFF'S DEPARTMENT		5,138,975
NETCIAU GRANT		
Freight	191	
Supplies	<u>11,438</u>	
TOTAL NETCIAU GRANT		11,629
SUBSTANCE ABUSE GRANT		
Other Contracted Services	<u>133,314</u>	
TOTAL SUBSTANCE ABUSE GRANT		133,314
NCIC GRANT		
Freight	130	
Supplies	<u>14,966</u>	
TOTAL NCIC GRANT		15,096
JAIL		
Salaries and Wages	2,704,857	
In-Service Training	1,144	
Employee Benefits	198,647	
State Retirement	327,757	
Communication	57,198	
Dues and Memberships	300	
Freight	4,515	
Maintenance and Repair	133,490	
Audit Services	4,760	
Medical and Dental Services	317,072	
Pest Control	4,800	
Postal Charges	524	
Printing, Stationery and Forms	2,369	
Rentals	7,218	
Transportation - Prisoners	15,152	
Travel	3,928	
Other Contracted Services	2,607	
Custodial Supplies	51,519	
Data Processing Supplies	28,876	
Drugs and Medical Supplies	110,842	
Food Preparation Supplies	12,018	
Utilities	263,467	
Food Supplies	432,772	
Uniforms	5,675	
Law Enforcement Supplies	734	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
JAIL (CONTINUED)		
Office Supplies	12,243	
Prisoners Clothing	10,639	
Chemicals	2,214	
Other Supplies and Materials	16,613	
Other Charges	4,074	
Capital Outlay	77,015	
TOTAL JAIL		4,815,039
JUVENILE SERVICES		
Salaries	167,614	
Employee Benefits	12,499	
State Retirement	21,251	
Communication	7,594	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	204,358	
Data Processing Services	540	
Freight	106	
Rentals	1,662	
Travel	5,550	
Office Supplies	6,493	
Postal Charges	2,146	
Maintenance and Repairs	480	
Periodicals	298	
Legal Notice, Record and Court Costs	301	
TOTAL JUVENILE SERVICES		435,392
WORK RELEASE PROGRAM		
Board and Committee Member Fees	10,260	
Employee Benefits	704	
State Retirement	1,430	
TOTAL WORK RELEASE PROGRAM		12,394
FEDERAL ASSET FORFEITURE		
Freight Expenses	94	
Law Enforcement Supplies	52,320	
In-Service Training	1,050	
TOTAL FEDERAL ASSET FORFEITURE		53,464
OTHER PUBLIC SAFETY		
Salaries	31,283	
Employee Benefits	2,283	
State Retirement	4,361	
Freight	8	
Other Charges	358	
Travel	1,263	
TOTAL OTHER PUBLIC SAFETY		39,556

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
PUBLIC SAFETY GRANT		
Travel	467	
Data Processing Supplies	2,962	
Other Charges	1,000	
Capital Outlay	<u>15,800</u>	
TOTAL PUBLIC SAFETY GRANT		20,229
FIRE PROTECTION AND CONTROL		
Contributions	<u>835,000</u>	
TOTAL FIRE PROTECTION AND CONTROL		835,000
CIVIL DEFENSE		
Matching Grant	109,058	
Other Charges	<u>109,437</u>	
TOTAL CIVIL DEFENSE		218,495
HAZARDOUS MATERIALS		
Other Charges	<u>1,429</u>	
TOTAL HAZARDOUS MATERIALS		1,429
RESCUE SQUAD		
Local Squads	<u>74,300</u>	
TOTAL RESCUE SQUAD		74,300
OTHER EMERGENCY MANAGEMENT		
In-Service Training	20,575	
Freight Expense	1,449	
Travel	21,586	
Other Supplies and Materials	21,224	
Capital Outlay	<u>668,030</u>	
TOTAL OTHER EMERGENCY MANAGEMENT		732,864
COUNTY CORONER		
Contracts with Private Agencies	30,000	
Other Charges	<u>97,262</u>	
TOTAL COUNTY CORONER		127,262
SCHOOL RESOURCE OFFICER GRANT		
Communications	<u>1,659</u>	
TOTAL SCHOOL RESOURCE OFFICER GRANT		1,659

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

COUNTY HEALTH CENTER

Salaries	391,496
Social Security	23,345
State Retirement	49,234
Employee Medicare	4,922
Communication	23,521
Contract with Governmental Agencies	16,234
Freight	1,236
Liability Insurance	2,108
Maintenance and Repair	19,518
Pest Control	435
Postal Charges	3,737
Printing, Stationery, and Forms	170
Rentals	10,173
Travel	2,358
Other Contracted Services	28,550
Custodial Supplies	12,324
Drugs and Medical Supplies	68,459
Utilities	57,118
Office Supplies	12,380
Periodicals	167
Other Supplies and Materials	5,838
Other Charges	15,359

TOTAL COUNTY HEALTH CENTER

748,682

LOCAL HEALTH CENTER STATE GRANT

Salaries	562,480
Social Security	33,662
State Retirement	53,918
Medicare	7,872
Freight	147
Travel	7,743
Liability Insurance	5,484
Other Charges	3,594

TOTAL LOCAL HEALTH CENTER STATE GRANT

674,900

RABIES AND ANIMAL CONTROL

Contributions	136,419
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TOTAL RABIES AND ANIMAL CONTROL

136,419

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
AMBULANCE SERVICE		
Contributions	<u>1,291,272</u>	
TOTAL AMBULANCE SERVICE		1,291,272
REGIONAL MENTAL HEALTH CENTER		
Contributions	<u>65,250</u>	
TOTAL REGIONAL MENTAL HEALTH CENTER		65,250
PUBLIC WELFARE		
Contributions	76,000	
Pauper Burials	14,450	
Remittance of Revenue Collected	<u>15,789</u>	
TOTAL PUBLIC WELFARE		106,239
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	30,646	
Employee Benefits	2,253	
State Retirement	4,272	
Freight Expenses	21	
Travel	7	
Other Contracted Services	<u>13,141</u>	
TOTAL SANITATION EDUCATION		50,340

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)		
SENIOR CITIZEN'S ASSISTANCE		
Contributions	115,058	
Transportation	20,000	
TOTAL SENIOR CITIZEN'S ASSISTANCE		135,058
LIBRARIES		
Contributions	100,000	
Library Books	27,500	
TOTAL LIBRARIES		127,500
SOCIAL, CULTURAL AND RECREATIONAL		
Contributions - Museum	15,000	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		15,000
NATIONAL STORYTELLING		
Contributions - National Storytelling	50,000	
TOTAL NATIONAL STORYTELLING		50,000
AGRICULTURAL EXTENSION SERVICE		
Salaries	160,946	
Employee Benefits	12,221	
State Retirement	18,217	
Communication	7,099	
Freight	69	
Rentals	4,333	
Travel	3,861	
Maintenance and Repair	3,225	
Pest Control	600	
Custodial Supplies	393	
Other Supplies and Materials	6,530	
Liability Insurance	577	
Utilities	4,309	
Office Supplies	998	
Other Charges	45	
TOTAL AGRICULTURAL EXTENSION SERVICE		223,423
FOREST SERVICE		
Forest Resource Services	1,500	
TOTAL FOREST SERVICE		1,500

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTY GENERAL FUND (CONTINUED)

SOIL CONSERVATION

Secretary	28,121
Other Salary and Wages	19,734
Employee Benefits	3,574
State Retirement	5,587
Contributions	12,065

TOTAL SOIL CONSERVATION 69,081

STORM WATER MANAGEMENT

Consultants	37,070
Licenses	2,500
Salaries	5,000
Employee Benefits	379
State Retirement	697
Freight Expenses	171
Office Supplies	1,709
Other Contracted Services	1,100
Data Processing Supplies	14,766
Other Supplies and Materials	2,531

TOTAL STORM WATER MANAGEMENT 65,923

AGRICULTURE AND NATURAL RESOURCES

Salaries	8,043
Employee Benefits	612
Communication	138
Freight	10
Utilities	2,163
Custodial Supplies	86
Other Supplies and Materials	228

TOTAL AGRICULTURE AND NATURAL RESOURCES 11,280

TOURISM

Contributions - Tourism	6,971
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TOTAL TOURISM 6,971

INDUSTRIAL DEVELOPMENT

Contributions - Industrial Development	135,187
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TOTAL INDUSTRIAL DEVELOPMENT 135,187

HOUSING AND URBAN DEVELOPMENT

Other Charges	368,695
Other Contracted Services	87,588

TOTAL HOUSING AND URBAN DEVELOPMENT 456,283

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COUNTRY GENERAL FUND (CONTINUED)		
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions - JCMA Continuing Education	21,250	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		21,250
TRANSPORTATION		
Contributions - Foreign Trade Zone	13,000	
TOTAL TRANSPORTATION		13,000
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	348,390	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		348,390
EMPLOYEE BENEFITS		
Health Insurance	4,498,694	
Dental and Vision Insurance	226,867	
Unemployment	2,798	
TOTAL EMPLOYEE BENEFITS		4,728,359
JUDGMENTS		
Judgments	153	
TOTAL JUDGMENTS		153
TOTAL COUNTY GENERAL FUND		\$ 30,666,945
SPECIAL REVENUE FUNDS		
HIGHWAY FUND		
ADMINISTRATION		
Salaries	\$ 239,740	
Employee Benefits	51,162	
Communication	15,678	
Dues and Memberships	3,950	
Freight	13	
Operating Lease Payments	9,000	
Licenses	184	
Maintenance and Repair	4,370	
Other Contracted Services	5,075	
Postal Charges	498	
Travel	1,639	
Office Supplies	8,074	
Other Supplies	3,119	
Liability Insurance	61,525	
Utilities	7,888	
Premiums on Corp. Surety Bonds	200	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

ADMINISTRATION (CONTINUED)

Workman's Compensation	113,537	
Other Charges	2,626	
TOTAL ADMINISTRATION		528,278

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,354,975	
Employee Benefits	285,286	
Overtime	13	
Freight	303	
Maintenance and Repair	896	
Rentals	2,600	
Other Contracted Services	31,260	
Chemicals	5,890	
Concrete and Crushed Stone	110,944	
Diesel Fuel	138,906	
Gasoline	92,214	
Equipment Parts	282	
Fertilizer, Lime, Chemicals and Seed	2,278	
General Construction Material	2,534	
Ice	351	
Lubricants	92	
Metal Pipe	21,547	
Road Signs	15,663	
Salt	10,135	
Small Tools	2,250	
Other Supplies and Materials	19,632	
Other Charges	33,928	
State Aid Projects - Rural Roads	256,525	
TOTAL HIGHWAY AND BRIDGE MAINTENANCE		2,388,504

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	274,541	
Employee Benefits	58,481	
Communication	2,837	
Freight	6,231	
Maintenance and Repair	32,224	
Rentals	3,683	
Tow-In Service	300	
Other Contracted Services	370	
Electricity	15,309	
Equipment Parts	166,888	
Garage Supplies	14,901	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Gasoline and Lubricants	14,924
Office Supplies	573
Propane Gas	15,976
Small Tools	3,913
Tires and Tubes	41,261
Vehicle Parts	1,915
Other Supplies and Materials	12,925
Other Charges	461
Evaluation and Testing	76

TOTAL OPERATION AND MAINTENANCE
OF EQUIPMENT

667,789

ASPHALT PLANT OPERATIONS

Salaries	780,665
Employee Benefits	162,476
Overtime	10
Freight	6,005
Maintenance and Repair - Equipment	2,130
Other Contracted Services	2,326
Asphalt	811,584
Crushed Stone	235,527
Diesel Fuel	111,229
Electricity	42,192
Equipment and Machinery Parts	14,134
Fuel Oil	88,867
Lubricants	5,916
Natural Gas	569
Sand	7,920
Water and Sewer	445
Other Supplies and Materials	8,807

