

WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2010

	<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	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	20
Statement of Cash Flows – Proprietary Fund	21
Statement of Fiduciary Net Assets – Agency Funds	22
Notes to Financial Statements	23
SECTION III – REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Budgetary Comparison Schedule	73
Highway Fund- Budgetary Comparison Schedule	77
Notes to Required Supplementary Information	79
Schedule of Funding Progress - Pension (Unaudited)	80
Schedule of Funding Progress - OPEB (Unaudited)	81

WASHINGTON COUNTY, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 For the Fiscal Year Ended June 30, 2010

	<u>PAGE</u>
SECTION IV – SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds - Combining Balance Sheet	83
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	84
Solid Waste/Sanitation Fund - Budgetary Comparison Schedule	85
Library Fund - Budgetary Comparison Schedule	87
Drug Fines Fund - Budgetary Comparison Schedule	88
Debt Service Fund – Budgetary Comparison Schedule	89
 Discretely Presented Component Unit	
Government-wide Financial Statements	
Statement of Activities	90
Fund Financial Statements	
Balance Sheet – Governmental Funds	91
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	92
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	93
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	94
General Purpose School Fund – Budgetary Comparison Schedule	95
School Federal Projects Fund – Budgetary Comparison Schedule	97
School Food Service – Budgetary Comparison Schedule	99
 Other Supplemental Schedules	
Schedule of Changes in General Long-Term Debt and Other Notes Payable	100
Schedule of Transfers - All Funds	103
Schedule of Salaries and Official Bonds of Principal Officials	104
Schedule of Detailed Revenues - All Governmental Fund Types and Discretely Presented Component Unit	105
Schedule of Detailed Revenues - Special Revenue Funds	110
Schedule of Detailed Revenues - Discretely Presented Component Unit	112
Schedule of Detailed Expenditures - All Governmental Fund Types and Discretely Presented Component Unit	114
Constitutional Officers	
Combined Schedule of Assets and Liabilities	149
Combined Schedule of Cash Receipts, Disbursements and Balances	151
Combining Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk	152

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2010

	<u>PAGE</u>
SECTION IV – SUPPLEMENTARY INFORMATION (CONTINUED)	
Other Supplemental Schedules (Continued)	
Combining Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master	153
Schedule of Cash Receipts, Disbursements and Balances - County Clerk	154
Schedule of Cash Receipts, Disbursements and Balances - Circuit Court Clerk	155
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Jonesborough	156
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Civil Court - Johnson City	157
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - State Court - Johnson City	158
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Juvenile	159
Schedule of Cash Receipts, Disbursements and Balances - Law Court Clerk - Johnson City	160
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Jonesborough	161
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Johnson City	162
Schedule of Cash Receipts, Disbursements and Balances - Register	163
Schedule of Cash Receipts, Disbursements and Balances - Sheriff	164
Combined Schedule of Changes in Fee and Commission Accounts	165
Schedule of Expenditures of Federal Awards	167
Notes to Schedule of Expenditures of Federal Awards	169
Schedule of Expenditures of State Awards	170
 SECTION V – STATISTICAL SECTION (UNAUDITED)	
Net Assets by Component	172
Changes in Net Assets	173
Fund Balances, Governmental Funds	175
Changes in Fund Balances of Governmental Funds	176
Assessed Value and Actual Value of Taxable Property	177

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2010

	<u>PAGE</u>
SECTION V – STATISTICAL SECTION (UNAUDITED) (CONTINUED)	
Direct and Overlapping Property Tax Rates	178
Principal Property Taxpayers	179
Property Tax Levies and Collections	180
Ratios of Outstanding Debt by Type	181
Ratios of General Bonded Debt Outstanding	182
Legal Debt Margin Information	183
Demographic and Economic Statistics	184
Principal Employers	185
Full Time Equivalent County Government Employees by Function	186
Operating Indicators by Function	187
Capital Asset Statistics by Function	188
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>	189
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	191
Schedule of Findings and Questioned Costs	193

SECTION I

INTRODUCTORY

WASHINGTON COUNTY, TENNESSEE
ROSTER OF COUNTY OFFICIALS
June 30, 2010

<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	Edwin Graybeal, Jr.
Assessor of Property	Scott Buckingham

Board of Commissioners

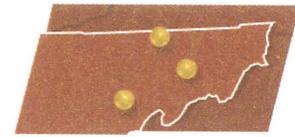
William Biles	Richard Matherly
Frank Bolus	Wendell Messimer
Ben Bowman	Phil McPeak
Sid Campbell	James T. Powell
Daniel Edens	Peggy Richardson
Ron England	Richard Shadden
Mark Ferguson	Kyle Shell
Mark Hicks, Jr.	Gerald Sparks
Sam Humphreys	Pete Speropulos III
Evert Jarrett	Janice White
C. B. Kinch, Jr.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

Board of Education

Phillip McLain, Chairman	Mary Lo Silvers
Clarence Mabe, Vice Chair	Todd Ganger
Eric Barnes	Keith Ervin
Dallas Hardin	Chad Williams
William Brinkley	

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the fiscal year ended June 30, 2010, 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.

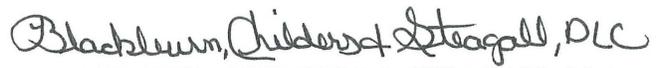
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of June 30, 2010, 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 21, 2010, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 4 through 13 and 73 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Tennessee's financial statements as a whole. 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 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 financial statements. The supplementary information, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


BLACKBURN, CHILDERS & STEAGALL, PLC

December 21, 2010

WASHINGTON COUNTY GOVERNMENT Management's Discussion and Analysis

As management of the Washington County, Tennessee Government, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Washington County, Tennessee Government for the fiscal year ended June 30, 2010. 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 \$57,394,166 (net assets). Washington County has the obligation of the debt on the buildings the Board of Education owns.
- The government's total net assets decreased by \$663,196.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$26,960,921, a decrease of \$4,972,537 in comparison with the prior year. Approximately 97.44 percent of this total amount, \$26,269,978, 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 \$13,422,536, or 40 percent of the total general fund expenditures.
- Washington County's total debt decreased by \$7,475,478 during the current fiscal year.
- Washington County Board of County Commissioners issued a 3-year capital outlay note during the 2008-2009 fiscal year. The note was issued to cover the cost of Highway Equipment for \$152,000. The Highway Dept. will transfer funds to the Debt Service Fund to cover the note payment plus interest.
- During the 2009-2010 fiscal year, the Washington County Board of Commissioners issued capital outlay notes for the following purposes, amounts and term lengths:
- A three-year capital outlay note in the amount of \$620,000; \$301,000 to be used for the Sheriff's Department for communications equipment, and \$319,000 for the Board of Education to be used for purchase of grounds equipment;
- a 12-year capital outlay note totaling \$4,576,100 to be used for roof and floor replacements;
- and a four-year capital outlay note totaling \$1,675,000 to be used for purchase of a new building to house the Washington County Health Department.

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 \$106,285,159. Of this amount, \$7,209,700 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The School Board's net assets decreased by 209,914.

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 14 and 15 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 16 – 19 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 20 and 21 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 22 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 23 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 pages 73 – 81 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 83 – 89 of this report. Financial statements for the Washington County School Board of Education are presented immediately following the nonmajor funds on pages 90 – 99 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 \$48,890,993 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

Year	Primary Governmental Activities		Component Unit Washington County Board of Education	
	2010	2009	2010	2009
Current and other assets	66,723,257	75,626,988	20,345,064	19,105,459
Capital assets	78,694,975	73,366,912	99,075,459	99,168,850
Total Assets	145,418,232	148,993,900	119,420,523	118,274,309
Long-term liabilities outstanding	160,138,347	160,240,817	1,042,300	-----
Other liabilities	42,674,051	45,484,058	12,093,064	11,779,236
Total liabilities	202,812,398	205,724,875	13,135,364	11,779,236
Net assets:				
Invested in capital assets, net of related debt	54,620,038	49,380,479	99,075,459	99,168,850
Restricted	279,334	238,327	-----	-----
Unrestricted	(112,293,538)	(106,349,776)	7,209,700	7,326,223
Total net assets	(57,394,166)	(56,730,970)	106,285,159	106,495,073

In fiscal year 2009-2010, \$279,334 is subject to external restrictions on Washington County's net assets. *Unrestricted net assets* (\$112,293,538) and \$7,209,700, 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 \$663,196 during the current fiscal year.

The Board of Education's net assets decreased by \$209,914.

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	2010	2009	2010	2009
Revenues:				
Program Revenues:				
Charges for services	8,796,427	8,525,155	2,050,776	2,087,203
Operating grants and contributions	4,633,676	4,100,056	9,273,133	7,328,414
Capital grants and contributions	2,540,570	1,821,239	1,226,327	10,817,177
General revenues:				
Property taxes	36,088,749	35,197,628	11,176,624	10,897,751
Other taxes	1,592,674	1,484,036	13,006,178	13,494,115
Grants and contributions not restricted to specific programs	4,376,790	4,659,980	31,019,949	30,817,163
Other	234,165	696,149	67,922	191,539
Total revenues	58,263,051	56,484,243	67,820,909	75,633,362
Expenses:				
General government	24,764,315	33,209,756	-----	-----
Public safety	11,182,742	10,147,418	-----	-----
Highway / streets	8,482,146	8,228,881	-----	-----
Sanitation	1,598,683	1,714,284	-----	-----
Library	491,958	617,653	-----	-----
Debt Service	8,071,516	7,382,896	-----	-----
Education	-----	-----	70,311,618	69,007,306
Total Expenses	54,591,360	61,300,888	70,311,618	69,007,306
Increase in net assets before transfers & special items	3,671,691	(4,816,645)	(2,490,709)	6,626,056
Special Items	1,491,702	26,623	3,604	143,831
Transfers	(5,826,589)	(11,617,308)	2,712,691	-0-
Increase in net assets	663,196	(16,407,330)	225,486	6,769,887
Net assets (7-1) Beginning	(56,730,970)	(40,323,640)	-0-	99,725,186
Prior Period Adjustments	-0-	-0-	-0-	-0-
Net assets Restated	(56,730,970)	(40,323,640)	106,059,573	99,725,186
Net assets (6-30) Ending	(57,394,166)	(56,730,970)	106,285,159	106,495,073

- The property tax rate did not increase for fiscal year 2009-2010, but property tax rates increased 7 percent for fiscal year 2006-2007, 17.5 percent for fiscal year 2007-2008 and 4.255 percent for fiscal year 2008-2009. Of the 2008-2009 tax increase 3 cents was applied to the Debt Service Fund, 6 cents to the General Purpose School Fund and 1 cent to the General Fund.

- Washington County has a countywide reappraisal every six years. The most recent reappraisal took place in 2009. Following that, the certified tax rate for the fiscal year 2008-2009 was set at \$2.45 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, \$2.35 in fiscal year 2007-2008 and \$2.45 in fiscal year 2008-2009. 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 increased by \$719,331, mostly as a result of increases 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 \$26,960,921, a decrease of \$4,972,537 in comparison with the prior year. Approximately 97.44 percent of this total amount, or \$26,269,978 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 \$691,123 (2) Unemployment and General Liabilities \$1,156,291 (3) Debt Service \$7,219,431, or (4) for a variety of other restricted purposes \$17,894,076.