TOTAL ASPHALT PLANT OPERATIONS

2,280,802

OTHER CHARGES

Trustee's Commission	112,135
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TOTAL OTHER CHARGES

112,135

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	1,229,902	
Dental and Vision Insurance	<u>45,237</u>	
TOTAL EMPLOYEE BENEFITS		1,275,139

CAPITAL OUTLAY

Other Equipment	<u>43,375</u>	
TOTAL CAPITAL OUTLAY		<u>43,375</u>

TOTAL HIGHWAY FUND		7,296,022
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SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Disposal Fees	479,802	
Trustee Commission	24,437	
Salaries	357,891	
Employee Benefits	271,877	
Retirement	41,013	
Communication	6,367	
Freight	667	
Maintenance and Repair	36,162	
Rentals	3,872	
Travel	1,964	
Gasoline	10,526	
Lubricants	477	
Tires	13,746	
Other Contracted Services	1,174	
Diesel Fuel	62,099	
Utilities	8,037	
Supplies and Materials	7,824	
Workman's Compensation Insurance	27,405	
Other Charges	2,885	
Dues and Memberships	100	
Liability Insurance	10,780	
Judgments	1,317	
Postal Charges	<u>500</u>	
TOTAL SANITATIONS OPERATIONS		1,370,922

TIRE CENTER OPERATIONS

Salaries	64,799
Employee Benefits	5,050

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

SPECIAL REVENUE FUND (CONTINUED)

SOLID WASTE / SANITATION FUND (CONTINUED)

TIRE CENTER OPERATIONS (CONTINUED)

Retirement	7,115	
Communication	2,144	
Permits	75	
Travel	140	
Water and Sewer	132	
Other Contracted Services	460	
Electricity	1,165	
Supplies and Materials	2,683	
Contracts with Private Agency	300,184	
Postal Charges	500	
TOTAL TIRE CENTER OPERATIONS	384,447	384,447

CAPITAL OUTLAY

Recycling	36,532	
Other Capital Outlay	177,921	
TOTAL CAPITAL OUTLAY	214,453	214,453

TOTAL SOLID WASTE / SANITATION FUND 1,969,822

LIBRARY FUND

ADMINISTRATION

Salaries	276,660
Employee Benefits	83,252
Retirement	31,359
Communication	8,236
Contracts with Private Agencies	13,880
Freight	349
Repairs and Maintenance	6,102
Postage	751
Pest Control	275
Rentals	389
Travel	560
Custodial Supplies	1,319
Utilities	17,628
Office Expense	39,485
Materials	33,944
Insurance	3,493
Worker's Compensation Insurance	1,123
Other Supplies and Materials	4,904

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

SPECIAL REVENUE FUND (CONTINUED)		
LIBRARY FUND (CONTINUED)		
ADMINISTRATION (CONTINUED)		
Other Charges	9,954	
Trustee's Commission	62	
TOTAL ADMINISTRATION	<u>9,954</u>	<u>533,725</u>
TOTAL LIBRARY FUND		533,725
DRUG FINES FUND		
Contributions	1,000	
Drug Control Payments	2,100	
Freight	290	
Uniforms	1,400	
Supplies	16,569	
Trustee's Commission	768	
Other Supplies and Materials	1,063	
Travel	37	
Training	25	
Vehicle Parts	452	
Other Charges	20,402	
TOTAL DRUG FINES FUND	<u>20,402</u>	<u>44,106</u>
TOTAL DRUG FINES FUND		44,106
CONSTITUTIONAL OFFICER - FEES FUNDS		
Special Commissioner Fees	25,128	
Bank Charges	12,100	
Postage	11	
TOTAL CONSTITUTIONAL OFFICERS - FEES	<u>11</u>	<u>37,239</u>
TOTAL CONSTITUTIONAL OFFICERS -FEES FUNDS		37,239
DISTRICT ATTORNEY GENERAL		
Salaries	13,045	
Employee Benefits	998	
Dues and Memberships	914	
Office Supplies	584	
Trustee's Commission	344	
Travel	1,274	
Training	375	
Periodicals	257	
Contracts with Government Agencies	1,492	
TOTAL DISTRICT ATTORNEY GENERAL	<u>1,492</u>	<u>19,283</u>
TOTAL DISTRICT ATTORNEY GENERAL FUND		<u>19,283</u>
TOTAL SPECIAL REVENUE FUNDS		<u>\$ 9,900,197</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

CAPITAL PROJECTS FUNDS

Trustee's Commission	\$ 853
Capital Outlay - Schools	36,587,579
Capital Outlay - Bridge	19,540
Capital Outlay - Detention Center	<u>10,383,041</u>

TOTAL CAPITAL PROJECTS FUNDS

\$ 46,991,013

DEBT SERVICE FUNDS

Bond Principal	\$ 2,300,000
Note Principal	1,989,767
Settlement Payable	75,000
Interest on Bonds	7,289,663
Interest on Notes	449,304
Trustee's Commission	215,443
Fees	<u>5,849</u>

TOTAL DEBT SERVICE FUNDS

\$ 12,325,026

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

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

CLASSROOM

Teachers	\$ 18,423,745	
Career Ladder Program	251,350	
Career Ladder Extended Contract	68,490	
Educational Assistants	1,115,216	
Substitute Teachers	293,842	
Social Security and Medicare	1,210,187	
State Retirement	1,324,990	
Life Insurance	14,000	
Medical Insurance	3,574,698	
Unemployment Compensation	26,311	
Employer Medicare	283,465	
Other Fringe Benefits	103,276	
Maintenance and Repair	180,151	
Other Contracted Services	2,889,972	
Instructional Supplies and Materials	182,826	
Textbooks	280,292	
Other Supplies and Materials	208,632	
Fee Waivers	14,086	
Other Charges	491,041	
TOTAL CLASSROOM	30,936,570	30,936,570

ADMINISTRATION

Supervisors	206,446	
Career Ladder Program	12,000	
Career Ladder Extended Contract	6,000	
Librarians	627,535	
Instructional Computer Personnel	111,673	
Secretary and Clerical	110,953	
Other Salaries and Wages	98,079	
Social Security and Medicare	70,096	
State Retirement	86,406	
Life Insurance	740	
Medical Insurance	126,823	
Employer Medicare	16,156	
Other Fringe Benefits	357	
Maintenance and Repair	19,977	
Travel	38,775	
Library Books	117,362	
In-Service Workshops	55,339	
Other Supplies and Materials	11,704	
TOTAL ADMINISTRATION	1,716,421	1,716,421

TOTAL REGULAR INSTRUCTION PROGRAM

32,652,991

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)
 GENERAL PURPOSE SCHOOL FUND (CONTINUED)
 SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	1,980,747	
Career Ladder Program	25,500	
Career Ladder Extended Contract	1,280	
Homebound Teachers	55,000	
Educational Assistants	145,290	
Speech Pathologist	318,094	
Other Salaries and Wages	100,000	
Substitute Teachers	38,000	
Social Security and Medicare	159,514	
State Retirement	182,869	
Life Insurance	1,858	
Medical Insurance	359,199	
Employer Medicare	37,275	
Other Fringe Benefits	1,000	
Other Contracted Services	2,655	
Instructional Supplies and Materials	14,409	
Fee Waivers	2,084	
Other Charges	1,763	
TOTAL CLASSROOM	3,426,537	3,426,537

ADMINISTRATION

Supervisor/Director	77,207	
Career Ladder Program	3,000	
Psychological Personnel	41,958	
Career Ladder Extended Contract	2,000	
Assessment Personnel	177,704	
Secretary	22,360	
Speech Pathologist	85,815	
Other Salaries and Wages	23,539	
Social Security and Medicare	26,932	
State Retirement	30,807	
Life Insurance	87	
Medical Insurance	29,630	
Employer Medicare	5,854	
Other Fringe Benefits	33	
Travel	14,997	
In-Service / Staff Development	4,500	
Other Supplies and Materials	1,840	
TOTAL ADMINISTRATION	548,263	548,263

TOTAL SPECIAL EDUCATION PROGRAM 3,974,800

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	1,382,016	
Career Ladder Program	11,000	
Substitute Teachers	17,000	
Educational Assistants	21,617	
Social Security and Medicare	86,077	
State Retirement	89,980	
Life Insurance	837	
Medical Insurance	218,699	
Employer Medicare	20,131	
Other Fringe Benefits	503	
Fee Waiver	2,500	
Instructional Supplies and Materials	118,361	
TOTAL CLASSROOM	1,968,721	1,968,721

ADMINISTRATION

Supervisor and Director	38,604	
Career Ladder Program	3,000	
Career Ladder Extended Contract	2,000	
Secretary	23,899	
Social Security and Medicare	3,985	
State Retirement	6,053	
Life Insurance	44	
Medical Insurance	10,375	
Employer Medicare	932	
Other Fringe Benefits	17	
Maintenance and Repair	9,846	
Travel	27,436	
Other Supplies and Materials	1,944	
TOTAL ADMINISTRATION	128,135	128,135

TOTAL VOCATIONAL EDUCATION PROGRAM		2,096,856
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(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION PROGRAM		
Teacher	3,010	
Social Security and Medicare	86	
State Retirement	100	
Employer Medicare	20	
Instructional Supplies and Materials	<u>5,498</u>	
		8,714
TOTAL ADULT EDUCATION PROGRAM		
ATTENDANCE		
Supervisor and Director	60,027	
Career Ladder Program	1,000	
Secretary and Clerical	20,194	
Social Security and Medicare	4,915	
State Retirement	6,623	
Life Insurance	44	
Medical Insurance	4,840	
Employer Medicare	1,149	
Other Fringe Benefits	17	
Travel	4,088	
Other Supplies and Materials	<u>816</u>	
		103,713
TOTAL ATTENDANCE		
HEALTH SERVICES		
Medical Personnel	194,599	
Other Salaries and Wages	256,871	
Social Security and Medicare	27,324	
State Retirement	62,674	
Life Insurance	346	
Medical Insurance	117,830	
Employer Medicare	6,318	
Other Fringe Benefits	98	
Travel	10,866	
Other Contracted Services	96,005	
Drugs and Medical Supplies	323	
Other Supplies and Materials	44,934	
Other Charges	<u>8,632</u>	
		826,820
TOTAL HEALTH SERVICES		
OTHER STUDENT SUPPORT		
Career Ladder Program	6,000	
Guidance Personnel	702,340	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SUPPORT (CONTINUED)		
Social Security and Medicare	43,455	
State Retirement	44,325	
Life Insurance	459	
Medical Insurance	102,070	
Employer Medicare	10,162	
Other Fringe Benefits	276	
Contracts with Other Public Agencies	40,000	
Evaluation and Testing	36,007	
Other Supplies and Materials	2,793	
		987,887
TOTAL OTHER STUDENT SUPPORT		
BOARD OF EDUCATION		
Board and Committee Fees	33,465	
Social Security and Medicare	2,075	
Employer Medicare	485	
Audit Services	29,800	
Dues and Memberships	10,886	
Legal Services	4,204	
Travel	29,131	
Other Contracted Services	9,500	
Liability Insurance	81,732	
Premiums on Corporate Surety Bonds	4,265	
Trustee Commission	445,651	
Workman's Compensation	328,681	
Criminal Investigation Application	3,648	
Other Charges	10,252	
		993,775
TOTAL BOARD OF EDUCATION		
OFFICE OF THE DIRECTOR		
Director of Schools	109,671	
Career Ladder Program	400	
Secretary and Clerical	207,189	
Other Salaries and Wages	29,910	
Social Security and Medicare	21,710	
State Retirement	45,804	
Life Insurance	157	
Medical Insurance	33,283	
Employer Medicare	5,085	
Other Fringe Benefits	17	
Communications	65,682	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OFFICE OF THE DIRECTOR (CONTINUED)