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 \$11,602,228, while total fund balance reached \$14,018,431. 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 34.35 percent of total general fund expenditures, while total fund balance represents 41.50 percent of that same amount.

The fund balance of Washington County's general fund increased by \$807,750 during the current fiscal year.

The debt service fund has a total fund balance of \$7,219,431, all of which is reserved or designated for the payment of debt service. The fund balance decreased during the current year in the debt service fund in the amount of \$2,732,655. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$12,276,091 in the current fiscal year.

General Fund Budgetary Highlights

During the year there were various increases in appropriations in the amount of \$4,102,472 between the original and final amended budget. Following is a brief summary of the difference:

- \$1,203,521 - Homeland Security Grants
- \$366,442 - Public Safety (Grants)
- \$444,000 – Employee Medical Insurance
- \$1,754,309 – Appropriated for various operational expenses
- \$334,200 – Health Department Program

Additional information on the General Fund Budgetary Highlights may be found on page 73 of this report.

Capital Asset and Debt Administration

Capital Assets. Washington County's investment in capital assets as of June 30, 2010, amounts to \$77,462,170 (net of accumulated depreciation), and \$99,075,459 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 three capital outlay notes issued during the 2009-10 fiscal year. They were for the following purposes, amounts and term lengths:

- A three-year capital outlay note in the amount of \$620,000; \$301,000 to be used for the Sheriff's Department for communications equipment, and \$319,000 for the Board of Education to be used for purchase of grounds equipment;
- a 12-year capital outlay note totaling \$4,576,100 to be used for Board of Education roof and floor replacements with corresponding education match to the school system of the City of Johnson City;
- and a four-year capital outlay note totaling \$1,675,000 to be used for purchase of a new building to house the Washington County Health Department.

(See tables on following page for capital asset and debt administration details.)

Washington County's Capital Assets

Year	Primary Governmental Activities		Component Unit Washington County Board of Education	
	2010	2009	2010	2009
Land	3,026,957	3,026,957	1,888,432	1,888,432
Library Infrastructure	722,521	690,536	-----	-----
Buildings and Improvements	46,895,382	43,083,173	120,380,081	97,442,856
Furniture and Fixture	85,184	85,184	1,020,249	1,020,249
Office Machinery and Equipment	1,838,159	1,762,058	682,777	571,739
Machinery and Equipment	16,676,398	15,145,281	14,105,415	13,440,225
Infrastructure	48,202,828	47,262,971	-----	-----
Construction in Progress	-0-	102,307	1,392,707	21,396,226
Less: Accumulated Depreciation	(40,584,815)	(37,791,555)	(40,394,202)	(36,590,877)
Total	77,462,170	73,366,912	99,075,459	99,168,850

Additional information on the Washington County Government's capital assets can be found in note 4 on this report.

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of \$163,389,251. Of this amount, \$151,297,485 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

Year	Primary Governmental Activities	
	2010	2009
General Obligation Bonds	151,297,485	154,431,148
Capital Outlay Notes	12,091,766	9,301,066
Total	163,389,251	163,732,214

- Washington County's total bonded debt and notes payable decreased \$342,963 during the current fiscal year.
- The principal on the general bonded debt decreased \$3,133,663 and notes payable increased \$2,790,700.
- Washington County issued Capital Outlay Notes during the 2009-2010 fiscal year for \$620,000 for general fund and education purposes, \$1,675,000 for the Health Department Building and \$4,576,100 for the Board of Education's roof and floor needs.

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

By the end of fiscal year 2009-2010, Washington County's economy had entered a period of weak recovery from the recession that began in early 2008. Sales tax revenues, which had decreased since June 2008, began increasing in April 2010. The unemployment rate, which climbed from 5.8 percent in October 2008 to 9.4 percent from June-August of 2009, topped out at 9.8 percent in January 2010. By July 2010, unemployment had dropped to 8.1 percent, and the number of employed people in Washington County exceeded 57,000 for the first time since December 2008.

By October 2010, unemployment had declined further (to 7.8 percent) despite the return of people to the labor force, and employment, at 58,640, was higher than it had been since late 2008. This compared favorably with jobless rates of 9.4 percent for Tennessee and 9.6 percent for the United States. This relative strength can be attributed to the county's substantial job base dominated by medical, educational, government, and a variety of industrial employers.

Likewise, the local housing market was better relative to state and national trends, with home prices holding relatively steady. After nearly two consecutive years of year-over-year monthly decreases, sales tax revenues began turning positive in April 2010, the start of the final quarter of fiscal year 2009-2010. That trend has continued each month through November 2010.

Some specific highlights related to county government's role in Washington County's economic viability and the county's fiscal situation include:

- The maturation of the Washington County Industrial Park. In 1997, Washington County purchased 135 acres of land in Telford for use as an Industrial Site. Bush Hog, LLC purchased 45 acres (more or less) for a manufacturing facility, and that plant opened in the Spring of 2002. In 2007, local elected and economic development leaders successfully recruited two new tenants — Koyo Corp. and Nakatetsu Corp., two related Japanese auto parts manufacturers, each of whom planned to employ about 100 workers when at full production. As of December 2010, Koyo employed 61 workers and Nakatetsu 51.
- In early 2010, Koyo Corp. began planning for an expansion of one of its Southeastern U.S. facilities. After then-Washington County Mayor George Jaynes and Economic Development Board Director P.C. Snapp worked with the State of Tennessee to secure an infrastructure grant, Koyo announced in late November 2010 it had selected Washington County for the expansion.
- Meanwhile, Bush Hog announced plans to close its operations at the Telford site in early 2009, but said it was looking for a user to lease the building and manufacture product for the Bush Hog label. ALO U.S., a Swedish-headquartered company, reached an agreement with Bush Hog and leased the Washington County Industrial Park manufacturing facility in late 2009.

- By late 2010, ALO was not only producing for Bush Hog, but had elected to begin manufacturing some of its own products in Telford, and had relocated some logistical operations there from other parts of the Southeast. Like their counterparts at Koyo and Nakatetsu, ALO officials have expressed their satisfaction with the work force and business climate in Washington County. ALO employed roughly 100 people as of December 2010, and company officials have said they expect to continue hiring during 2011, eventually reaching approximately 150 employees.
- Completion and occupancy of the George P. Jaynes Justice Center. Funded by a bond issue in the amount of \$21,000,000, construction was completed on an expansion of the Washington County Detention Center and a new justice center. The justice center provides office space for all Washington County state and local courts, and its opening in October 2009 allowed courts to consolidate from separate courthouses in Jonesborough and Johnson City.
- In June 2009 Washington County entered a four-year, \$1,675,000 lease-purchase agreement (at 4 percent interest) offered by Mountain States Health Alliance, Inc. to purchase a 37,368-square-foot medical office building to relocate the Washington County Health Department. The relocation occurred in summer 2010. The City of Johnson City also contributed to this transaction, and the lease-purchase agreement stipulates that if the former Health Department building should ever be sold, Washington County would pay the City of Johnson City \$1,250,000 for the land.
- 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 actual cost to Washington County to match the current Tax Relief Act with the State of Tennessee was \$242,405 which equals approximately one cent in property tax.
- As mentioned in the introduction to this section, management is fully cognizant of the economic factors contributing to a challenging fiscal environment. Management is pursuing a course of fiscal discipline as it prepares for the 2011-12 budget year, seeking out potential efficiencies and savings throughout the budget, and is strongly encouraging officeholders and department heads to do the same as they prepare their 2011-12 budgets.

During the current fiscal year, unreserved fund balance in the general fund increased \$760,403 to a total of \$13,422,536. Washington County has appropriated \$2,541,175 of this amount for spending in the 2010-2011 fiscal year budget. Historically, this appropriation has not been utilized, but instead been returned in unreserved fund balance at the end of the fiscal year, with the exception of fiscal year 2008-09, 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, 2010

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
ASSETS			
Equity in Pooled Cash and Deposits	\$ 25,192,112	5,135,924	-
Cash and Cash Equivalents	313,716	334,435	586,145
Certificates of Deposit	-	-	692,996
Due from Federal Government	384,356	623,297	-
Due from State of Tennessee	1,929,881	5,997	-
Due from Other Local Governments	110,347	-	-
Due from Others	64,413	-	101,278
Sales Tax Receivable	-	2,070,516	-
Taxes Receivable	38,769,014	12,015,284	-
Allowance for Uncollectibles	(40,755)	(12,925)	-
Inventories	-	172,536	-
Prepaid Expenses	173	-	21,293
Bond Issue Costs, Net	1,232,805	-	-
Capital Assets not Being Depreciated:			
Land	3,026,957	1,888,432	-
Construction in Progress	599,556	1,392,707	-
Library Infrastructure	722,521	-	-
Capital Assets, Net	73,113,136	95,794,320	883,920
TOTAL ASSETS	145,418,232	119,420,523	2,285,632
LIABILITIES			
Accounts Payable	463,868	582,904	100
Accrued Expenses	1,388,420	406	33,406
Retainages Payable	281,844	-	-
Due to Other Governments	45,086	-	-
Due to Others	59,117	-	-
Unearned Revenues	35,844,040	11,369,028	-
Long-term Liabilities			
Due Within One Year	4,591,676	140,726	313,352
Due Within More Than One Year	160,138,347	1,042,300	54,668
TOTAL LIABILITIES	202,812,398	13,135,364	401,526
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	54,620,038	-	-
Invested in Capital Assets	-	99,075,459	883,920
Restricted for Public Safety	279,334	-	-
Unrestricted	(112,293,538)	7,209,700	1,000,186
TOTAL NET ASSETS	\$ (57,394,166)	106,285,159	1,884,106

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

WASHINGTON COUNTY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Deposits	\$ 12,533,900	3,184,162	953,174	7,152,068	1,368,808	25,192,112
Cash with Paying Agent	-	-	7,479	-	-	7,479
Cash	100	-	-	-	306,137	306,237
Due from Federal Government	384,356	-	-	-	-	384,356
Due from State of Tennessee	1,490,225	398,700	-	-	40,956	1,929,881
Due from Other Local Governments	69,625	-	-	-	40,723	110,348
Due from Others	23,531	14,258	-	1,772	25,026	64,587
Taxes Receivable	20,253,652	5,062,277	-	12,230,524	1,222,562	38,769,015
Allowance for Uncollectibles	(21,388)	(4,972)	-	(13,086)	(1,310)	(40,756)
Due from Other Funds	461,534	5,685	-	-	-	467,219
TOTAL ASSETS	\$ 35,195,535	8,660,110	960,653	19,371,278	3,002,902	67,190,478
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ 267,798	53,353	109,781	623	32,315	463,870
Retainages Payable	-	-	281,844	-	-	281,844
Accrued Expenses	409,962	98,767	-	-	27,595	536,324
Deferred Revenues	20,396,102	4,614,148	-	12,151,224	1,214,624	38,376,098
Due to Others	59,116	-	-	-	-	59,116
Due to Other Governments	44,126	960	-	-	-	45,086
Due to Other Funds	-	-	-	-	467,219	467,219
TOTAL LIABILITIES	21,177,104	4,767,228	391,625	12,151,847	1,741,753	40,229,557
FUND EQUITY						
Reserved for						
Encumbrances	345,304	64,485	-	-	2,000	411,789
Public Safety	250,591	-	-	-	28,743	279,334
Unreserved, Designated, Reported In						
General Fund	1,820,308	-	-	-	-	1,820,308
Highway Fund	-	8,111	-	-	-	8,111
Debt Service Fund	-	-	-	7,219,431	-	7,219,431
Capital Projects Fund	-	-	569,028	-	-	569,028
Unreserved, Undesignated, Reported In						
General Fund	11,602,228	-	-	-	-	11,602,228
Highway Fund	-	3,820,286	-	-	-	3,820,286
Special Revenue Funds	-	-	-	-	1,230,406	1,230,406
TOTAL FUND EQUITY	14,018,431	3,892,882	569,028	7,219,431	1,261,149	26,960,921
TOTAL LIABILITIES AND FUND EQUITY	\$ 35,195,535	8,660,110	960,653	19,371,278	3,002,902	67,190,478