Postal Charges	13,426	
Travel	2,902	
Other Contracted Services	70,391	
Office Supplies	4,658	
		610,285
 TOTAL OFFICE OF THE DIRECTOR		

OFFICE OF THE PRINCIPAL

Principals	721,847	
Career Ladder	22,500	
Career Ladder Extended Contract	9,000	
Assistant Principals	685,887	
Secretary and Clerical	490,587	
Social Security and Medicare	113,724	
State Retirement	156,175	
Life Insurance	1,129	
Medical Insurance	254,640	
Employer Medicare	26,830	
Other Fringe Benefits	405	
Communications	18,200	
Travel	1,984	
Other Supplies and Materials	5,230	
Other Charges	217,500	
		2,725,638
 TOTAL OFFICE OF THE PRINCIPAL		

FISCAL SERVICES

Supervisor/Director	63,897	
Clerical Personnel	62,462	
Social Security and Medicare	7,528	
State Retirement	17,614	
Life Insurance	60	
Medical Insurance	16,520	
Employer Medicare	1,761	
Travel	748	
Other Contracted Services	11,274	
Other Supplies and Materials	846	
		182,710
 TOTAL FISCAL SERVICES		

OPERATION OF PLANT

Custodial Personnel	428,012	
Social Security and Medicare	25,227	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)
 GENERAL PURPOSE SCHOOL FUND (CONTINUED)
 OPERATION OF PLANT (CONTINUED)

State Retirement	53,913	
Life Insurance	454	
Medical Insurance	83,100	
Employer Medicare	5,900	
Other Contracted Services	139,687	
Custodial Supplies	10,751	
Janitorial Services	570,904	
Electricity	1,449,999	
Natural Gas	118,259	
Garbage Services	90,808	
Water and Sewer	114,755	
Boiler Insurance	13,648	
Other Charges	5,173	
		3,110,590

TOTAL OPERATION OF PLANT

MAINTENANCE OF PLANT

Supervisor and Director	56,280	
Maintenance Personnel	767,926	
Social Security and Medicare	49,934	
State Retirement	114,796	
Life Insurance	449	
Medical Insurance	180,655	
Employer Medicare	11,463	
Communication	2,011	
Maintenance and Repair	81,829	
Other Supplies and Materials	411,187	
Other Charges	7,500	
		1,684,030

TOTAL MAINTENANCE OF PLANT

TRANSPORTATION

Supervisor and Director	42,765	
Mechanics	157,598	
Bus Drivers	856,614	
Social Security and Medicare	65,329	
State Retirement	141,280	
Life Insurance	1,485	
Medical Insurance	315,076	
Employer Medicare	15,279	
Communication	440	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	5,347	
Gasoline	142,144	
Diesel	482,998	
Garage Supplies	41,214	
Tires and Tubes	38,644	
Vehicle Parts	115,975	
Other Supplies and Materials	229	
Vehicle and Equipment Insurance	76,768	
Other Charges	6,100	
	2,505,285	
TOTAL TRANSPORTATION		
CENTRAL AND OTHER		
Supervisor/Director	46,513	
Clerical Personnel	18,768	
Other Salaries and Wages	28,318	
Social Security and Medicare	5,502	
State Retirement	7,417	
Life Insurance	76	
Medical Insurance	22,455	
Employer Medicare	1,287	
Office Supplies	4,513	
Other Charges	3,491	
	138,340	
TOTAL CENTRAL AND OTHER		
FOOD SERVICE		
Supervisor/Director	42,765	
Social Security and Medicare	2,467	
State Retirement	5,961	
Life Insurance	1,647	
Medical Insurance	378,746	
Employer Medicare	577	
Other Fringe Benefits	17	
	432,180	
TOTAL FOOD SERVICE		
COMMUNITY SERVICE		
Supervisor	29,722	
Secretaries	24,357	
Other Salaries and Wages	410,000	
Social Security and Medicare	28,773	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

COMMUNITY SERVICE (CONTINUED)

State Retirement	7,540	
Medical Insurance	9,680	
Employer Medicare	6,730	
Travel	167	
Food Supplies	28,142	
Other Supplies and Materials	28,756	
Other Charges	5,391	
		579,258

TOTAL COMMUNITY SERVICE

CAPITAL OUTLAY

Transportation	770,734	
Architects	14,828	
Building Improvements	178,220	
Other Capital Outlay	33,331	
		997,113

TOTAL CAPITAL OUTLAY

TOTAL GENERAL PURPOSE SCHOOL FUND	\$ 54,610,985
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SCHOOL FEDERAL PROJECTS

REGULAR INSTRUCTIONAL PROGRAM

CLASSROOM

Teachers	929,644	
Educational Assistants	146,364	
Substitute Teachers	2,783	
Social Security and Medicare	71,450	
State Retirement	71,088	
Medical Insurance	182,545	
Maintenance and Repair	18,000	
Instructional Supplies and Materials	42,346	
Other Supplies and Materials	10,934	
TOTAL CLASSROOM		1,475,154

ADMINISTRATION

Secretary and Clerical	17,016	
Other Salaries and Wages	38,604	
Social Security and Medicare	4,286	
State Retirement	4,838	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

SCHOOL FEDERAL PROJECTS (CONTINUED)

REGULAR INSTRUCTIONAL PROGRAM (CONTINUED)

ADMINISTRATION (CONTINUED)

Maintenance and Repair Service	254	
Travel	7,693	
Other Supplies and Materials	1,872	
In-service Workshops	204,798	
Other Charges	1,288	
Indirect Cost	13,542	
TOTAL ADMINISTRATION	294,191	

TOTAL REGULAR INSTRUCTIONAL PROGRAM 1,769,345

SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	74,531	
Educational Assistants	730,682	
Speech Pathologist	35,469	
Other Salaries and Wages	118,713	
Social Security and Medicare	68,849	
State Retirement	109,286	
Medical Insurance	289,414	
Instructional Supplies and Materials	5,769	
TOTAL CLASSROOM	1,432,713	

ADMINISTRATION

Travel	1,000	
Other Contracted Services	29,030	
In-Service Workshops	38,726	
Other Supplies and Materials	57,371	
Other Charges	1,535	
Indirect Cost	14,555	
TOTAL ADMINISTRATION	142,217	

TOTAL SPECIAL EDUCATION PROGRAM 1,574,930

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	39,837	
Social Security and Medicare	3,048	
State Retirement	2,442	
Medical Insurance	4,607	
Instructional Supplies and Materials	74,093	
Indirect Cost	1,315	
TOTAL CLASSROOM	125,342	

TOTAL VOCATIONAL EDUCATION PROGRAM 125,342

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)	
SCHOOL FEDERAL PROJECTS (CONTINUED)	
OTHER STUDENT SUPPORT	
Guidance	35,253
Secretary	7,291
Social Security and Medicare	526
State Retirement	959
Evaluation and Testing	3,186
Travel	17,927
In-Service Workshops	11,744
Other Supplies and Materials	<u>4,752</u>
TOTAL OTHER STUDENT SUPPORT	81,638
TRANSPORTATION	
Bus Drivers	218,096
Social Security and Medicare	15,915
State Retirement	27,551
Medical Insurance	<u>49,461</u>
TOTAL TRANSPORTATION	<u>311,023</u>
TOTAL SCHOOL FEDERAL PROJECTS	<u>\$ 3,862,278</u>
SCHOOL FOOD SERVICE FUND	
Salaries and Payroll Expenses	\$ 1,432,582
Food	1,631,240
Non-Food and Other Supplies	326,849
Utilities	4,846
Contracted Services	47,172
Capital Outlay	<u>153,596</u>
TOTAL SCHOOL FOOD SERVICE FUND	<u>\$ 3,596,285</u>
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION	<u>\$ 62,069,548</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2008

	Trustee	County Clerk	Circuit Court Clerk	General		Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
				Court Clerk	Sessions Court Clerk					
ASSETS										
Equity in Pooled Cash	\$27,737,838	-	-	-	-	-	-	-	-	27,737,838
Cash on Hand	400	1,100	1,050	1,350	150	-	1,132	-	1,132	5,182
Cash in Bank	-	642,120	242,589	29,054	610,101	225,518	57,354	329,770	-	2,136,506
Investments	15,027,450	-	455,827	71,667	3,651,886	540,934	-	-	-	19,747,764
Receivables	266	-	-	-	-	-	-	1,140	22,183	23,589
Due from State	7,656,899	-	-	-	-	-	-	-	-	7,656,899
TOTAL ASSETS	\$50,422,853	643,220	699,466	102,071	4,262,137	766,452	80,669	330,910	80,669	57,307,778

LIABILITIES

DUE STATE OF TENNESSEE	\$										
Business and Gross Receipts Tax	-	89,573	-	-	-	-	-	-	-	-	89,573
Marriage Licenses	-	5,039	-	-	-	-	-	-	-	-	5,039
Motor Vehicle Registration	-	204,608	-	-	-	-	-	-	-	-	204,608
Sales and Use Tax	-	241,027	-	-	-	-	-	-	-	-	241,027
Mfg Home Installation Permits	-	259	-	-	-	-	-	-	-	-	259
Realty Transfer and Mortgage Transfer Tax	-	-	-	-	-	-	-	249,795	-	-	249,795
County Officials Retirement Tax	-	-	-	-	-	-	-	6,297	-	-	6,297
DUE TO LITIGANTS, HEIRS AND OTHERS											
Donor Awareness	-	227	-	-	-	-	-	-	-	-	227
County Clerk	-	1,100	-	-	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	35	-	-	-	-	-	-	-	-	35
Helping Schools	-	31	-	-	-	-	-	-	-	-	31
Court Funds and Costs	-	-	89,580	2,842	377,216	225,092	-	-	-	-	694,730
Deposits	-	-	455,827	71,667	3,651,886	540,934	-	-	-	-	4,720,314

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2008

	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 (Continued)									
Delinquent Property Taxes	-	-	-	-	-	199,501	-	-	199,501
Publications	-	-	-	-	-	455	-	-	455
State of TN Treasury Department	-	-	-	-	-	33,079	-	-	33,079
Cash Bonds	-	-	25,357	30,700	500	-	-	-	56,557
Escrow and Refunds	-	-	-	-	-	-	1,412	-	1,412
Due to Inmates	-	-	-	-	-	-	-	23,228	23,228
Drug Program	-	-	-	-	-	-	-	1,032	1,032
Swanson and Others	-	-	-	-	-	-	-	56,409	56,409
Due to Johnson City Schools	1,783,651	-	-	-	-	-	-	-	1,783,651
Due to Sales Tax Fund	3,526,578	-	-	-	-	-	-	-	3,526,578
Due to Johnson City	-	14,880	-	-	-	-	-	-	14,880
Business Tax and Marriage Licenses	-	-	-	-	-	-	-	-	-
Due to General Purpose School Fund	2,270,101	-	-	-	-	-	-	-	2,270,101
FUNDS									
General	13,579,999	-	-	-	-	-	-	-	13,579,999
Solid Waste Sanitation	820,582	-	-	-	-	-	-	-	820,582
Library Operation	75,832	-	-	-	-	-	-	-	75,832
Highway Upkeep	2,533,199	-	-	-	-	-	-	-	2,533,199
General Purpose School	10,882,590	-	-	-	-	-	-	-	10,882,590
School Federal Projects	339,270	-	-	-	-	-	-	-	339,270
Debt Service	7,508,822	-	-	-	-	-	-	-	7,508,822
Capital Projects	6,240,268	-	-	-	-	-	-	-	6,240,268
Self Insurance	175,457	-	-	-	-	-	-	-	175,457
Drug Fines	296,948	-	-	-	-	-	-	-	296,948
District Attorney	21,327	-	-	-	-	-	-	-	21,327
Judicial District Drug	214,308	-	-	-	-	-	-	-	214,308
Commission Account	153,921	86,441	128,702	(3,138)	(74)	-	73,406	-	439,258
TOTAL LIABILITIES	\$ 50,422,853	643,220	699,466	102,071	766,452	4,262,137	330,910	80,669	57,307,778

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 For the Fiscal Year Ended June 30, 2008

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General			Clerk and Master	Register	Sheriff	Total (Memorandum Only)
				Sessions Court Clerk	Law Court Clerk	Clerk				
Fund Accounts	\$ 243,773,503	-	-	-	-	-	-	-	-	243,773,503
State of Tennessee	-	8,070,341	95,081	814,550	16,847	18,478	3,575,858	-	-	12,591,155
Litigants, Heirs and Others	-	6,047	508,593	2,370,799	808,398	10,627,356	7,474	989,022	989,022	15,317,689
County Revenue Clearing Account	-	2,117,412	91,436	1,067,423	22,312	982,694	-	25,652	25,652	4,306,929
Fee and Commission Account	1,726,810	1,054,270	256,038	1,045,534	178,578	413,958	821,293	-	-	5,496,481
TOTAL RECEIPTS	245,500,313	11,248,070	951,148	5,298,306	1,026,135	12,042,486	4,404,625	1,014,674	1,014,674	281,485,757
DISBURSEMENTS	234,380,745	11,383,620	2,028,991	4,277,184	783,359	10,913,276	4,458,728	1,005,562	1,005,562	269,231,465
Excess of Receipts Over (Under)	11,119,568	(135,550)	(1,077,843)	1,021,122	242,776	1,129,210	(54,103)	9,112	9,112	12,254,292
Disbursements	-	-	-	(1,045,414)	(178,578)	-	-	-	-	-
Transfers from Session and Law to Circuit Court	-	-	1,223,992	-	-	-	-	-	-	-
Cash Balance, July 1, 2007	31,646,120	778,770	553,317	126,363	702,254	3,132,927	383,873	49,374	49,374	37,372,998
Cash Balance, June 30, 2008	\$ 42,765,688	643,220	699,466	102,071	766,452	4,262,137	329,770	58,486	58,486	49,627,290

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, 2008

RECEIPTS	General Sessions - Jonesborough	General Sessions- Johnson City		General Sessions- State Court - Johnson City	General Sessions- Juvenile Court	Total General Sessions - Court Clerk
		Civil Court - Johnson City	General Sessions- Johnson City			
State of Tennessee	\$ 121,353	110,360	582,310	527	814,550	
Washington County	222,282	268,925	571,821	4,395	1,067,423	
Litigants, Heirs and Others	187,268	1,542,180	600,739	40,612	2,370,799	
Fee and Commission Account	144,582	361,003	527,920	12,029	1,045,534	
TOTAL RECEIPTS	675,485	2,282,468	2,282,790	57,563	5,298,306	
DISBURSEMENTS	533,408	1,921,605	1,784,527	37,644	4,277,184	
Excess of Receipts Over (Under) Disbursements	142,077	360,863	498,263	19,919	1,021,122	
Transfers from Sessions to Circuit Court	(144,577)	(361,003)	(527,805)	(12,029)	(1,045,414)	
Cash Balance, July 1, 2007	11,872	2,852	48,273	63,366	126,363	
Cash Balance, June 30, 2008	\$ 9,372	2,712	18,731	71,256	102,071	

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, 2008

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 11,111	7,367	18,478
Washington County	448,694	534,000	982,694
Litigants, Heirs and Others	7,306,629	3,320,727	10,627,356
Fee and Commission Account	<u>188,705</u>	<u>225,253</u>	<u>413,958</u>
TOTAL RECEIPTS	7,955,139	4,087,347	12,042,486
DISBURSEMENTS	<u>6,886,315</u>	<u>4,026,961</u>	<u>10,913,276</u>
Excess of Receipts Over (Under) Disbursements	1,068,824	60,386	1,129,210
Transfers from Jonesborough to Johnson City	(177,241)	177,241	-
Cash Balance, July 1, 2007	<u>1,412,665</u>	<u>1,720,262</u>	<u>3,132,927</u>
Cash Balance, June 30, 2008	<u>\$ 2,304,248</u>	<u>1,957,889</u>	<u>4,262,137</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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
Business and Gross Receipts Tax	\$ 161,595	1,517,319	-	75,866	1,513,475	89,573
Marriage Licenses	4,991	46,455	-	657	45,750	5,039
Motor Vehicle Registration	194,097	3,410,953	-	-	3,400,442	204,608
Mfg Home Installation Permits	333	1,746	-	-	1,820	259
Sales and Use Tax	282,886	2,868,283	-	143,414	2,766,728	241,027
Motor Vehicle Titles	-	205,077	-	-	205,077	-
Motor Vehicle Retirement	-	20,508	-	-	20,508	-
TOTAL STATE OF TENNESSEE	643,902	8,070,341	-	219,937	7,953,800	540,506
WASHINGTON COUNTY / JOHNSON CITY						
Business Tax and Marriage Licenses	29,431	1,649,635	-	82,482	1,581,704	14,880
Beer Tax	-	360,644	-	18,032	342,612	-
Building Permits	-	107,133	-	5,357	101,776	-
TOTAL WASHINGTON COUNTY/ JOHNSON CITY	29,431	2,117,412	-	105,871	2,026,092	14,880
LITIGANTS, HEIRS AND OTHERS						
Notary Seals	25	2,267	-	-	2,257	35
Public Notices	-	-	-	-	-	-
Donor Awareness	203	2,323	-	-	2,299	227
Helping Schools	93	1,457	-	-	1,519	31
Due to County Clerk	1,100	-	-	-	-	1,100
Deposits	-	-	-	-	-	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,421	6,047	-	-	6,075	1,393
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	104,016	728,462	325,808	-	1,071,845	86,441
TOTAL FEE AND COMMISSION ACCOUNT	104,016	728,462	325,808	-	1,071,845	86,441
TOTAL ALL ACCOUNTS	\$ 778,770	10,922,262	325,808	325,808	11,057,812	643,220

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	61,918	-	2,950	58,968	-
Department of Safety	-	3,603	-	180	3,423	-
Tennessee Bureau of Investigations	-	1,729	-	86	1,643	-
Public Defender	-	22,414	-	1,121	21,293	-
Wildlife Resources	-	80	-	-	80	-
Attorney General	-	5,337	-	267	5,070	-
TOTAL STATE OF TENNESSEE	-	95,081	-	4,604	90,477	-
WASHINGTON COUNTY						
County Litigation Tax	-	11,827	-	799	11,028	-
Special Litigation Tax	-	1,060	-	71	989	-
Litigation Tax / Jail	-	5,202	-	351	4,851	-
County Fines	-	9,007	-	450	8,557	-
Drug Fines	-	15,551	-	778	14,773	-
Drug Court Fund	-	4,849	-	243	4,606	-
County Officer's Cost	-	15,177	-	759	14,418	-
Jail Fees	-	10,308	-	515	9,793	-
Other Collections	-	14,937	-	99	14,838	-
Data Processing Fee	-	1,690	-	-	1,690	-
Court Security Fee	-	1,828	-	91	1,737	-
TOTAL WASHINGTON COUNTY	-	91,436	-	4,156	87,280	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	53,954	307,102	-	-	271,476	89,580
Deposits	371,997	126,675	-	-	42,845	455,827
Alimony/Child Support	-	11,157	-	-	11,157	-
Cash Bonds	13,000	29,620	-	-	17,263	25,357
Constable's Cost	-	645	-	32	613	-
Fines and Arrest Fees - Jonesborough	-	2,923	-	146	2,777	-
Fines and Arrest Fees - Johnson City	-	12,173	-	609	11,564	-
Drug Fines - Johnson City	-	18,298	-	915	17,383	-
TOTAL LITIGANTS, HEIRS AND OTHERS	438,951	508,593	-	1,702	375,078	570,764
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	114,366	1,469,568	10,462	-	1,465,694	128,702
TOTAL FEE AND COMMISSION ACCOUNT	114,366	1,469,568	10,462	-	1,465,694	128,702
TOTAL ALL ACCOUNTS	\$ 553,317	2,164,678	10,462	10,462	2,018,529	699,466

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	92,609	-	5,491	87,118	-
Department of Safety	-	15,529	-	776	14,753	-
Tennessee Bureau of Investigations	-	7,164	-	358	6,806	-
Public Defender	-	4,856	-	243	4,613	-
Attorney General	-	1,195	-	60	1,135	-
TOTAL STATE OF TENNESSEE	-	121,353	-	6,928	114,425	-
WASHINGTON COUNTY						
County Litigation Tax	-	39,861	-	2,691	37,170	-
Special Litigation Tax	-	25,484	-	1,335	24,149	-
Litigation Tax / Jail	-	16,822	-	1,135	15,687	-
County Fines	-	26,391	-	1,320	25,071	-
Drug Fines	-	12,029	-	602	11,427	-
Drug Court Fund	-	4,045	-	202	3,843	-
County Officer's Cost	-	49,547	-	2,477	47,070	-
Jail Fees	-	38,252	-	1,912	36,340	-
Other Collections	-	4,779	-	239	4,540	-
Data Processing Fee	-	3,522	-	-	3,522	-
Court Security Fee	-	1,550	-	78	1,472	-
TOTAL WASHINGTON COUNTY	-	222,282	-	11,991	210,291	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	7,355	122,162	-	-	129,367	150
Cash Bonds	5,000	41,983	-	-	37,283	9,700
Alimony/Child Support	-	75	-	-	75	-
Constable's Cost	-	3,164	-	158	3,006	-
Fines and Arrest Fees – Jonesborough	-	19,864	-	993	18,871	-
Fines and Arrest Fees – Johnson City	-	20	-	1	19	-
TOTAL LITIGANTS, HEIRS AND OTHERS	12,355	187,268	-	1,152	188,621	9,850
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(483)	124,511	20,071	-	144,577	(478)
TOTAL FEE AND COMMISSION ACCOUNT	(483)	124,511	20,071	-	144,577	(478)
TOTAL ALL ACCOUNTS	\$ 11,872	655,414	20,071	20,071	657,914	9,372

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	110,360	-	7,449	102,911	-
TOTAL STATE OF TENNESSEE	-	110,360	-	7,449	102,911	-
WASHINGTON COUNTY						
County Litigation Tax	-	79,214	-	5,347	73,867	-
Special Litigation Tax	-	86,905	-	4,562	82,343	-
Litigation Tax / Jail	-	62,019	-	4,186	57,833	-
County Officer's Cost	-	39,573	-	1,979	37,594	-
Other Collections	-	3	-	-	3	-
Court Security Fee	-	1,211	-	61	1,150	-
TOTAL WASHINGTON COUNTY	-	268,925	-	16,135	252,790	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	2,361	1,477,989	-	-	1,478,130	2,220
Deposits	411	1	-	-	-	412
Alimony/Child Support	-	535	-	-	535	-
Constable's Cost	-	63,655	-	3,183	60,472	-
TOTAL LITIGANTS, HEIRS AND OTHERS	2,772	1,542,180	-	3,183	1,539,137	2,632
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	80	334,236	26,767	-	361,003	80
TOTAL FEE AND COMMISSION ACCOUNT	80	334,236	26,767	-	361,003	80
TOTAL ALL ACCOUNTS	\$ 2,852	2,255,701	26,767	26,767	2,255,841	2,712