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, 2010

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 26,960,921
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 \$118,046,985 and the accumulated depreciation is \$40,584,815	77,462,170
Revenue for amounts not received during the period of availability and, therefore, not considered "available" has been deferred in the funds.	2,532,058
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 \$361,670.	1,232,805
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(852,097)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(164,730,023)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u><u>\$(57,394,166)</u></u>

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2010

	General Fund	Highway Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 21,017,075	4,567,056	-	12,276,091	1,198,443	39,058,665
Licenses and Permits	465,900	645	-	1,615	170	468,330
Fines, Forfeitures and Penalties	797,962	-	-	-	83,838	881,800
Charges for Current Services	1,117,947	572,918	-	-	125,582	1,816,447
Other Local Revenues	343,852	293,349	-	-	396,463	1,033,664
Investment Income	-	-	8,647	133,939	-	142,586
Revenue from State of Tennessee	3,476,589	2,998,262	125,000	212,210	167,069	6,979,130
Revenue from Federal Government	1,547,527	-	-	-	-	1,547,527
Revenue from Other Governments and Citizens Groups	1,412,559	-	-	-	5,029,022	6,441,581
TOTAL REVENUES	30,179,411	8,432,230	133,647	12,623,855	7,000,587	58,369,730
EXPENDITURES						
General Government	22,415,979	-	3,560	-	127,787	22,547,326
Sheriff's Department	10,782,561	-	-	-	-	10,782,561
Highways and Streets	-	7,110,143	-	-	-	7,110,143
Library	-	-	-	-	472,346	472,346
Sanitation	-	-	-	-	1,552,341	1,552,341
Debt Service	-	-	-	15,450,188	-	15,450,188
Capital Outlay	577,527	89,735	3,964,041	-	165,570	4,796,873
TOTAL EXPENDITURES	33,776,067	7,199,878	3,967,601	15,450,188	2,318,044	62,711,778
OTHER FINANCING SOURCES (USES)						
Note Proceeds	-	-	5,196,100	-	-	5,196,100
Contribution to the City of Johnson City	-	-	(3,113,898)	-	-	(3,113,898)
Contribution to the Component Unit - WCSB	-	-	(2,712,691)	-	-	(2,712,691)
Transfers to Other Funds	(603,935)	(75,500)	(18,178)	-	(5,008,341)	(5,705,954)
Transfers from Other Funds	5,008,341	-	150,000	93,678	453,935	5,705,954
TOTAL OTHER FINANCING SOURCES (USES)	4,404,406	(75,500)	(498,667)	93,678	(4,554,406)	(630,489)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	807,750	1,156,852	(4,332,621)	(2,732,655)	128,137	(4,972,537)
Fund Balance, July 1, 2009	13,210,681	2,736,030	4,901,649	9,952,086	1,133,012	31,933,458
Fund Balance, June 30, 2010	\$ 14,018,431	3,892,882	569,028	7,219,431	1,261,149	26,960,921

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, 2010

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (4,972,537)

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 capital outlay additions \$4,796,873 exceeds depreciation of (\$3,603,261) in the period.	1,193,612
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets.	1,226,646
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 \$2,757,542 and the current year amount of \$2,532,058.	(225,484)
In the statement of activities, certain operating expenses, compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences increased by this amount for the current year.	(88,459)
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.	135,943
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.	1,369
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.	<u>2,065,714</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (663,196)

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUND
For the Fiscal Year Ended June 30, 2010

	Self-Insurance Fund
OPERATING REVENUE	
Charges for Services	\$ 56,397
Miscellaneous Refunds - Reinsurance	1,498
TOTAL OPERATING REVENUE	57,895
OPERATING EXPENSES	
Insurance Claims	56,526
TOTAL OPERATING EXPENSES	56,526
CHANGE IN NET ASSETS	1,369
NET ASSETS, July 1, 2009	(1,369)
NET ASSETS, June 30, 2010	\$ 0

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended June 30, 2010

	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers - Including Other Funds	\$ 605,356
Claims Paid	(605,356)
NET CASH USED BY OPERATING ACTIVITIES	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, JULY 1, 2009	-
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	0
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	\$ 1,369
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
(Increase) Decrease in Assets	
Due from Others	214,093
Due from Other Funds	333,268
Increase (Decrease) in Liabilities	
Benefits Payable	(548,730)
Net Cash Used by Operating Activities	0

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, 2010

	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	\$ -	-	7,136,158	-	7,136,158
Equity in Pooled Cash and Deposits	-	-	-	136,000	136,000
Accounts Receivable	-	-	23,371	45,868	69,239
Taxes Receivable	9,702,904	-	-	-	9,702,904
Allowance for Uncollectibles	(10,439)	-	-	-	(10,439)
Sales Tax Receivable	1,672,282	3,364,363	-	-	5,036,645
TOTAL ASSETS	\$ 11,364,747	3,364,363	7,159,529	181,868	22,070,507
LIABILITIES					
Due to Other Governments	\$ 11,364,747	3,364,363	-	160,074	14,889,184
Due to State	-	-	778,827	-	778,827
Due to Litigants, Heirs and Others	-	-	6,380,702	21,794	6,402,496
TOTAL LIABILITES	\$ 11,364,747	3,364,363	7,159,529	181,868	22,070,507

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, 2010

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, 2010

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 Control Center, 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. The County has no equity interest in any of these ventures. 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, 2010

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 component unit, Washington County Board of Education. During prior years, 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. This activity was completed during this fiscal year. Separate financial statements are provided for governmental funds, proprietary fund (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, other postemployment benefits 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, 2010

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. This fund closed as of June 30, 2010.

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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The discretely presented component unit, 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, which was closed as of June 30, 2010. 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 were self-insurance claims. 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, 2010

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 Treasurers' 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, 2010. 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, 2010

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 at 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, 2010

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, 2010

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. Invested in Capital Assets – Consist of capital assets, including restricted capital assets, net of accumulated depreciation.
- c. 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.
- d. 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, 2010, the County had \$136,813,100 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 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, 2010

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	\$ (147,015,000)	-
Less: Deferred Charge on Refunding (net of amortization of \$443,583 recorded as interest expense)	734,963	-
Add: Bond Premium (net of amortization of \$1,621,828 recorded as interest expense)	(5,017,448)	-
Notes Payable	(12,091,766)	-
Capital Lease Payable	(1,233)	-
Other Post Employment Benefits	-	(1,042,300)
Compensated Absences	<u>(1,339,539)</u>	<u>(140,726)</u>
 Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>(164,730,023)</u>	 <u>(1,183,026)</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	\$ 1,997,013	633,331
Income Taxes	72,994	-
Beer Taxes	8,195	-
Federal Prisoner Board	384,356	-
Local Tax Revenue	<u>69,500</u>	<u>-</u>
 Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>2,532,058</u>	 <u>633,331</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 increase net assets.” The details of this \$1,226,646 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.	\$ 939,857
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.	(1,226,327)
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>1,513,116</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>\$ 1,226,646</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 \$2,065,714 difference are as follows:

Debt Issued or Incurred:	
Issuance of Capital Outlay Notes	\$(5,196,100)
Principal Repayments:	
General Obligation Debt	4,080,400
Capital Outlay Notes	2,920,000
Capital Leases	11,414
Contingent Liability	<u>250,000</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>\$ 2,065,714</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

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 \$135,943 difference are as follows:

Prior year Accrued Interest	\$ 833,224
Current year Accrued Interest	(852,097)
Amortization of Bond Issuance Costs	(58,847)
Amortization of Bond Premiums	295,804
Amortization of Deferred Charge on Refunding	<u>(82,141)</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>\$ 135,943</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers – Fees fund (special revenue fund) which are not budgeted, and the capital projects fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The County is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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

A. Budgetary Information (Continued)

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The County's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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:	
Public Welfare	\$ 5,420
Board of Education:	
School Food Service	
Food Purchases	165,175

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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	\$ 25,192,112	5,135,924	-
Cash and Cash Equivalents	<u>313,716</u>	<u>334,435</u>	<u>586,145</u>
	<u>\$ 25,505,828</u>	<u>5,470,359</u>	<u>586,145</u>

Agency Funds

Equity in Pooled Cash and Deposits	\$ 136,000
Cash on Hand and in Bank	<u>7,136,158</u>
	<u>\$ 7,272,158</u>

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.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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 \$30,464,036 and the bank balance was \$22,190,834. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2010.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

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>
<u>Primary Government:</u>		
Cash in Bank - Others (Elected Officials Accounts)	\$ <u>7,430,913</u>	<u>8,454,286</u>
Cash with Paying Agent - Bond Proceeds \$	<u>7,479</u>	<u>7,479</u>
<u>Component Unit:</u>		
Washington County Emergency Communications District	\$ <u>585,693</u>	<u>759,188</u>
Washington County Board of Education - School Food Service	\$ <u>333,126</u>	<u>437,750</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, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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

	General	Highway	Debt Service	Nonmajor and Other	Total Primary Government	Component Units	Reporting Entity Total (Memorandum Only)
Sales Tax	\$ -	-	-	-	-	2,070,516	2,070,516
Property Tax	20,253,652	5,062,277	12,230,524	1,222,562	38,769,015	12,015,284	50,784,299
Due from Others	23,531	14,258	1,772	25,026	64,587	-	64,587
Intergovernmental	1,944,206	398,700	-	81,679	2,424,585	629,294	3,053,879
Gross Receivables	22,221,389	5,475,235	12,232,296	1,329,267	41,258,187	14,715,094	55,973,281
Less: Allowance for Uncollectibles	(21,388)	(4,972)	(13,086)	(1,310)	(40,756)	(12,925)	(53,681)
Net Total Receivables	\$ 22,200,001	5,470,263	12,219,210	1,327,957	41,217,431	14,702,169	55,919,600

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

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 \$50,784,299 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:

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Unavailable</u>	<u>Unearned</u>	<u>Unavailable</u>	<u>Unearned</u>
Receivables not received within period of availability:				
Property Taxes Receivable:				
General Fund	\$ 1,048,001	18,813,056	-	-
Highway Fund	243,614	4,370,534	-	-
Debt Service Fund	641,211	11,510,013	-	-
Solid Waste Fund	64,187	1,150,437	-	-
General Purpose School Fund	-	-	633,331	11,369,028
Beer Tax (General Fund)	8,195	-	-	-
Income Tax Receivable (General Fund)	72,994	-	-	-
Federal Prisoner Board (General Fund)	384,356	-	-	-
Local Tax Revenue (General Fund)	69,500	-	-	-
	<u>\$ 2,532,058</u>	<u>35,844,040</u>	<u>633,331</u>	<u>11,369,028</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets
Primary Government

Capital asset activity for the year ended June 30, 2010 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	690,536	59,777	(27,792)	-	722,521
Construction in Progress	102,307	1,723,576	-	(1,226,327)	599,556
Total, Capital Assets, Not Being Depreciated	3,819,800	1,783,353	(27,792)	(1,226,327)	4,349,034
Capital Assets, Being Depreciated					
Buildings and Improvements	43,083,173	5,874,715	(2,062,506)	-	46,895,382
Furniture and Fixtures	85,184	-	-	-	85,184
Office Machinery and Equipment	1,762,058	76,101	-	-	1,838,159
Machinery and Equipment	15,145,281	1,547,523	(16,406)	-	16,676,398
Roads and Bridges	47,262,971	939,857	-	-	48,202,828
Total, Capital Assets, Being Depreciated	107,338,667	8,438,196	(2,078,912)	-	113,697,951
Less Accumulated Depreciation for					
Buildings and Improvements	(8,090,889)	(1,165,130)	793,595	-	(8,462,424)
Furniture and Fixtures	(76,594)	(2,004)	-	-	(78,598)
Office Machinery and Equipment	(1,551,907)	(87,799)	-	-	(1,639,706)
Machinery and Equipment	(10,525,225)	(1,150,954)	16,406	-	(11,659,773)
Roads and Bridges	(17,546,940)	(1,197,374)	-	-	(18,744,314)
Total Accumulated Depreciation	(37,791,555)	(3,603,261)	810,001	-	(40,584,815)
Total Capital Assets, Being Depreciated, Net	69,547,112	4,834,935	(1,268,911)	-	73,113,136
Governmental Activities Capital Assets, Net	\$ 73,366,912	6,618,288	(1,296,703)	(1,226,327)	77,462,170

Note 1: The \$(1,226,327) adjustment from Construction in Progress is due to the transfer of school renovations from the Primary Government to the Discretely Presented Component Unit - Washington County Board of Education.

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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	\$ 1,051,825
Sheriff's Department	990,732
Highways and Streets, including Depreciation of General Infrastructure Assets	1,470,177
Library	21,290
Sanitation	<u>69,237</u>
Total Depreciation Expense-Governmental Activities	<u>\$ 3,603,261</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Discretely Presented Component Units

Washington County Board of Education

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 1,888,432	-	-	-	1,888,432
Construction In Progress	21,396,226	2,625,090	-	(22,628,609)	1,392,707
Total Capital Assets, Not Being Depreciated	23,284,658	2,625,090	0	(22,628,609)	3,281,139
Capital Assets, Being Depreciated					
Buildings and Improvements	97,442,856	308,616	-	22,628,609	120,380,081
Furniture and Fixtures	1,020,249	-	-	-	1,020,249
Office Machinery and Equipment	571,739	111,038	-	-	682,777
Machinery and Equipment	13,440,225	665,190	-	-	14,105,415
Total Capital Assets Being Depreciated	112,475,069	1,084,844	0	22,628,609	136,188,522
Less Accumulated Depreciation for					
Buildings and Improvements	(24,252,850)	(3,134,032)	-	-	(27,386,882)
Furniture and Fixtures	(1,000,088)	(6,902)	-	-	(1,006,990)
Office Machinery and Equipment	(534,289)	(15,184)	-	-	(549,473)
Machinery and Equipment	(10,803,650)	(647,207)	-	-	(11,450,857)
Total Accumulated Depreciation	(36,590,877)	(3,803,325)	0	0	(40,394,202)
Total Capital Assets, Being Depreciated, Net	75,884,192	(2,718,481)	0	22,628,609	95,794,320
Washington County Board of Education Capital Assets, Net	\$ 99,168,850	(93,391)	0	0	99,075,459

Note: The adjustment is due to transfer of construction in progress from the Primary Government and the transfer of assets from construction in progress to buildings and improvements to capitalize assets.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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, Being Depreciated				
Building Improvements	\$ 494,432	37,692	-	532,124
Vehicles	41,962	19,656	(10,000)	51,618
Office Equipment	1,005,212	443,174	-	1,448,386
Furniture and Fixtures	56,866	812	-	57,678
Total, Capital Assets Being Depreciated	<u>1,598,472</u>	<u>501,334</u>	<u>(10,000)</u>	<u>2,089,806</u>
Less Accumulated Depreciation for				
Building Improvements	(256,483)	(26,613)	-	(283,096)
Vehicles	(25,468)	(7,703)	10,000	(23,171)
Office Equipment	(745,915)	(101,011)	-	(846,926)
Furniture and Fixtures	(51,554)	(1,139)	-	(52,693)
Total Accumulated Depreciation	<u>(1,079,420)</u>	<u>(136,466)</u>	<u>10,000</u>	<u>(1,205,886)</u>
Total, Capital Assets Being Depreciated, Net	<u>\$ 519,052</u>	<u>364,868</u>	<u>0</u>	<u>883,920</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. 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, 2010 amount to \$63,885. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2011	\$ 61,538
2012	50,554
2013	39,563
2014	33,000
2015	30,750
Thereafter	12,500
Total	<u>\$ 227,905</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, 2010 amount to \$2,575. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2011	\$ 2,235
2012	2,235
2013	2,235
2014	2,235
2015	1,490
Total	<u>\$ 10,430</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Leases

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 option) and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through capital leases are as follows:

Copy Equipment	\$ 5,500
Less: Accumulated Depreciation	<u>(4,767)</u>
Total	<u><u>\$ 733</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2010, are presented in section F of this footnote.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. 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, 2010.

Governmental Activities

	Balance Beginning of Year	Additions	Retirements / Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
Primary Government					
General Obligation Bonds	\$ 149,935,000	-	(2,920,000)	147,015,000	2,530,000
Less: Deferred Amounts on Refunding	(817,104)	-	82,141	(734,963)	-
Add: For Issuance of Premium	5,313,252	-	(295,804)	5,017,448	-
Total General Obligation Bonds	154,431,148	-	(3,133,663)	151,297,485	2,530,000
Capital Outlay Notes	9,301,066	6,871,100	(4,080,400)	12,091,766	1,910,676
Capital Leases	12,648	-	(11,415)	1,233	1,233
Compensated Absences	1,251,080	88,459	-	1,339,539	149,767
Contingent Liability	250,000	-	(250,000)	-	-
Primary Government Long-Term Liabilities	<u>\$ 165,245,942</u>	<u>6,959,559</u>	<u>(7,475,478)</u>	<u>164,730,023</u>	<u>4,591,676</u>
Component Unit - WCSB					
Compensated Absences	140,085	641	-	140,726	140,726
Other Post Employment Benefits	435,500	606,800	-	1,042,300	-
Component Unit Long-Term Liabilities	<u>\$ 575,585</u>	<u>607,441</u>	<u>-</u>	<u>1,183,026</u>	<u>140,726</u>
Component Unit - ECD					
Compensated Absences	345,349	-	(31,997)	313,352	313,352
Other Post Employment Benefits	-	54,668	-	54,668	-
Component Unit Long-Term Liabilities	<u>\$ 345,349</u>	<u>54,668</u>	<u>(31,997)</u>	<u>368,020</u>	<u>313,352</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Leases Payable

	<u>Date Issued</u>	<u>Date Matures</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2010</u>
<u>Leases Payable</u>					
County Court Clerk Copier	3/8/2006	3/8/2011	5,500	21.23%	\$ 1,233
Total					\$ 1,233

County Court Clerk Copier

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,233	112	1,345
Total	\$ 1,233	112	1,345

<u>Bonds Payable</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2010</u>
School Construction Bonds	09/15/04	06/30/18	\$ 19,700,000	2.70-5.00%	\$ 16,655,000
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%	20,410,000
Total					\$ 147,015,000

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Bonds Payable (Continued)

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	1,815,000	489,750	2,304,750
2015	2,020,000	399,000	2,419,000
2016-2018	5,960,000	586,000	6,546,000
	<u>\$ 16,655,000</u>	<u>3,610,000</u>	<u>20,265,000</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ -	4,929,256	4,929,256
2012	-	4,929,256	4,929,256
2013	-	4,929,256	4,929,256
2014	-	4,929,256	4,929,256
2015	-	4,929,256	4,929,256
2016-2020	7,015,000	24,475,281	31,490,281
2021-2025	20,645,000	21,108,281	41,753,281
2026-2030	26,305,000	15,445,569	41,750,569
2031-2035	33,070,000	8,682,450	41,752,450
2036-2037	18,640,000	1,267,427	19,907,427
	<u>\$ 105,675,000</u>	<u>95,625,288</u>	<u>201,300,288</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Bonds Payable (Continued)

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

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ -	204,250	204,250
2012	-	204,250	204,250
2013	150,000	204,250	354,250
2014	435,000	198,250	633,250
2015	365,000	180,850	545,850
2016-2020	3,325,000	359,250	3,684,250
	<u>\$ 4,275,000</u>	<u>1,351,100</u>	<u>5,626,100</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	240,000	932,131	1,172,131
2015	250,000	922,531	1,172,531
2016-2020	2,315,000	4,404,406	6,719,406
2021-2025	4,395,000	3,603,656	7,998,656
2026-2030	5,605,000	2,398,969	8,003,969
2031-2035	7,050,000	957,258	8,007,258
	<u>\$ 20,410,000</u>	<u>16,062,544</u>	<u>36,472,544</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Bonds Payable (Continued)

Total bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 2,530,000	6,920,587	9,450,587
2012	2,685,000	6,795,687	9,480,687
2013	2,350,000	6,663,087	9,013,087
2014	2,490,000	6,549,387	9,039,387
2015	2,635,000	6,431,637	9,066,637
2016-2020	18,615,000	29,824,937	48,439,937
2021-2025	25,040,000	24,711,937	49,751,937
2026-2030	31,910,000	17,844,538	49,754,538
2031-2035	40,120,000	9,639,708	49,759,708
2036-2037	18,640,000	1,267,427	19,907,427
	<u>\$ 147,015,000</u>	<u>116,648,932</u>	<u>263,663,932</u>

Capital Outlay Notes

	Date Issued	Maturity Date	Amount Issued	Interest Rate	Outstanding June 30, 2010
Education Department Capital Outlay	04/29/03	04/29/15	\$ 4,742,000	1.46-3.80%	\$ 1,977,000
Education Department Capital Outlay	09/15/05	09/15/17	5,000,000	3.20-3.80%	3,336,000
Highway Department Capital Outlay	11/24/08	11/24/11	152,000	2.89%	99,333
General and School Capital Outlay	10/15/09	10/15/12	620,000	2.33%	620,000
Health Department Capital Outlay	01/30/10	09/30/13	1,675,000	4.00%	1,483,333
Education Department Capital Outlay	01/05/10	01/05/22	1,130,100	3.80%	1,130,100
Education Department Capital Outlay	01/28/10	01/28/22	3,446,000	3.83%	3,446,000