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	321,962	-	20,220	301,742	-
Wildlife Resources	-	7,776	-	437	7,339	-
Department of Safety	-	184,076	-	9,204	174,872	-
ADAT	-	1,500	-	75	1,425	-
Tennessee Bureau of Investigation	-	36,218	-	1,811	34,407	-
Public Defender	-	13,046	-	652	12,394	-
Public Service Commission	-	35	-	1	34	-
Attorney General	-	17,697	-	885	16,812	-
TOTAL STATE OF TENNESSEE	-	582,310	-	33,285	549,025	-
WASHINGTON COUNTY						
County Litigation Tax	-	180,645	-	12,194	168,451	-
Special Litigation Tax	-	97,656	-	5,116	92,540	-
Litigation Tax / Jail	-	65,647	-	4,431	61,216	-
County Fines	-	34,554	-	1,728	32,826	-
Drug Fines	-	10,333	-	517	9,816	-
Drug Court Fund	-	12,022	-	601	11,421	-
County Officer's Cost	-	36,012	-	1,800	34,212	-
Jail Fees	-	111,241	-	5,562	105,679	-
Other Collections	-	5,481	-	274	5,207	-
Data Processing Fee	-	13,646	-	-	13,646	-
Criminal Littering Fine	-	52	-	3	49	-
Court Security Fee	-	4,532	-	227	4,305	-
TOTAL WASHINGTON COUNTY	-	571,821	-	32,453	539,368	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,429	192,849	-	-	193,806	472
Cash Bonds	49,700	163,921	-	-	192,621	21,000
Constable's Cost	-	2,728	-	137	2,591	-
Fines and Arrest Fees - Johnson City	-	198,521	-	9,926	188,595	-
Drug Fines - Johnson City	-	42,720	-	2,136	40,584	-
TOTAL LITIGANTS, HEIRS AND OTHERS	51,129	600,739	-	12,199	618,197	21,472
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(2,856)	449,983	77,937	-	527,805	(2,741)
TOTAL FEE AND COMMISSION ACCOUNT	(2,856)	449,983	77,937	-	527,805	(2,741)
TOTAL ALL ACCOUNTS	\$ 48,273	2,204,853	77,937	77,937	2,234,395	18,731

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	350	-	18	332	-
Department of Safety	-	27	-	1	26	-
Public Defender	-	150	-	7	143	-
TOTAL STATE OF TENNESSEE	-	527	-	26	501	-
WASHINGTON COUNTY						
County Fines	-	1,580	-	79	1,501	-
Drug Fines	-	25	-	1	24	-
County Officer's Cost	-	2,473	-	124	2,349	-
Courtroom Security Fee	-	11	-	1	10	-
Data Processing Fee	-	306	-	-	306	-
TOTAL WASHINGTON COUNTY	-	4,395	-	205	4,190	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	100	22,517	-	-	22,617	-
Deposits	63,265	7,990	-	-	-	71,255
Alimony/Child Support	-	9,287	-	-	9,287	-
Fines and Arrest Fees - Jonesborough	-	818	-	41	777	-
TOTAL LITIGANTS, HEIRS AND OTHERS	63,365	40,612	-	41	32,681	71,255
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	1	11,757	272	-	12,029	1
TOTAL FEE AND COMMISSION ACCOUNT	1	11,757	272	-	12,029	1
TOTAL ALL ACCOUNTS	\$ 63,366	57,291	272	272	49,401	71,256

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	16,847	-	1,137	15,710	-
TOTAL STATE OF TENNESSEE	-	16,847	-	1,137	15,710	-
WASHINGTON COUNTY						
County Litigation Tax	-	8,298	-	561	7,737	-
Special Litigation Tax	-	1,410	-	95	1,315	-
Litigation Tax / Jail	-	7,054	-	476	6,578	-
Court Security	-	386	-	19	367	-
County Officer's Cost	-	3,250	-	163	3,087	-
Other Collections	-	-	-	-	-	-
Data Processing Fee	-	1,914	-	-	1,914	-
TOTAL WASHINGTON COUNTY	-	22,312	-	1,314	20,998	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	176,135	589,891	-	-	540,934	225,092
Cash Bonds	-	500	-	-	-	500
Deposits	526,193	167,729	-	-	152,988	540,934
Alimony/Child Support	-	47,789	-	-	47,789	-
Constable's Cost	-	2,489	-	118	2,371	-
TOTAL LITIGANTS, HEIRS AND OTHERS	702,328	808,398	-	118	744,082	766,526
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(74)	176,009	2,569	-	178,578	(74)
TOTAL FEE AND COMMISSION ACCOUNT	(74)	176,009	2,569	-	178,578	(74)
TOTAL ALL ACCOUNTS	\$ 702,254	1,023,566	2,569	2,569	959,368	766,452

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
Litigation Tax	\$ -	11,111	-	750	10,361	-
TOTAL STATE OF TENNESSEE	-	11,111	-	750	10,361	-
WASHINGTON COUNTY						
County Litigation Tax	-	5,476	-	370	5,106	-
Special Litigation Tax	-	934	-	63	871	-
Litigation Tax - Jail	-	4,670	-	315	4,355	-
County Officer's Cost	-	1,402	-	70	1,332	-
Delinquent Taxes	-	294,231	-	14,712	279,519	-
Delinquent Taxes - Penalty and Interest	-	129,021	-	6,451	122,570	-
Delinquent Taxes - Court Costs	-	11,743	-	-	11,743	-
Data Processing Fee	-	1,116	-	-	1,116	-
Court Security Fee	-	101	-	-	101	-
TOTAL WASHINGTON COUNTY	-	448,694	-	21,981	426,713	-
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	4,165	4,457,133	-	-	4,178,775	282,523
Deposits	1,408,005	2,507,556	-	-	1,927,370	1,988,191
Publications	495	13,944	-	-	13,984	455
State of TN Treasury Department	-	38,205	-	-	5,126	33,079
Alimony/ Child Support	-	67,261	-	-	67,261	-
Constables, Legal Process	-	12,188	-	-	12,188	-
Attorney's Fees and Commissions	-	-	-	-	-	-
- Delinquent Tax	-	81,967	-	-	81,967	-
City Delinquent Taxes	-	65,910	-	3,295	62,615	-
City Delinquent Taxes - Penalty and Interest	-	50,538	-	2,527	48,011	-
City Delinquent Tax - Court Costs	-	1,417	-	-	1,417	-
Jonesborough Delinquent Taxes	-	6,727	-	336	6,391	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	3,152	-	158	2,994	-
Jonesborough Delinquent Taxes - Court Costs	-	631	-	-	631	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,412,665	7,306,629	-	6,316	6,408,730	2,304,248
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	148,194	29,047	-	177,241	-
Special Commissioner Fees	-	11,464	-	-	11,464	-
TOTAL FEE AND COMMISSION ACCOUNT	-	159,658	29,047	-	188,705	-
TOTAL ALL ACCOUNTS	\$ 1,412,665	7,926,092	29,047	29,047	7,034,509	2,304,248

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, 2008

Account	Balance 7/1/2007	Receipts	Transfers		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	7,367	-	498	6,869	-
TOTAL STATE OF TENNESSEE	-	7,367	-	498	6,869	-
WASHINGTON COUNTY						
County Litigation Tax	-	3,630	-	245	3,385	-
Special Litigation Tax	-	620	-	42	578	-
Litigation Tax / Jail	-	3,081	-	208	2,873	-
County Officers' Cost	-	3,433	-	172	3,261	-
Delinquent Taxes	57,074	401,972	-	10,946	265,043	183,057
Delinquent Taxes - Penalty and Interest	-	104,448	-	5,222	99,226	-
Delinquent Tax - Court Costs	-	15,634	-	-	15,634	-
Data Processing Fee	-	958	-	-	958	-
Court Security Fee	-	224	-	-	224	-
TOTAL WASHINGTON COUNTY	57,074	534,000	-	16,835	391,182	183,057
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	125,857	1,057,704	-	-	1,088,868	94,693
Deposits	1,537,331	1,751,491	-	-	1,625,127	1,663,695
Alimony/ Child Support	-	158,527	-	-	158,527	-
Constables, Legal Process	-	12,647	-	-	12,647	-
Attorneys Fees and Commissions - Delinquent Tax	-	75,021	-	-	75,021	-
City Delinquent Taxes	-	136,139	-	6,807	112,888	16,444
City Delinquent Taxes - Penalty and Interest	-	107,319	-	5,208	102,111	-
City Delinquent Taxes - Court Costs	-	4,246	-	-	4,246	-
Jonesborough Delinquent Taxes	-	11,315	-	566	10,749	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	6,288	-	314	5,974	-
Jonesborough Delinquent Taxes - Court Costs	-	30	-	-	30	-
Publications	-	-	-	-	-	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,663,188	3,320,727	-	12,895	3,196,188	1,774,832
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	181,361	30,228	-	211,589	-
Special Commissioner Fees	-	13,664	-	-	13,664	-
TOTAL FEE AND COMMISSION ACCOUNT	-	195,025	30,228	-	225,253	-
TOTAL ALL ACCOUNTS	\$ 1,720,262	4,057,119	30,228	30,228	3,819,492	1,957,889

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 REGISTER

For the Fiscal Year Ended June 30, 2008

Account	Balance 7/1/2007	Receipts	Transfer		Disbursements	Balance 6/30/2008
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 285,922	3,575,858	-	85,821	3,526,164	249,795
County Officials' Retirement Tax	7,208	-	-	-	911	6,297
TOTAL STATE OF TENNESSEE	293,130	3,575,858	-	85,821	3,527,075	256,092
LITIGANTS, HEIRS AND OTHERS	-	1,822	-	-	410	1,412
FEEES AND COMMISSION ACCOUNT	91,811	735,472	85,821	-	839,698	73,406
TOTAL ALL ACCOUNTS	\$ 384,941	4,313,152	85,821	85,821	4,367,183	330,910

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 SHERIFF
 For the Fiscal Year Ended June 30, 2008

Cash Balance, July 1, 2007 \$ 49,374

RECIEPTS

Officers Costs	25,652
Cash Bonds - Various Courts	164,754
Inmates Deposits	797,938
Fingerprinting	2,047
Handgun Permits	3,880
Sexual Offender Registration	3,063
Reimbursement	6,940
Incentives	10,400

TOTAL RECEIPTS 1,014,674

DISBURSEMENTS

BY CHECK

Officers Costs Reported to County	25,615
Cash Bonds - Various Courts	164,790
Payments to Inmates	783,137
Handgun Permits	3,880
Incentives	10,400
Fingerprinting	2,047
SOR	3,063

BY CASH

Drug Buy	12,630
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TOTAL DISBURSEMENTS 1,005,562