Total \$ 12,091,766

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

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

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 395,000	71,571	466,571
2012	395,000	57,944	452,944
2013	395,000	43,921	438,921
2014	395,000	29,701	424,701
2015	397,000	15,087	412,087
	<u>\$ 1,977,000</u>	<u>218,224</u>	<u>2,195,224</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 417,000	113,007	530,007
2012	417,000	98,725	515,725
2013	417,000	84,234	501,234
2014	417,000	69,535	486,535
2015	417,000	54,523	471,523
2016-2019	1,251,000	70,785	1,321,785
	<u>\$ 3,336,000</u>	<u>490,809</u>	<u>3,826,809</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

Highway Department Capital Outlay Note payable issued November 24, 2008, debt services requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 50,667	2,967	53,634
2012	48,666	1,486	50,152
	<u>\$ 99,333</u>	<u>4,453</u>	<u>103,786</u>

General and School Capital Outlay issued October 15, 2009, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 206,667	14,647	221,314
2012	206,667	9,764	216,431
2013	206,666	4,884	211,550
	<u>\$ 620,000</u>	<u>29,295</u>	<u>649,295</u>

Health Department Capital Outlay issued January 30, 2010, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 460,000	50,900	510,900
2012	460,000	32,500	492,500
2013	460,000	14,444	474,444
2014	103,333	306	103,639
	<u>\$ 1,483,333</u>	<u>98,150</u>	<u>1,581,483</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

Education Department Capital Outlay issued January 5, 2010, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 94,175	43,541	137,716
2012	94,175	39,913	134,088
2013	94,175	36,386	130,561
2014	94,175	32,656	126,831
2015	94,175	29,028	123,203
2016-2020	470,875	90,791	561,666
2021-2022	188,350	10,884	199,234
	<u>\$ 1,130,100</u>	<u>283,199</u>	<u>1,413,299</u>

Education Department Capital Outlay issued January 28, 2010, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 287,167	133,816	420,983
2012	287,167	122,662	409,829
2013	287,167	111,817	398,984
2014	287,167	100,360	387,527
2015	287,167	89,210	376,377
2016-2020	1,435,833	279,258	1,715,091
2021-2022	574,332	33,452	607,784
	<u>\$ 3,446,000</u>	<u>870,575</u>	<u>4,316,575</u>

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

Capital Outlay Notes (Continued)

Total annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$ 1,910,676	\$ 430,449	2,341,125
2012	1,908,675	362,994	2,271,669
2013	1,860,008	295,686	2,155,694
2014	1,296,675	232,558	1,529,233
2015	1,195,342	187,848	1,383,190
2016-2020	3,157,708	440,834	3,598,542
2021-2022	762,682	44,336	807,018
	<u>\$ 12,091,766</u>	<u>1,994,705</u>	<u>14,086,471</u>

Contingent Liability

The County was involved in a lawsuit in which the claimant sought damages for injuries allegedly resulting from inadequate medical care while incarcerated at the Washington County Detention Center. The County denied any liability. This was a disputed matter, but the Plaintiff did recover.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from Other Funds

	Payable Fund	
	Nonmajor	
	Governmental	
	Funds	Total
Receivable Fund		
General Fund	\$ 461,534	461,534
Highway Fund	5,685	5,685
	\$ 467,219	467,219

Interfund Transfers

	Transfer In				
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Transfer Out					
General Fund	\$ -	-	150,000	453,935	603,935
Highway Fund	-	75,500	-	-	75,500
Capital Projects	-	18,178	-	-	18,178
Constitutional Officers	5,008,341	-	-	-	5,008,341
Total Transfers Out	\$ 5,008,341	93,678	150,000	453,935	5,705,954

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, 2010

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. The County is responsible for funding 50% of any deficits from operations and has no equity interest. Washington County contributed \$157,919 to the operations during the year ended June 30, 2010.

The Washington County-Johnson City Emergency Medical Services, Inc., - Ambulance Division receives revenue from Washington County and Johnson City, as well as patient billings. The County contributed \$1,291,272 to the operations during the year and has no equity interest as of June 30, 2010.

Washington County is responsible for funding at least 30% of operations of the Johnson City/Jonesborough/Washington County Economic Development Board, Inc. The County contributed \$139,244 to the operations during the year and has no equity interest as of June 30, 2010.

The Tri-Cities Regional Airport, Tn/Va 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. There is no equity interest as of June 30, 2010.

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 \$246,654 to the operations during the year and has no equity interest as June 30, 2010. 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, 2010, 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, 2010, therefore, the information reflected is for June 30, 2009. Contributions from Washington County to the Emergency Medical Services for fiscal year ended June 30, 2010 were \$1,291,272.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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	\$ 80,900	6,876,706	373,878	5,693,560
Operating Expenses	(513,806)	(7,901,923)	(372,340)	(5,101,080)
Depreciation	-	(408,728)	(180)	(3,053,364)
Amortization	-	-	-	(13,501)
Other Income (Expense)	416,909	1,865,257	8,662	809,692
Capital Contributions	-	-	-	6,774,016
Net Income(Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	(15,997)	431,312	10,020	5,109,323
Total Fund Equity, July 1	334,779	3,073,972	910,584	55,949,414
Prior Period Adjustments:				
Total Fund Equity, June 30	<u>\$ 318,782</u>	<u>3,505,284</u>	<u>920,604</u>	<u>61,058,737</u>
Total Assets	\$ 353,855	6,152,651	972,476	69,451,205
Total Liabilities	35,073	2,647,367	51,872	8,392,468
Total Fund Equity	<u>\$ 318,782</u>	<u>3,505,284</u>	<u>920,604</u>	<u>61,058,737</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, 2010

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, 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, 2008	\$ 153
June 30, 2009	14,717
June 30, 2010	241,114

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

In previous years, 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. However, as of July 1, 2009, Washington County began providing medical insurance to full-time employees. Participants in the plan pay premiums as determined by the County to offset a portion of the cost of the plan. During the fiscal year 2010, the Self-Insurance Fund was only used to account for receivables and payables from prior period claims that were filed by physicians after the self insurance program was closed. As of June 30, 2010, the Self-Insurance Fund was closed.

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 \$300 for vision benefits and \$1,000 for dental benefits per covered individual each year. A reconciliation of claims for the years ended June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Claims Accrued at July 1	\$ 1,108	412
Claims Incurred	264,482	250,905
Claims Paid	<u>(264,966)</u>	<u>(250,209)</u>
Claims Accrued at June 30	<u>\$ 624</u>	<u>1,108</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan

Plan Description

Employees of the County and the Washington County Emergency Communications District (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 the County and the WCECD 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://www.tn.gov/treasury/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.

The County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2010 was 13.67% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the 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, 2010 was 11.82% 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, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Annual Pension Cost

For the year ending June 30, 2010, the County's annual pension cost of \$3,109,063 to TCRS was equal to the County's required and actual contributions and the WCECD's annual pension cost of \$184,536 to TCRS was equal to WCECD's required and actual contributions. The required contribution was determined as part of the July 1, 2007 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, 2007 was 8 years for the County and 11 years for the WCECD. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Washington County

Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2010	\$ 3,109,063	100%	\$ 0
June 30, 2009	\$ 3,025,592	100%	\$ 0
June 30, 2008	\$ 2,940,960	100%	\$ 0

WCECD

Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2010	\$ 184,536	100%	\$ 0
June 30, 2009	\$ 172,556	100%	\$ 0
June 30, 2008	\$ 156,481	100%	\$ 0

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the County's plan was 85.34% percent funded. The actuarial accrued liability for benefits was \$63.93 million, and the actuarial value of assets was \$54.56 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.37 million. The covered payroll (annual payroll of active employees covered by the plan) was \$22.13 million, and the ratio of the UAAL to the covered payroll was 42.35%percent. The WCECD's plan was 76.68% percent funded. The actuarial accrued liability for benefits was \$3.00 million, and the actuarial value of assets was \$2.30 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.70 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.49 million, and the ratio of the UAAL to the covered payroll was 46.94%percent.

The schedules of funding progress, presented as required supplementary information (RSI) 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 serve as a surrogate for the funded status and funding progress of the plan.

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded ALL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ 54,557	\$ 63,930	\$ 9,373	85.34%	\$ 22,132	42.35%
July 1, 2007	\$ 49,734	\$ 55,976	\$ 6,242	88.85%	\$ 19,930	31.32%

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded ALL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ 2,297	\$ 2,996	\$ 699	76.68%	\$ 1,489	46.94%
July 1, 2007	\$ 1,918	\$ 2,452	\$ 534	78.22%	\$ 1,271	42.01%

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

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 SETHHEPP. 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.tn.gov/treasury/tcrs/Schools.

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, 2010 was 6.42% 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, 2010, 2009, and 2008 were \$1,821,779, \$1,844,488, and \$1,685,290, respectively, equal to the required contributions for each year.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan

Washington County Department of Education

Plan Description

The Washington County Department of Education participates in the state – administered Teacher Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit other postemployment benefit plans. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive annual financial report (CAFR). The CAFR is available on the state’s website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claim liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees’ premiums since the committee is not prescriptive on that issue.

Monthly premiums vary based upon the plan selected as follows:

Monthly Premiums – Retiree:

PPO	\$253 to \$345	(single coverage)
POS	\$232 to \$317	(single coverage)
HMO	\$246 to \$336	(single coverage)

Washington County Department of Education will reimburse retirees directly \$1,931 for single coverage and \$4,030 for family coverage until age 65 annually.

Monthly Premiums – Active:

PPO	\$461	(single coverage)
POS	\$422	(single coverage)
HMO	\$448	(single coverage)

Washington County Department of Education will pay all but \$800 of the annual premium for individual coverage and \$2,000 for family coverage for active employees.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (continued)

Washington County Department of Education (continued)

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution (ARC)	\$	1,389,000
Interest on net OPEB Obligation		62,500
Adjustment to ARC		<u>(59,200)</u>
Annual OPEB Cost (Expense)		1,392,300
Contribution made (assumed end of year)		<u>(785,500)</u>
Increase (Decrease) in net OPEB Obligation		606,800
Net OPEB Obligation - beginning of year		435,500
Net OPEB Obligation - end of year	\$	<u><u>1,042,300</u></u>

<u>Year End</u>	<u>Plan</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation at Year End</u>
6/30/2010	Teacher & Local Government Plan	\$ 1,392,300	56%	\$ 1,042,300
6/30/2009	Teacher & Local Government Plan	945,000	54%	435,500

Data is not available for preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

Actuarial Valuation Date		July 1, 2009
Actuarial Accrued Liability (AAL)	\$	11,890,000
Actuarial Value of Plan Assets	\$	-
Unfunded Actuarial Accrued Liability (UAAL)	\$	11,890,000
Actuarial Value of Assets as a % of the AAL		0%
Covered Payroll	\$	71,929,100
UAAL as a Percentage of Covered Payroll		17%

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (continued)

Washington County Department of Education (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation for the Local Education plan, the Projected Unit Credit actuarial cost method was used and the actuarial assumptions included in a 4.5 % investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate 4 % for fiscal year 2010. The trend will rise to 10% in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of 5 % by fiscal year 2021. The annual healthcare cost trend rate for the Local Government plan was 3% for fiscal year 2010. The trend will rise to 10% in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of 5 % by fiscal year 2021. The rate includes a 3 % inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with June 30, 2008.