Receipts Over (Under) Disbursements 9,112

Cash Balance, June 30, 2008 \$ 58,486

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, 2008

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
REVENUE AND OTHER SOURCES									
REVENUE									
Fees	\$ -	695,987	216,929	920,487	176,009	324,233	735,303	-	3,068,948
Special Commissioner Fees	-	-	-	-	-	25,128	-	-	25,128
Interest Earned	-	32,475	28,647	-	-	5,322	169	-	66,613
Commissions	1,726,810	325,808	10,462	125,047	2,569	59,275	85,821	-	2,335,792
TOTAL REVENUE	1,726,810	1,054,270	256,038	1,045,534	178,578	413,958	821,293	-	5,496,481
OTHER SOURCES									
OPERATING TRANSFERS									
General Sessions - Jonesborough	-	-	144,577	-	-	-	-	-	144,577
General Sessions - Civil Court - Johnson City	-	-	361,003	-	-	-	-	-	361,003
General Sessions - State Court - Johnson City	-	-	527,805	-	-	-	-	-	527,805
General Sessions - Juvenile Court	-	-	12,029	-	-	-	-	-	12,029
Law Court	-	-	178,578	-	-	-	-	-	178,578
TOTAL REVENUE AND OTHER SOURCES	1,726,810	1,054,270	1,480,030	1,045,534	178,578	413,958	821,293	-	6,720,473
EXPENDITURES AND OTHER USES									
EXPENDITURES									
Special Commissioner Fees	-	-	-	-	-	25,128	-	-	25,128
Bank Charges	-	-	12,100	-	-	-	-	-	12,100
Postage	-	-	-	-	-	-	11	-	11
TOTAL EXPENDITURES	-	-	12,100	-	-	25,128	11	-	37,239

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS
 For the Fiscal Year Ended June 30, 2008

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
TOTAL EXPENDITURES (BROUGHT FORWARD)	\$ -	-	12,100	-	-	25,128	11	-	37,239
OTHER USES									
Fees & Commissions to County General Fund	1,726,810	1,054,270	1,467,930	120	-	388,830	821,282	-	5,459,242
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	1,045,414	178,578	-	-	-	1,223,992
Total Expenditures and Other Uses	1,726,810	1,054,270	1,480,030	1,045,534	178,578	413,958	821,293	-	6,720,473
Excess Fees, June 30, 2008									
Add: Due to County General Fund - Excess Fees	153,921	86,441	125,490	-	-	-	73,406	-	439,258
Due to General Sessions - State Court - Johnson City	-	-	2,741	-	-	-	-	-	2,741
Due to General Sessions - Jonesborough	-	-	478	-	-	-	-	-	478
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	-	-	-	(3,138)	(74)	-	-	-	(3,212)
Cash Balance, June 30, 2008	\$ 153,921	86,441	128,702	(3,138)	(74)	-	73,406	-	439,258

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2008

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2007	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2008
PRIMARY GOVERNMENT							
GENERAL FUND							
16.600	Federal Boarding of Prisoners**	U.S. Marshalls	\$ 82,104	512,921	641,669	-	210,852
PASS-THROUGH STATE OF TENNESSEE							
16.005	Residence Substance Abuse #Z-000002568	U.S. Department of Justice	\$ 33,329	133,315	133,315	-	33,329
TOTAL LAW ENFORCEMENT ASSISTANT GRANTS							
97.067	Office of Domestic Preparedness State Homeland Security Grant Program #Z-04-022504-01	U.S. Department of Homeland Security	104,802	104,802	-	-	-
97.067	Office of Domestic Preparedness State Homeland Security Grant Program CG-07-20661-00	U.S. Department of Homeland Security	22,134	514,174	622,394	-	130,354
97.004	Office of Domestic Preparedness State Homeland Security Grant Program GC-05-11618-00	U.S. Department of Homeland Security	(108,237)	-	-	108,237	-
97.067	Office of Domestic Preparedness State Homeland Security Grant Program #Z-04-025219-00	U.S. Department of Homeland Security	41,590	165,082	127,360	-	3,868
TOTAL DEPARTMENT OF HOMELAND SECURITY							
14.239	Home Grant DA-08-20729	U.S. Department of Housing and Urban Development	60,289	784,058	749,754	108,237	25,985
PASS-THROUGH OTHER AGENCIES							
16.579	Byrne Formula Grant Program	U.S. Department of Justice from City of Johnson City	(13,680)	29,367	29,235	-	(13,812)
16.579	Byrne Formula Grant Program	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	-	5,267	5,267	-	-
14.218	Community Development Block Grant	U.S. Department of Justice from Town of Jonesborough	124,868	210,002	368,694	-	283,560
TOTAL GENERAL FUND GRANTS							
			204,806	1,248,637	1,372,893	108,237	329,062

* This amount was repaid

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2008

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2007	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2008
COMPONENT UNITS							
GENERAL PURPOSE SCHOOL FUND							
PASS-THROUGH STATE OF TENNESSEE							
84.027	IDEA - Part B	U.S. Department of Education	-	9,634	9,634	-	-
84.318	Education Technology State Grants #Z-04-020859, GG-0511212	U.S. Department of Education	-	6,385	6,385	-	-
TOTAL GENERAL PURPOSE SCHOOL GRANTS							
SCHOOL FEDERAL PROJECTS							
PASS-THROUGH STATE OF TENNESSEE							
84.173	Preschool Incentive Funds	U.S. Department of Education	1,725	48,185	49,420	-	2,960
84.010	Title I Funds *	U.S. Department of Education	54,475	1,461,766	1,376,608	-	(30,683)
84.027	Idea - Part B	U.S. Department of Education	102,983	1,970,224	1,830,764	-	(36,477)
84.186	Drug-Free Grant	U.S. Department of Education	-	35,253	35,253	-	-
84.048	Carl Perkins - Program Improvement	U.S. Department of Education	46,621	181,388	151,355	-	16,588
84.367A	Title II-A	U.S. Department of Education	34,056	313,874	346,744	-	66,926
84.298	Title V	U.S. Department of Education	931	1,747	13,432	-	12,616
84.318	Title II-D	U.S. Department of Education	11,574	21,081	14,723	-	5,216
N/A	Assistance Tech grant	U.S. Department of Education	-	-	5,769	-	5,769
TOTAL SCHOOL FEDERAL PROJECTS GRANTS							
SCHOOL FOOD SERVICE							
10.550	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	184,487	184,487	-	-
10.553	National School Breakfast Program *	U.S. Department of Agriculture	120,206	1,391,530	1,401,476	-	130,152
10.555	National School Lunch Program*	U.S. Department of Agriculture	40,335	405,282	411,280	-	46,333
TOTAL SCHOOL FOOD SERVICE GRANTS							
AGENCY FUNDS							
JUDICIAL DISTRICT DRUG-TASK FORCE							
PASS-THROUGH STATE OF TENNESSEE							
31.706	Byrne Formula Grant Program #Z-06-027479	U.S. Department of Justice	39,365	75,672	84,000	-	47,693
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE							
TOTAL FEDERAL GRANTS							
			\$ 657,077	7,355,145	7,294,223	-	596,155

*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, 2008

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2007	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2008
PRIMARY GOVERNMENT							
GENERAL FUND							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 170,000	1,689,212	1,642,657	-	123,445
N/A	Litter Grant #Z-08-021055-00	Tennessee Department of Transportation	7,632	50,516	52,788	-	9,904
N/A	Juvenile Grant #Z-08-023275-00	Tennessee Commission of Children & Youth	-	12,000	12,000	-	-
N/A	Juvenile Grant #Z-08-022819-00	Tennessee Commission of Children & Youth	-	6,750	9,000	-	2,250
N/A	Health Department #Z-08-020407-00	Tennessee Department of Health	227,571	766,808	769,874	-	230,637
N/A	Health Department #GG-08-20526-00	Tennessee Department of Health	5,269	15,270	13,982	-	3,981
N/A	Health Department #GG-08-23352-00	Tennessee Department of Health	-	15,789	15,789	-	-
N/A	Nakatetsu Incorporated #GC-07-21922-00	Department of Economic & Community Development	750,000	688,718	-	-	61,282
N/A	Koyo Corporation #GC-07-21923-00	Department of Economic & Community Development	750,000	665,238	-	-	84,762
N/A	Computer Grant #Z-08-201130-00	Tennessee Division of Elections	-	1,773	1,773	-	-
N/A	Audio/Visual Grant	Administrative Office of the Courts	-	13,841	13,841	-	-
N/A	High Visibility Law Enforcement #Z-07-037466-00	Tennessee Department of Transportation	2,878	3,311	433	-	-
N/A	Network Coordinator Grant #Z-07-036024-00	Tennessee Department of Transportation	-	27,013	27,013	-	-
N/A	NETCIAU #Z-08-023690-00	Tennessee Department of Transportation	-	25,961	30,795	-	4,834
N/A	Training Awareness #Z-200113-00	Tennessee Department of Transportation	-	-	24,716	-	24,716
N/A	Network Law Enforcement Grant	Tennessee Department of Transportation	-	2,788	2,788	-	-
N/A	Reappraisal Program	State Board of Equalization	-	34,002	34,002	-	-
	TOTAL GENERAL FUND		1,913,350	4,018,990	2,651,451	-	545,811
HIGHWAY FUND							
N/A	State Aid Bridge Replacement Program	Tennessee Department of Transportation	131,926	-	-	(131,926)	-
N/A	Rural Road Program	Tennessee Department of Transportation	133,870	137,855	191,147	-	187,162
	TOTAL HIGHWAY FUND		265,796	137,855	191,147	(131,926)	187,162
SANITATION FUND							
N/A	Recycling Rebate #Z-04-018175-00	Tennessee Department of Environment and Conservation	25,000	25,000	24,024	-	24,024
N/A	Waste Tire Contract #Z-03-011329-02	Tennessee Department of Environment and Conservation	39,248	212,133	241,635	-	70,750
	TOTAL SANITATION FUND		64,248	237,133	267,659	-	94,774
LIBRARY FUND							
N/A	Library Technology Grant #Z-07-20549	Tennessee Department of State Library and Archives	16,837	25,837	9,000	-	-
	TOTAL LIBRARY FUND		16,837	25,837	9,000	-	-
	TOTAL PRIMARY GOVERNMENT		2,260,231	4,419,815	3,119,257	(131,926)	821,747

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For the Fiscal Year Ended June 30, 2008

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2007	Cash Receipts	Expenditures	Adjustments	Balance June 30, 2008
COMPONENT UNITS							
GENERAL PURPOSE SCHOOL FUND							
N/A	Safe Schools	Tennessee Department of Education	42,257	42,257	-	-	-
N/A	Transition School to Work CG-04-10268-00	Tennessee Department of Education	14,787	68,764	75,078	-	21,101
N/A	Family Resource Center #GG-08-12062	Tennessee Department of Education	-	26,487	33,300	-	6,813
N/A	Driver's Education	Tennessee Department of Education	19,380	19,380	-	-	-
N/A	Coordinated School Health Program GZ71/AAx	Department of Human Services	-	44,795	105,000	-	60,205
	TOTAL GENERAL PURPOSE SCHOOL FUND		<u>76,424</u>	<u>201,683</u>	<u>213,378</u>	<u>-</u>	<u>88,119</u>
SCHOOL FOOD SERVICE							
N/A	Preschool	Tennessee Department of Education	-	14,907	14,907	-	-
N/A	Agreement # 034759919008	Tennessee Department of Education	-	40,860	40,860	-	-
	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	55,767	55,767	-	-
	TOTAL SCHOOL FOOD SERVICE		<u>76,424</u>	<u>257,450</u>	<u>269,145</u>	<u>-</u>	<u>88,119</u>
	TOTAL COMPONENT UNITS		<u>\$ 2,336,655</u>	<u>4,677,265</u>	<u>3,388,402</u>	<u>(131,926)</u>	<u>915,866</u>

See Independent Auditors' Report.

SECTION V

**STATISTICAL SECTION
(UNAUDITED)**

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

	Fiscal Year						Schedule 1
	2003	2004	2005	2006	2007	2008	
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	37,992,480	
Restricted	152,417	(137,908)	131,927	167,986	175,741	210,752	
Unrestricted	(22,541,477)	(14,105,989)	(13,980,108)	(16,908,701)	(23,106,763)	(78,526,872)	
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>	<u>(40,323,640)</u>	

NOTE: Comprable information was not available for prior years. The County implemented Governmental Accounting Standards Board State No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, during the 2003 fiscal year.

See Independent Auditors' Report.

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

	Fiscal Year						Schedule 2
	2003	2004	2005	2006	2007	2008	
EXPENSES							
Governmental Activities							
General Government	\$ 14,276,978	15,095,581	15,048,925	16,091,952	33,567,576	57,083,936	
Sheriff's Department	8,192,022	8,263,500	8,701,776	8,911,291	9,289,512	9,842,642	
Highways and Streets	6,391,155	6,800,823	7,197,616	7,261,231	8,092,168	8,687,288	
Library	338,159	342,683	384,489	455,090	616,323	546,008	
Sanitation	1,295,172	1,372,151	1,480,623	1,553,258	1,729,629	1,763,928	
Interest on Long-Term Debt	2,126,859	2,084,402	1,866,731	1,866,239	4,173,695	7,597,620	
Total Governmental Activities Expenses	32,620,345	33,959,140	34,680,160	36,139,061	57,468,903	85,521,422	
PROGRAM REVENUES							
Governmental Activities							
Charges for Services							
General Government	4,027,078	4,327,469	4,448,536	4,718,310	5,120,716	5,411,978	
Sheriff's Department	2,734,131	2,406,171	2,686,445	2,423,658	2,560,743	2,558,250	
Highways and Streets	324,943	295,082	329,490	353,773	660,051	309,895	
Library	10,872	13,308	18,090	22,333	33,576	30,872	
Sanitation	201,578	197,398	238,762	309,965	327,289	365,413	
Operating Grants and Contributions							
General Government	825,809	1,075,375	722,344	1,335,830	2,883,486	1,172,956	
Sheriff's Department	388,194	428,152	372,955	366,013	328,365	453,549	
Highways and Streets	405,369	714,156	197,960	2,475,920	2,780,712	2,752,378	
Library	7,000	7,000	7,000	7,000	21,037	15,985	
Sanitation	228,302	230,347	259,938	310,367	303,938	267,659	
Capital Grants and Contributions							
General Government	370,045	250,000	439,233	1,323,847	445,285	1,008,787	
Highways and Streets	-	-	1,384,221	1,532,077	1,639,002	450,474	
Library	1,343,511	26,397	21,130	14,114	78,977	41,381	
Total Governmental Activities Program Revenues	10,866,832	9,970,855	11,126,104	15,193,207	17,183,177	14,839,577	

(Continued)

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
NET (EXPENSE)/REVENUE						
Total Governmental Activities Net Expense	\$(21,753,513)	(23,988,285)	(23,554,056)	(20,945,854)	(40,285,726)	(70,681,845)
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	33,675,981
In Lieu of Taxes	361,000	369,987	354,468	382,971	407,086	505,020
Sales Taxes	732,912	-	-	-	-	-
Business Taxes	2,233,136	757,562	730,434	762,766	865,347	989,286
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	1,635,328
Other Local Governments	-	879,388	960,470	1,070,591	1,160,653	1,077,839
State Aid	442,347	452,819	650,023	417,082	515,918	724,903
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	4,578,378
Special Items						
Sale of Property	-	10,800	62,668	80,820	12,570	18,859
Damages from Individuals	-	-	-	5,168	-	6
Contribution to Component Unit/ Note Proceeds	(4,742,000)	-	-	(5,000,000)	-	-
Bond Proceeds Remitted to Johnson City Schools	-	-	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	1,348,638	-	-	(5,511,025)	(29,330,390)
Transfers	-	235,605	(255,968)	-	-	-
Total Governmental Activities	21,320,100	27,988,371	27,433,561	21,113,283	27,421,796	13,875,210
CHANGE IN NET ASSETS						
Total Governmental Activities	\$ (433,413)	\$ 4,000,086	\$ 3,879,505	\$ 167,429	(12,863,930)	(56,806,635)

NOTE: Comprable information was not available for prior years. The County implemented Governmental Accounting Standards Board State No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, during the 2003 fiscal year.

See Independent Auditors' Report.

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

	Fiscal Year						Schedule 3
	2003	2004	2005	2006	2007	2008	
General Fund							
Reserved	\$ 447,428	287,027	304,901	1,120,759	382,222	414,557	
Unreserved	10,870,121	11,125,506	12,046,813	12,653,265	10,964,710	12,940,961	
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>	<u>13,355,518</u>	
All Other Governmental Funds							
Reserved	\$ -	343,182	401,990	16,929	57,968	84,431	
Unreserved							
Highway Fund	3,519,867	3,582,508	3,053,324	2,565,827	2,592,663	2,732,866	
Debt Service Fund	7,591,603	6,633,152	5,542,286	4,716,881	6,421,107	7,794,619	
Capital Projects	-	-	-	-	113,503,812	38,610,173	
Special Revenue Funds	927,346	1,111,621	1,188,493	2,037,948	1,126,211	1,019,023	
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>	<u>50,241,112</u>	

NOTE: Comprable information was not available for prior years. The County implemented Governmental Accounting Standards Board State No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, during the 2003 fiscal year.

See Independent Auditors' Report.

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

	Fiscal Year										Schedule 4
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
REVENUES											
Taxes	\$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	36,064,155	
Licenses and Permits	254,888	279,766	307,056	324,813	338,989	364,663	402,569	438,950	457,549	479,878	
Fines, Forfeitures and Penalties	399,240	433,835	365,920	396,867	413,610	432,207	421,533	479,370	554,028	704,110	
Charges for Services	232,145	439,941	543,149	259,183	842,859	766,078	780,271	867,791	1,123,136	793,938	
Other Local Revenues	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	5,506,319	
Revenue from the State of Tennessee	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	6,968,297	
Revenue from Federal Government	904,864	386,037	300,664	1,501,434	493,456	1,217,147	766,455	1,607,853	682,143	1,146,897	
Revenue from Other Governments and Citizens Groups	77,117	562,998	392,347	732,129	628,715	491,196	748,073	568,552	5,811,485	6,097,914	
Excess Fees and Commissions	3,303,080	3,435,410	3,578,950	3,982,952	4,098,502	4,382,774	4,542,054	4,801,904	-	-	
Total Revenues	29,598,527	31,704,297	32,421,049	35,076,795	35,679,497	36,599,266	38,071,611	40,363,478	49,019,900	57,761,508	
EXPENDITURES											
General Government	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	20,066,377	
Sheriff's Department	-	-	-	-	-	7,809,677	8,290,528	8,490,630	8,885,500	9,555,519	
Highways and Streets	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	7,252,647	
Library	261,989	279,331	296,592	324,733	348,218	352,562	355,385	448,402	473,774	533,725	
Sanitation	718,664	781,865	768,417	1,162,177	1,266,883	1,335,866	1,442,172	1,520,333	1,715,788	1,755,369	
Debt Service Principal	11,300,994	3,166,737	3,336,156	16,364,807	3,924,284	4,408,041	4,255,523	4,174,187	5,945,771	4,364,767	
Debt Service Interest	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	7,960,259	
Capital Outlay	766,653	1,600,255	913,856	1,425,785	1,357,840	474,351	1,672,180	1,990,077	17,027,023	48,394,518	
Total Expenditures	37,100,498	30,226,894	31,825,934	48,618,704	36,320,390	37,209,240	38,816,828	40,549,676	65,234,532	99,883,181	
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(7,501,971)	1,477,403	595,115	(13,541,909)	(640,893)	(609,974)	(745,217)	(186,198)	(16,234,632)	(42,121,673)	
OTHER FINANCING SOURCES (USES)											
Bonds Issued	-	-	-	-	-	-	-	-	126,085,000	-	
Note Proceeds	12,100,000	493,000	1,091,000	338,720	436,000	101,000	203,000	760,000	3,735,000	-	
Refunding Bond Issued	-	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)	(29,330,390)	
Transfers to Other Funds	(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)	(8,453,533)	
Transfers from Other Funds	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	8,453,533	
Transfers (to)/ from Component Unit	(4,347,105)	(2,035,799)	(514,395)	(214,395)	585,605	235,605	(255,968)	-	-	-	
Total Other Financing Sources (Uses)	8,702,180	(139,854)	3,280,347	13,831,434	1,021,605	336,605	200,028	760,000	128,171,717	(29,330,390)	
Net Change in Fund Balances	1,200,209	1,337,549	3,875,462	289,525	380,712	(273,369)	(545,189)	573,802	111,937,085	(71,452,063)	
Debt Service as a Percentage of Noncapital Expenditures	36.54%	18.46%	18.21%	40.06%	17.36%	17.84%	16.81%	15.88%	21.39%	23.94%	

See Independent Auditors' Report.

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

Fiscal Year Ended June 30	Schedule 5											
	Residential Property		Real Property Commercial and Industrial Property		Other Real Property		Personal Property		Public Utility Property		Total Taxable Assessed Value	Direct Tax Rate
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					
2008	1,265,284,519	630,471,760	86,995,725	137,802,856	69,561,225	2,190,116,085	2.45					

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.

See Independent Auditors' Report.

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

	Fiscal Year										Schedule 6	
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2007	2008
County Direct Rates												
General	\$0.75	0.75	0.66	0.66	0.66	0.66	0.63	0.63	0.63	0.82	0.82	0.83
Upkeep (Highway)	0.19	0.19	0.16	0.16	0.16	0.16	0.14	0.14	0.14	0.19	0.19	0.19
General Purpose School	0.86	0.86	0.76	0.76	0.76	0.76	0.82	0.82	0.82	0.82	0.82	0.88
Debt Service	0.38	0.38	0.31	0.31	0.31	0.31	0.23	0.23	0.23	0.47	0.47	0.50
Solid Waste/Sanitation	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05
Total Direct Rate	<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>1.87</u>	<u>2.35</u>	<u>2.35</u>	<u>2.45</u>
City Rates												
City of Johnson City	2.19	1.87	1.87	2.15	2.15	2.15	1.93	1.93	1.93	1.99	1.99	1.93
Town Rates												
Town of Jonesborough	\$1.70	1.70	1.53	1.53	1.53	1.75	1.54	1.54	1.54	1.89	1.89	1.54

See Independent Auditors' Report.

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

<u>Taxpayer</u>	2008			1999			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	\$ 24,535,922	1	1.12%	-		-	
Wal-Mart / Sam's Club	22,341,037	2	1.02%	-		-	
Johnson City Venture (Mall)	18,540,462	3	0.85%	14,721,254	2	1.19%	
American Water Heater Company	10,306,796	4	0.47%	-		-	
Atmos Energy Corp.	9,648,257	5	0.44%	-		-	
Bosch Braking Systems	7,043,639	6	0.32%	13,318,873	3	1.08%	
Johnson City Crossing	6,955,715	7	0.32%	-		-	
Institutional Jobbers Co.	4,986,503	8	0.23%	-		-	
Rojon, LLC	3,639,120	9	0.17%	-		-	
Shredded Products II, LLC	3,651,425	10	0.17%	-		-	
United Telephone	-		-	31,448,261	1	2.54%	
Northside Hospital	-		-	7,522,801	4	0.61%	
United Cities Gas Company	-		-	6,177,803	5	0.50%	
SABH US Water Heater Group	-		-	6,002,029	6	0.48%	
Kennametal, Inc.	-		-	5,546,318	7	0.45%	
Burlington Industries	-		-	5,154,064	8	0.42%	
Harris Tarkett	-		-	5,041,979	9	0.41%	
Industrial Development Board	-		-	3,691,200	10	0.30%	
	<u>\$111,648,876</u>		<u>5.1%</u>	<u>98,624,582</u>		<u>8.0%</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	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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%	1,691,874	41,338,129	98.5%
2008	51,439,552	48,046	51,487,598	48,909,436	95.0%	-	50,601,310	98.3%

*Comparable information was not available for prior years.