Washington County Emergency Communications District

Plan Description

The District has adopted a plan that provides postemployment medical, dental, and vision benefits for retirees and their dependents. Upon retirement, individuals are eligible to continue to receive coverage under the employer's group medical, dental and vision plans.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (continued)

Washington County Emergency Communications District (continued)

Funded Status and Funding Progress (continued)

The District offers post employment benefits for full time regular employees retiring under the Tennessee Consolidated Retirement System (TCRS) guidelines. There is no minimum age requirement with 30 years of service or age 60 with 25 years of service. If the employee transferred from the City of Johnson City in 1988, they are eligible to count their full time employment with the City toward the eligibility year requirement. Eligible retirees receive medical, vision and dental insurance until eligible for Medicare. If coverage for legal dependents is in place, the legal dependent's insurance benefit will cease when they are Medicare eligible. The eligible retirees will contribute two times the amount that a current active employee contributes. The surviving spouse can carry insurance for 60 days from the date of death of a retired employee at current rates. As of the effective date of the actuarial valuation, there was a total of 28 active participants. There have been no significant changes in the number covered or the type of coverage since the date of the actuarial valuation. The District has applied GASB 45 prospectively.

Funding Policy

The contribution requirements of plan members are based on pay-as-you go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The District's other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The following table shows the components of the District's costs for the year, the amount actually contributed to the plan, and changes in the OPEB obligation.

WASHINGTON COUNTY, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (continued)

Washington County Emergency Communications District (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution (ARC)	\$ 29,650
Interest on net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost (Expense)	29,650
Contribution Made (assumed end of year)	-
Increase in Net OPEB Obligation	29,650
Net OPEB Obligation - Beginning of Year	25,018
Net OPEB Obligation - End of Year	\$ 54,668

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 29,650	0%	\$ 54,668
6/30/2009	\$ 25,018	0%	\$ 25,018

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, the date of the actuarial valuation was as follows:

Actuarial Valuation Date	7/1/2008
Actuarial Accrued Liability (AAL)	\$ 242,475
Actuarial Value of Plan Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 242,475
Actuarial Value of Assets as a % of the AAL	0
Covered Payroll	\$ 1,611,000
UAAL as a Percentage of Covered Payroll	15%

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (continued)

Washington County Emergency Communications District (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projects of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following methods and assumptions were used.

The valuation date is July 1, 2008 and year 1 represents the period of July 1, 2008 to June 30, 2009. A discount rate of 4.5% was used to discount expected liabilities to the valuation dates. This is the approximate rate of return available on A rated municipal bonds with maturities of 30 years as of December 27, 2007. Future salaries are expected to increase at an annual rate of 3.0%. Average health care trend costs rates are assumed to increase by 11.5% (years 1 & 2), 11% (year 3), 10.5% (year 4), 10% (year 5), 9.5% (year 6), 9% (year 7), 8.5% (year 8), 8% (year 9), 7.5% (year 10), 7% (year 11), 6.5% (year 12), 6% (year 13), 5.5% (year 14) and 5% for years 15 and subsequent. The Projected Unit Credit Actuarial cost method was used to allocate the value of benefits to valuation years. The ARC was calculated using the level dollar amortization method, amortizing costs over 30 years on an open basis.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

F. On-Behalf Payments

As required by the Governmental Accounting Standards Board the on-behalf payments have been recorded for the teacher group insurance plan. The State of Tennessee makes a contribution (on-behalf payment) for retired teachers who participate in the State-administered Teacher Group Insurance Plan through TCRS as described in Note 5. D. The on-behalf payment for 2010 was \$263,172 and has been recorded as revenue and expenditure in the general purpose school fund.

G. Contingent Liabilities

The County is a defendant in various lawsuits. The outcome of these suits is not presently determinable. 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.

The County purchased a new building for the Washington County Health Department. The purchase of the building consisted of trading the old health department building for a new building. However, the City of Johnson City owed the property on which the old health department building was located. Therefore, the County has a potential liability to the City of Johnson City for \$1,250,000, the estimated value of the land that would be paid if the County sold the new health department building. The County currently has no plans to sell this property.

H. 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.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

NOTE 5 - OTHER INFORMATION (CONTINUED)

I. 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.

J. Prior Period Adjustment

Washington County School Board

An adjustment of \$435,500 was made to the net assets to begin recording the net other post employment benefit obligation. Sufficient data was not available to record the estimate in the prior year. The information was available in the current year.

Washington County – 911

As noted on the Statement of Revenues, Expenses and Changes in Net Assets, a prior period adjustment of \$292,113 is reflected to properly record the accumulated balance of sick leave and compensatory leave.

K. Subsequent Event

On September 1, 2010 George Jaynes left the office of the County Mayor and was succeeded by Daniel J. Eldridge. On September 1, 2010, Kathy Storey succeeded Doyle Cloyd as County Court Clerk.

SECTION III

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget- Favorable (Unfavorable)
REVENUES				
Taxes	\$ 20,554,967	20,554,967	21,017,075	462,108
Licenses and Permits	436,000	439,500	465,900	26,400
Fines, Forfeitures and Penalties	529,500	548,657	797,962	249,305
Charges for Current Services	532,000	532,000	1,117,947	585,947
Other Local Revenues	367,600	791,558	343,852	(447,706)
Revenue from State of Tennessee	3,220,926	3,768,778	3,476,589	(292,189)
Revenue from Federal Government	21,000	1,573,398	1,547,527	(25,871)
Revenue from Other Governments and Citizens Groups	1,280,093	1,330,093	1,412,559	82,466
TOTAL REVENUES	26,942,086	29,538,951	30,179,411	640,460
EXPENDITURES AND ENCUMBRANCES				
County Commission	168,376	168,376	160,302	8,074
Boards and Committees	500	500	-	500
Board of Equalization	15,360	16,525	15,553	972
County Mayor	196,822	196,822	193,470	3,352
County Attorney	50,055	50,055	47,226	2,829
Election Commission	523,572	523,572	450,420	73,152
Register of Deeds	512,081	512,081	436,273	75,808
Planning and Zoning	30,991	34,891	32,223	2,668
Codes Compliance	242,466	242,466	235,668	6,798
County Building	63,750	138,750	58,011	80,739
Other General Administration	2,992,471	2,945,564	2,697,389	248,175
Accounting and Budgeting	283,710	283,710	270,969	12,741
Purchasing	154,920	154,920	135,140	19,780
Property Assessor	482,105	482,105	417,282	64,823
Reappraisal Program	353,635	353,635	268,193	85,442
County Trustee	429,153	429,153	343,922	85,231
County Clerk	825,596	825,596	758,282	67,314
General Sessions Judge	373,670	373,670	359,898	13,772
Drug Court	-	19,157	16,078	3,079
Circuit Court	1,383,033	1,383,033	1,279,886	103,147
Chancery Court	562,440	562,440	546,133	16,307
District Attorney General	30,093	80,093	80,093	-
Judicial Court	251,045	291,045	167,894	123,151
Courtroom Security	452,971	452,971	408,223	44,748
Sheriff's Department	4,771,261	4,991,041	4,701,479	289,562
NETCIAU Grant	-	13,796	1,492	12,304
Substance Abuse Grant	-	133,314	133,314	-
Alcohol and Drug Program	12,132	12,132	6,067	6,065
Network Law Enforcement Grant	-	3,000	-	3,000
Jail	6,150,533	6,452,222	5,914,423	537,799
Juvenile Services	470,071	530,071	508,744	21,327
Work Release Program	13,104	13,104	11,714	1,390
Federal Asset Forfeiture	15,000	33,000	32,490	510
ARRA JAG Grant	-	36,092	35,980	112
JAG Grant (Firearms)	-	31,309	24,522	6,787
Fire Protection and Control	835,000	870,747	870,747	-
Civil Defense	109,058	109,058	109,058	-
Hazardous Materials	11,400	11,400	11,211	189

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget- Favorable (Unfavorable)
EXPENDITURES AND ENCUMBRANCES				
(CONTINUED)				
Other Emergency Management	-	1,203,521	1,201,501	2,020
Rescue Squad	74,300	74,300	74,300	-
County Coroner	133,862	153,486	148,189	5,297
School Resource Officer	2,000	2,000	1,704	296
Other Public Safety	43,744	52,069	49,137	2,932
County Health Center	859,005	865,505	858,243	7,262
Local Health Center Grant	789,256	1,123,456	860,982	262,474
Rabies and Animal Control	132,919	157,919	157,919	-
Ambulance Service	1,291,272	1,291,272	1,291,272	-
Regional Mental Health Center	65,250	65,250	65,250	-
Public Welfare	96,200	103,900	109,320	(5,420)
Aid to Dependent Children	5,000	5,000	5,000	-
Sanitation Education	53,300	53,300	44,189	9,111
Senior Citizen's Assistance	139,977	139,977	139,977	-
Libraries	127,500	127,500	127,500	-
Social, Cultural and Recreational	15,000	21,000	21,000	-
National Storytelling	50,000	50,000	50,000	-
Agriculture Extension Service	233,570	233,570	210,515	23,055
Forest Service	1,500	1,500	1,500	-
Soil Conservation	73,448	73,448	72,229	1,219
Storm Water Management	107,370	110,293	80,601	29,692
Agriculture and Natural Resources	14,940	14,940	10,655	4,285
Tourism	6,971	6,971	6,971	-
Industrial Development	139,244	139,244	139,244	-
Economic and Community Development	21,250	46,250	44,890	1,360
Transportation	13,000	13,000	13,000	-
Contributions to Other Agencies	68,200	248,200	238,493	9,707
Employee Benefits	4,315,000	4,759,000	4,579,147	179,853
Judgments	25,000	265,667	241,114	24,553
Emergency Communications District	546,246	546,246	546,246	-
Capital Outlay	448,000	901,970	654,922	247,048
TOTAL EXPENDITURES AND ENCUMBRANCES	32,658,698	36,611,170	33,784,779	2,826,391
OTHER FINANCING SOURCES (USES)				
Transfer to Library Fund	(453,935)	(453,935)	(453,935)	-
Transfer to Other Funds	-	(150,000)	(150,000)	-
Transfer from Constitutional Officers - Fees Fund	5,025,000	5,025,000	5,008,341	(16,659)
TOTAL OTHER FINANCING SOURCES (USES)	4,571,065	4,421,065	4,404,406	(16,659)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(1,145,547)	(2,651,154)	799,038	3,450,192
Fund Balance, July 1, 2009	12,874,090	12,874,090	12,874,090	-
Fund Balance, June 30, 2010	<u>\$ 11,728,543</u>	<u>10,222,936</u>	<u>13,673,128</u>	<u>3,450,192</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
TOTAL REVENUES	\$ 30,179,411	-	-	30,179,411
EXPENDITURES				
County Commission	160,302	-	-	160,302
Boards and Committees	15,553	-	-	15,553
County Mayor	193,470	-	-	193,470
County Attorney	47,226	-	-	47,226
Election Commission	450,420	-	-	450,420
Register of Deeds	436,273	-	-	436,273
Planning and Zoning	32,223	-	-	32,223
Codes Compliance	235,668	1,510	-	234,158
County Building	58,011	-	-	58,011
Other General Administration	2,697,389	130,664	112,560	2,679,285
Accounting and Budgeting	270,969	623	-	270,346
Purchasing	135,140	-	-	135,140
Property Assessor	417,282	-	-	417,282
Reappraisal Program	268,193	-	-	268,193
County Trustee	343,922	-	1,020	344,942
County Clerk	758,282	-	-	758,282
General Sessions Judge	359,898	-	-	359,898
Drug Court	16,078	-	-	16,078
Circuit Court	1,279,886	109	14,203	1,293,980
Chancery Court	546,133	505	22,060	567,688
District Attorney	80,093	-	-	80,093
Judicial Court	167,894	-	52,184	220,078
Courtroom Security	408,223	-	-	408,223
Sheriff's Department	4,701,479	15,875	36,764	4,722,369
NETCIAU Grant	1,492	-	-	1,492
Substance Abuse Grant	133,314	-	-	133,314
Alcohol and Drug Program	6,067	-	-	6,067
Jail	5,914,423	9,095	13,992	5,919,320
Juvenile Services	508,744	-	-	508,744
Work Release Program	11,714	-	-	11,714
Federal Asset Forfeiture	32,490	8,264	-	24,226
ARRA JAG Grant	35,980	24,452	-	11,528
JAG Grant	24,522	-	-	24,522
Fire Protection and Control	870,747	-	-	870,747
Civil Defense	109,058	-	-	109,058
Hazardous Materials	11,211	600	-	10,611
Rescue Squad	74,300	-	-	74,300
Other Emergency Management	1,201,501	-	7,020	1,208,521
County Coroner	148,189	-	-	148,189
School Resource Officer Grant	1,704	-	-	1,704
Other Public Safety	49,137	-	-	49,137
County Health Center	858,243	-	456	858,699

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
EXPENDITURES (CONTINUED)				
Local Health Center Grant	860,982	-	120	861,102
Rabies and Animal Control	157,919	-	-	157,919
Ambulance Service	1,291,272	-	-	1,291,272
Regional Mental Health Center	65,250	-	-	65,250
Public Welfare	109,320	-	-	109,320
Aid to Dependent Children	5,000	-	-	5,000
Sanitation Education	44,189	-	-	44,189
Senior Citizen's Assistance	139,977	-	-	139,977
Libraries	127,500	-	-	127,500
Social, Cultural and Recreational	21,000	-	-	21,000
National Storytelling	50,000	-	-	50,000
Agriculture Extension Service	210,515	-	-	210,515
Forest Service	1,500	-	-	1,500
Soil Conservation	72,229	-	-	72,229
Storm Water Management	80,601	-	-	80,601
Agriculture and Natural Resources	10,655	-	-	10,655
Tourism	6,971	-	-	6,971
Industrial Development	139,244	-	-	139,244
Economic and Community Development	44,890	-	-	44,890
Transportation	13,000	-	-	13,000
Contributions to Other Agencies	238,493	-	-	238,493
Employee Benefits	4,579,147	-	-	4,579,147
Judgments	241,114	-	-	241,114
Emergency Communications District	546,246	-	-	546,246
Capital Outlay	654,922	153,607	76,212	577,527
TOTAL EXPENDITURES	33,784,779	345,304	336,591	33,776,067
TOTAL OTHER FINANCING SOURCES	4,404,406	0	0	4,404,406
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	799,038	345,304	(336,591)	807,750
Fund Balance, July 1, 2009	12,874,090	-	336,591	13,210,681
Fund Balance, June 30, 2010	<u>\$ 13,673,128</u>	<u>345,304</u>	<u>0</u>	<u>14,018,431</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 capitalized 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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 4,425,017	4,425,017	4,567,056	142,039
Licenses and Permits	500	500	645	145
Charges for Current Services	100,000	355,000	572,918	217,918
Other Local Revenue	163,000	163,000	293,349	130,349
Revenue from State of Tennessee	2,618,238	2,690,238	2,998,262	308,024
TOTAL REVENUES	7,306,755	7,633,755	8,432,230	798,475
EXPENDITURES AND ENCUMBRANCES				
Administration	679,109	653,009	611,410	41,599
Highway and Bridge Maintenance	2,480,296	2,542,946	2,151,133	391,813
Operation and Maintenance of Equipment	747,037	808,237	714,270	93,967
Asphalt Plant Operations	2,825,046	3,082,796	2,754,335	328,461
Other Charges	188,500	193,500	114,471	79,029
Employee Benefits	1,094,000	1,094,000	763,250	330,750
Capital Outlay	243,449	328,449	153,935	174,514
TOTAL EXPENDITURES AND ENCUMBRANCES	8,257,437	8,702,937	7,262,804	1,440,133
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	75,500	75,500	(75,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	75,500	75,500	(75,500)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(875,182)	(993,682)	1,093,926	2,238,608
Fund Balance, July 1, 2009	2,734,471	2,734,471	2,734,471	-
Fund Balance, June 30, 2010	<u>\$ 1,859,289</u>	<u>1,740,789</u>	<u>3,828,397</u>	<u>2,238,608</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
HIGHWAY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
TOTAL REVENUES	\$ 8,432,230	-	-	8,432,230
EXPENDITURES				
Administration	611,410	-	200	611,610
Highway and Bridge Maintenance	2,151,133	285	409	2,151,257
Operation and Maintenance of Equipment	714,270	-	950	715,220
Asphalt Plant Operations	2,754,335	-	-	2,754,335
Other Charges	114,471	-	-	114,471
Employee Benefits	763,250	-	-	763,250
Capital Outlay	153,935	64,200	-	89,735
TOTAL EXPENDITURES	7,262,804	64,485	1,559	7,199,878
OTHER FINANCING SOURCES(USES)				
Transfer to Other Funds	(75,500)	-	-	(75,500)
TOTAL OTHER FINANCING SOURCES(USES)	(75,500)	0	0	(75,500)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,093,926	64,485	(1,559)	1,156,852
Fund Balance, July 1, 2009	2,734,471	-	1,559	2,736,030
Fund Balance, June 30, 2010	\$ 3,828,397	64,485	0	3,892,882

(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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2010

NOTE 1: 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 - PENSION
 For the Fiscal Year Ended June 30, 2010

(Dollar Amounts in Thousands)

Washington County

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
		(AAL)				
Actuarial	Actuarial	Actuarial	(UAAL)	Funded	Covered	UAAL as a %
Valuation	Value of	Accrued	Unfunded	Ratio	Payroll	of Covered
<u>Date</u>	<u>Assets</u>	Liability	<u>AAL</u>			<u>Payroll</u>
		-Entry Age				
July 1, 2009	\$ 54,557	\$ 63,930	\$ 9,373	85.34%	\$ 22,132	42.35%
July 1, 2007	49,734	55,976	6,242	88.85%	19,930	31.32%

Washington County Emergency Communications District

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
		(AAL)				
Actuarial	Actuarial	Actuarial	(UAAL)	Funded	Covered	UAAL as a %
Valuation	Value of	Accrued	Unfunded	Ratio	Payroll	of Covered
<u>Date</u>	<u>Assets</u>	Liability	<u>AAL</u>			<u>Payroll</u>
		-Entry Age				
July 1, 2009	\$ 2,297	\$ 2,996	\$ 699	76.68%	\$ 1,489	46.94%
July 1, 2007	1,918	2,452	534	78.22%	1,271	42.01%

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 went into affect during hte year of the 2007 actuarial valuation, therefore only the two most recent valuations are presented.

See Independent Auditor's Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF FUNDING PROGRESS - OPEB
 For the Fiscal Year Ended June 30, 2010

(Dollar Amounts in Thousands)

Washington County School Board

<u>Actuarial Valuation Date</u>	<u>Plan</u>	(a) <u>Actuarial Value of Assets</u>	(b) (AAL) <u>Actuarial Accrued Liability -Entry Age</u>	(b) - (a) (UAAL) <u>Unfunded AAL</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Covered Payroll</u>	((b-a)/c) <u>UAAL as a % of Covered Payroll</u>
July 1, 2009	LEA / Local Government	\$ -	\$ 11,890	\$ 11,890	0.00%	\$ 71,929	17.00%

Washington County Emergency Communications District

<u>Actuarial Valuation Date</u>	<u>Plan</u>	(a) <u>Actuarial Value of Assets</u>	(b) (AAL) <u>Actuarial Accrued Liability -Entry Age</u>	(b) - (a) (UAAL) <u>Unfunded AAL</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Covered Payroll</u>	((b-a)/c) <u>UAAL as a % of Covered Payroll</u>
July 1, 2008		\$ -	\$ 242	\$ 242	0.00%	\$ 1,611	15.00%

Additional years will be reported as data becomes available.

See Independent Auditor's Report.

SECTION IV

SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2010

	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	\$ 669,784	134,670	370,078	48,485	145,791	1,368,808
Cash	-	-	-	-	306,137	306,137
Due from State of Tennessee	40,956	-	-	-	-	40,956
Due from Other Local Governments	38,073	-	-	2,650	-	40,723
Due from Others	24,917	21	88	-	-	25,026
Taxes Receivable	1,222,562	-	-	-	-	1,222,562
Allowance for Uncollectibles	(1,310)	-	-	-	-	(1,310)
TOTAL ASSETS	\$ 1,994,982	134,691	370,166	51,135	451,928	3,002,902
LIABILITIES						
Accounts Payable	\$ 1,300	-	31,015	-	-	32,315
Accrued Expenses	16,683	10,912	-	-	-	27,595
Due to Other Funds	5,685	-	-	9,606	451,928	467,219
Deferred Revenues	1,214,624	-	-	-	-	1,214,624
TOTAL LIABILITIES	1,238,292	10,912	31,015	9,606	451,928	1,741,753
FUND EQUITY						
Reserved for						
Encumbrances	2,000	-	-	-	-	2,000
Public Safety	-	-	28,743	-	-	28,743
Unreserved, Undesignated, Reported in Special Revenue Funds	754,690	123,779	310,408	41,529	-	1,230,406
TOTAL FUND EQUITY	756,690	123,779	339,151	41,529	0	1,261,149
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,994,982	134,691	370,166	51,135	451,928	3,002,902