See Independent Auditors' Report.

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 ¹	Per Capita ¹
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	1.52%	412.54
2005	32,505,000	8,398,892	78,211	40,982,103	1.31%	364.26
2006	30,790,000	11,878,448	63,425	42,731,873	1.29%	379.82
2007	154,710,000	12,601,600	41,498	167,353,098	5.06%	1,463.95
2008	152,410,000	10,611,833	23,591	163,045,424	4.93%	1,397.65

* Comparable information was not available for prior years.

Note: 2008, 2007, and 2006 percentages calculated using 2006 personal income data, which is the most recent available.

¹ 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 ²	Schedule 10	
					Percentage of Actual Value ¹ of Taxable Property	Per Capita ²
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	0.94%	1.67%	254.88
2005	32,505,000	5,542,286	26,962,714	0.86%	1.36%	239.65
2006	30,790,000	4,716,881	26,073,119	0.79%	1.28%	231.75
2007	154,710,000	6,421,107	148,288,893	4.48%	7.09%	1,297.18
2008	152,410,000	7,794,619	144,615,381	4.37%	6.60%	1,239.66

* Comparable information was not available for prior years.

Note: 2008, 2007, and 2006 percentages calculated using 2006 personal income data, which is the most recent available.

¹ See Schedule 5 for property value data.

² 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, 2008

Schedule 11

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

See Independent Auditors' Report.

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

Fiscal Year	Population ¹	Personal Income ²	Per Capita Personal Income	Schedule 12
				Unemployment Rate
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	2,981,837,000	27,088	4.9%
2005	112,507	3,121,189,000	27,742	4.9%
2006	112,507	3,308,091,000	29,403	4.9%
2007	114,316	3,308,091,000	28,938	4.4%
2008	116,657	3,308,091,000	28,357	6.3%

*Comparable information was not available for prior years.

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

² Personal income figures for 2007 and 2008 were not available. The fiscal year 2006 figure was used for calculation of Per Capita Personal Income for these years.

Sources: 1999 - 2007: First Tennessee Development District
 2008: Tennessee Department of Labor & Workforce Development

WASHINGTON COUNTY, TENNESSEE
 PRINCIPAL EMPLOYERS (UNAUDITED)
 For the Fiscal Years Noted

<u>EMPLOYER</u>	2008			2003* Schedule 13		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Mountain States Health Alliance	3,541	1	6.25%	3,541	1	6.3%
East Tennessee State University	1,990	2	3.51%	2,012	2	3.6%
Citi Cards	1,900	3	3.35%	1,817	3	3.3%
James H. Quillen VA Medical Center	1,540	4	2.72%	1,259	4	2.3%
American Water Heater Company	1,500	5	2.65%	1,200	5	2.2%
Washington County School Systems	1,200	6	2.12%	1,150	6	2.1%
Frontier Health	1,200	7	2.12%	-	-	-
Advance Call Center Technologies	1,165	8	2.05%	-	-	-
City of Johnson City	892	9	1.57%	824	8	1.5%
Johnson City School System	832	10	1.47%	920	7	1.6%
AT & T Wireless	-	-	-	805	10	1.4%
Siemens Industrial Automation, Inc	-	-	-	730	9	1.3%
	15,760		27.80%	14,258		25.60%

Source: Economic Development Board and First Tennessee Development District.

* Principal Employer information is not available prior to fiscal year 2003.

Note: The total county employment used for 2008 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

FUNCTION	Full-time Equivalent Employees as of June 30										Schedule 14
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
General Government	156	165	158	167	162	177	165	170	160	166	
Sheriff's Department	155	155	177	186	186	182	193	195	183	176	
Highway and Streets	98	96	98	99	99	96	93	96	96	94	
Library	8	8	8	8	8	9	9	9	9	9	
Sanitation	16	18	22	18	20	20	21	22	14	16	
Total	433	442	463	478	475	484	481	492	462	461	

Source: Washington County Payroll Records

See Independent Auditors' Report.

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

Schedule 15

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Sheriff's Department</u>										
Jail Bookings	*	*	*	5,823	6,200	6,609	8,094	8,736	8,495	8,191
Average Daily Population	*	*	*	409	413	432	449	465	488	521
Physical Arrests	*	*	*	3,030	2,628	3,444	3,603	3,558	3,552	3,270
Warrants Processed	*	*	*	7,685	8,745	9,420	9,845	9,913	18,550	18,013
Warrants Served	*	*	*	4,973	4,828	5,120	5,640	5,987	13,386	12,852
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	767.69
Streets Resurfaced (miles)	75.75	34.57	49.186	43.922	38.356	38.70	50.80	*	21.63	12.50
<u>Library</u>										
Volumes in Circulation	*	82,689	116,575	112,167	107,033	113,149	105,650	113,042	98,200	88,541
<u>Sanitation</u>										
Refuse Collected (tons/day)	*	*	*	45.88	49.47	52.64	52.53	54.01	52.81	55.91
Recyclables Collected (tons/day)	*	*	*	10.22	11.31	12.95	11.37	11.46	12.01	12.85

* Comparable information was not available.

Source: Various County Departments.

See Independent Auditors' Report.

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

Schedule 16

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Correction Facility Capacity	*	*	352	352	352	362	362	352	352	352
Stations	*	*	1	1	1	1	1	1	1	1
Zones	*	*	5	5	5	5	5	5	5	5
Patrol Units	*	*	35	35	35	35	35	31	32	34
Substations	*	*	1	1	1	2	3	3	3	3
<u>Highways and Streets</u>										
Bridges under 20 feet	369	369	369	369	369	369	369	369	369	370
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	88,541
<u>Sanitation</u>										
Collection Trucks	*	*	*	3	3	3	3	4	4	4

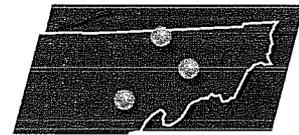
* Comparable information was not available for prior years.

Source: Various County Departments.

See Independent Auditors' Report.

SECTION VI

INTERNAL CONTROL AND COMPLIANCE SECTION



American Institute of Certified Public Accountants

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, 2008, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 23, 2008. 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 schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (08-1 to 08-10).

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, we believe that none of the significant deficiencies described above is a material weakness.

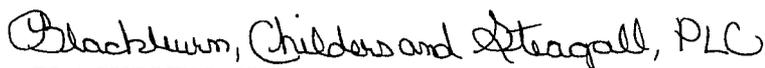
Compliance and Other Matters

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*.

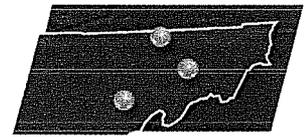
We noted certain matters that were reported to management of Washington County, Tennessee, in a separate letter dated December 23, 2008.

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 23, 2008



American Institute of Certified Public Accountants

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, 2008. 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, 2008.

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.

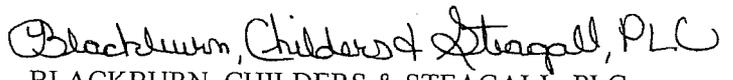
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal 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

December 23, 2008

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

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. Ten significant deficiencies disclosed during the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs, none 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>
Homeland Security	97.067
Title I	84.010
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, 2008

Section II - Financial Statement Findings

Current Year Audit Findings – Significant Deficiencies

Chancery Court

08-1 Expenditures Exceed Budget

Condition: Actual expenditures exceeded the amounts appropriated in the budget for Chancery Court.

Criteria: Tennessee 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: I am aware of the problem and it will not happen again.

Food Service

08-2 USDA Receivables

Condition: United States Department of Agriculture receivables for lunch and breakfast reimbursements were not relieved properly when the related funds were received.

Criteria: Amounts set-up as receivables should be relieved when the related funds are received in order to comply with Generally Accepted Accounting Principles.

Effect: By not properly relieving the receivables, both assets and revenues were being overstated resulting in an audit adjustment.

Recommendation: Receivables should be relieved when related funds are received and a monthly reconciliation of receivables should be performed.

Management Comment: Receivables were recorded to the extent possible. The current software program is limited to definitive amounts that do not match all the categories as defined by USDA. Management will attempt to make adjustments prior to filing each month's report in an effort to offset any overstatement.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section II - Financial Statement Findings (Continued)

Current Year Audit Findings – Significant Deficiencies (Continued)

Food Service (Continued)

08-3 Inventory

Condition: Inventory activity for the month of June 2008 was not recorded within the general ledger inventory accounts.

Criteria: Monthly adjustments to the general ledger are required to be performed in order to properly record the change in inventories from the inventory subsidiary journal.

Effect: By not properly adjusting the general ledger inventory accounts at June 30, 2008, ending inventory was understated resulting in an audit adjustment.

Recommendation: Inventory accounts should be adjusted monthly to properly record inventory activity and to reflect the results of physical inventory counts from the inventory subsidiary ledger.

Management's Comments: The inventory count for June was completed June 30, printed and posted to each corresponding school cafeteria site in the School Report Data. Because only the Summer Feeding Program claim is processed for June 30, the count did not translate to the GL for that month. In the future, management will insure that the amount is included in June in the general ledger inventory accounts.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

Library

07-2 Bank Account (06-30-07 Report Finding 07-2)

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: The library has attended to this problem. The bank assures us that the issue on their part that kept them from closing the account when we requested (on more than one occasion) has been addressed and we should receive documentation to confirm the closing of the account within the next few days.

Sheriff's Department

07-3 Untimely Deposits (06-30-07 Report Finding 07-3)

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 this has now been implemented.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies (continued)

County Mayor

07-5 Preparation of Government-Wide Adjustments (06-30-07 Report Finding 07-5)

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.

06-4 Fixed Assets (6-30-06 Report, Finding 06-4, repeated from 6-30-95 Report Finding 95-2)

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 to each department.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies (continued)

Food Service

07-7 Bank Accounts (06-30-07 Report Finding 07-7)

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 are reconciled to the bank statement. Any difference between the bank balance and the general ledger will be reconciled as promptly as possible.

06-1 Budgets (6-30-06 Report Finding 06-1, repeated from 6-30-01, Finding 01-2):

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. Amounts over budget are usually due to repairs and replacements of kitchen equipment in aging schools.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section II - Financial Statement Findings (continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies (continued)

Food Service (continued)

06-2 Bank Accounts (6-30-06 Report Finding 06-2, repeated from 6-30-88, Finding 88-3):

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, 2008

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>Material Weaknesses</u>	<u>Page Number</u>	<u>Subject</u>
<u>Food Service</u>		
07-1	183	USDA Reimbursement
<u>Significant Deficiencies</u>		
<u>Library</u>		
07-9	187	Budgets
07-10	187	Violation of Purchasing Policy
07-11	188	Timely Deposits
07-12	188	Revenue
<u>Food Service</u>		
07-8	184	Inventory
<u>County Mayor</u>		
07-4	184	External Processing of Data
07-6	185	Budgets
07-13	189	Expenses