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, 2010

	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	\$ 1,198,443	-	-	-	-	1,198,443
Licenses and Permits	170	-	-	-	-	170
Fines, Forfeitures and Penalties	-	8,849	24,592	50,397	-	83,838
Charges for Current Services	117,982	7,600	-	-	-	125,582
Other Local Revenues	302,123	27,274	24,376	203	42,487	396,463
Revenue from State of Tennessee	167,069	-	-	-	-	167,069
Revenue from Other Governments and Citizens Groups	-	10,500	-	-	5,018,522	5,029,022
TOTAL REVENUES	1,785,787	54,223	48,968	50,600	5,061,009	7,000,587
EXPENDITURES						
General Government	-	-	48,446	26,673	52,668	127,787
Library	-	472,346	-	-	-	472,346
Sanitation	1,552,341	-	-	-	-	1,552,341
Capital Outlay	139,300	-	26,270	-	-	165,570
TOTAL EXPENDITURES	1,691,641	472,346	74,716	26,673	52,668	2,318,044
OTHER FINANCING SOURCES (USES)						
Transfers to Other Funds	-	-	-	-	(5,008,341)	(5,008,341)
Transfers from Other Funds	-	453,935	-	-	-	453,935
TOTAL OTHER FINANCING SOURCES (USES)	0	453,935	0	0	(5,008,341)	(4,554,406)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	94,146	35,812	(25,748)	23,927	-	128,137
Fund Balance, July 1, 2009	662,544	87,967	364,899	17,602	-	1,133,012
Fund Balance, June 30, 2010	<u>\$ 756,690</u>	<u>123,779</u>	<u>339,151</u>	<u>41,529</u>	<u>0</u>	<u>1,261,149</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SOLID WASTE / SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,182,327	1,182,327	1,198,443	16,116
Licenses and Permits	200	200	170	(30)
Charges for Current Services	112,000	112,000	117,982	5,982
Other Local Revenues	135,000	135,000	302,123	167,123
Revenue from State of Tennessee	240,000	240,000	167,069	(72,931)
TOTAL REVENUES	<u>1,669,527</u>	<u>1,669,527</u>	<u>1,785,787</u>	<u>116,260</u>
EXPENDITURES				
Sanitation	1,918,003	1,948,003	1,554,341	393,662
Capital Outlay	30,000	139,300	139,300	-
TOTAL EXPENDITURES	<u>1,948,003</u>	<u>2,087,303</u>	<u>1,693,641</u>	<u>393,662</u>
Excess of Revenues Over (Under) Expenditures	(278,476)	(417,776)	92,146	509,922
Fund Balance, July 1, 2009	<u>662,544</u>	<u>662,544</u>	<u>662,544</u>	<u>-</u>
Fund Balance, June 30, 2010	<u>\$ 384,068</u>	<u>244,768</u>	<u>754,690</u>	<u>509,922</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
SOLID WASTE/SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
TOTAL REVENUES	\$ 1,785,787	-	-	1,785,787
EXPENDITURES				
Sanitation Operations	1,270,049	2,000	-	1,268,049
Tire Center Operations	284,292	-	-	284,292
Capital Outlay	139,300	-	-	139,300
TOTAL EXPENDITURES	1,693,641	2,000	-	1,691,641
Excess of Revenues Over (Under) Expenditures	92,146	2,000	-	94,146
Fund Balance, July 1, 2009	662,544	-	-	662,544
Fund Balance, June 30, 2010	\$ 754,690	2,000	0	756,690

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

WASHINGTON COUNTY, TENNESSEE
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 6,500	6,500	8,849	2,349
Charges for Current Services	6,500	6,500	7,600	1,100
Other Local Revenues	100	1,600	27,274	25,674
Revenue from Other Governments and Citizens Groups	10,500	10,500	10,500	-
TOTAL REVENUES	23,600	25,100	54,223	29,123
EXPENDITURES				
Library	477,535	479,035	472,346	6,689
TOTAL EXPENDITURES	477,535	479,035	472,346	6,689
OTHER FINANCING SOURCES				
Transfers from Other Funds	453,935	453,935	453,935	-
TOTAL OTHER FINANCING SOURCES	453,935	453,935	453,935	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	35,812	35,812
Fund Balance, July 1, 2009	87,967	87,967	87,967	-
Fund Balance, June 30, 2010	\$ 87,967	87,967	123,779	35,812

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 DRUG FINES FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 28,275	28,275	24,592	(3,683)
Other Local Revenues	10,400	10,400	24,376	13,976
TOTAL REVENUES	<u>38,675</u>	<u>38,675</u>	<u>48,968</u>	<u>10,293</u>
EXPENDITURES				
General Government	38,675	53,575	48,446	5,129
Capital Outlay	-	26,370	26,270	100
TOTAL EXPENDITURES	<u>38,675</u>	<u>79,945</u>	<u>74,716</u>	<u>5,229</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(41,270)	(25,748)	15,522
Fund Balance, July 1, 2009	<u>364,899</u>	<u>364,899</u>	<u>364,899</u>	-
Fund Balance, June 30, 2010	<u>\$ 364,899</u>	<u>323,629</u>	<u>339,151</u>	<u>15,522</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 12,117,890	12,117,890	12,276,091	158,201
Licenses and Permits	1,000	1,000	1,615	615
Other Local Revenues	100,000	100,000	133,939	33,939
Revenue from State of Tennessee	175,000	175,000	212,210	37,210
TOTAL REVENUES	12,393,890	12,393,890	12,623,855	229,965
EXPENDITURES				
Principal on Bonds	2,920,000	2,920,000	2,920,000	-
Principal on Notes	1,928,467	4,555,467	4,080,400	475,067
Interest on Bonds	7,068,000	7,068,000	7,066,588	1,412
Interest on Notes	429,800	439,850	367,085	72,765
Trustees Commission	300,000	300,000	242,329	57,671
Fees	25,000	791,244	773,786	17,458
TOTAL EXPENDITURES	12,671,267	16,074,561	15,450,188	624,373
Transfers from Other Funds	75,000	75,000	93,678	18,678
TOTAL OTHER FINANCING SOURCES (USES)	75,000	75,000	93,678	18,678
Excess of Revenues Over (Under) Expenditures	(202,377)	(3,605,671)	(2,732,655)	873,016
Fund Balance, July 1, 2009	9,952,086	9,952,086	9,952,086	-
Fund Balance, June 30, 2010	\$ 9,749,709	6,346,415	7,219,431	873,016

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Board of Education Governmental Activities
COMPONENT UNIT					
GOVERNMENTAL ACTIVITIES					
Regular Instruction	\$ 37,485,639	-	3,087,150	1,042,378	(33,356,111)
Special Education	6,055,277	-	3,649,215	122,633	(2,283,429)
Vocational Education	2,126,014	-	142,735	61,316	(1,921,963)
Adult Education	5,685	6,050	-	-	365
Attendance	119,344	-	-	-	(119,344)
Health Services	828,594	-	100,000	-	(728,594)
Other Student Support	1,122,124	-	-	-	(1,122,124)
Board of Education	1,014,820	-	-	-	(1,014,820)
Office of the Director	622,119	-	-	-	(622,119)
Office of the Principal	3,093,049	-	-	-	(3,093,049)
Fiscal Services	190,350	-	-	-	(190,350)
Operation of Plant	4,600,064	-	-	-	(4,600,064)
Maintenance of Plant	1,598,849	-	-	-	(1,598,849)
Transportation	2,878,724	-	-	-	(2,878,724)
Central and Other	152,629	-	-	-	(152,629)
Food Service	4,077,137	1,502,435	2,294,033	-	(280,669)
Community Service	537,875	542,291	-	-	4,416
Depreciation - All Unallocated	3,803,325	-	-	-	(3,803,325)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 70,311,618	2,050,776	9,273,133	1,226,327	(57,761,382)
GENERAL REVENUES					
Taxes					
Property Taxes					11,176,624
In Lieu of Taxes					164,605
Sales Taxes					12,608,766
Business Taxes					232,807
Miscellaneous					123,252
Other Local Governments					105,187
State Aid					30,791,510
Unrestricted Investment Earnings					67,922
Special Items					
Damages Recovered from Individuals					3,604
Contribution from Primary Government					2,712,691
TOTAL GENERAL REVENUES AND SPECIAL ITEMS					57,986,968
CHANGE IN NET ASSETS					
					225,586
Net Assets - Beginning (Restated)					106,059,573
Net Assets - Ending					\$ 106,285,159

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2010

	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	\$ 5,181,995	(46,071)	-	5,135,924
Cash and Deposits	-	-	334,435	334,435
Accounts Receivable				
Due from State of Tennessee	5,997	-	-	5,997
Due from Federal Government	254,516	88,476	280,305	623,297
Due from Other Funds	41,335	-	-	41,335
Sales Tax Receivable	2,070,516	-	-	2,070,516
Inventory - Food Service	-	-	172,536	172,536
Taxes Receivable	12,015,284	-	-	12,015,284
Allowance for Uncollectibles	(12,925)	-	-	(12,925)
TOTAL ASSETS	\$ 19,556,718	42,405	787,276	20,386,399
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 582,904	-	-	582,904
Accrued Expenses	-	-	406	406
Due from Other Funds	-	41,335	-	41,335
Deferred Revenues	12,002,359	-	-	12,002,359
TOTAL LIABILITIES	12,585,263	41,335	406	12,627,004
FUND EQUITY				
Reserved for Encumbrances	131,308	1,070	-	132,378
Reserved for Inventory	-	-	172,536	172,536
Reserved for Special Projects	2,872,865	-	-	2,872,865
Unreserved	3,967,282	-	614,334	4,581,616
TOTAL FUND EQUITY	6,971,455	1,070	786,870	7,759,395
TOTAL LIABILITIES AND FUND EQUITY	\$ 19,556,718	42,405	787,276	20,386,399

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, 2010

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 7,759,395

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 \$139,469,661
and the accumulated depreciation is \$40,394,202 99,075,459

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. 633,331

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 and OPEB. (1,183,026)

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES \$106,285,159

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, 2010

	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	\$ 24,213,552	-	-	24,213,552
Licenses and Permits	1,656	-	-	1,656
Fines, Forfeitures and Penalties	102,211	-	-	102,211
Charges for Current Services	548,341	-	1,501,166	2,049,507
Other Local Revenue	63,856	-	-	63,856
Other Local - Investment Income	67,448	-	474	67,922
Revenue from State of Tennessee	31,405,458	-	37,687	31,443,145
Revenue from Federal Government	2,891,534	6,237,813	2,257,615	11,386,962
TOTAL REVENUES	59,294,056	6,237,813	3,796,942	69,328,811
EXPENDITURES				
Regular Instruction	34,748,106	2,351,076	-	37,099,182
Special Education	3,002,810	3,044,959	-	6,047,769
Vocational Education	1,993,488	112,882	-	2,106,370
Adult Education	5,685	-	-	5,685
Attendance	117,765	-	-	117,765
Health Services	816,612	-	-	816,612
Other Student Support	1,013,822	100,125	-	1,113,947
Board of Education	1,012,717	-	-	1,012,717
Office of the Director	618,273	-	-	618,273
Office of the Principal	3,065,367	-	-	3,065,367
Fiscal Services	188,751	-	-	188,751
Operation of Plant	4,584,510	-	-	4,584,510
Maintenance of Plant	1,581,210	-	-	1,581,210
Transportation	2,534,854	306,240	-	2,841,094
Central and Other	150,174	-	-	150,174
Food Service	267,976	-	3,789,170	4,057,146
Community Service	536,981	-	-	536,981
Capital Outlay	2,150,843	332,764	-	2,483,607
TOTAL EXPENDITURES	58,389,944	6,248,046	3,789,170	68,427,160
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	904,112	(10,233)	7,772	901,651
Fund Balance, July 1, 2009	6,067,343	11,303	779,098	6,857,744
Fund Balance, June 30, 2010	<u>\$ 6,971,455</u>	<u>1,070</u>	<u>786,870</u>	<u>7,759,395</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, 2010

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 901,651
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 \$3,803,325 exceeds capital outlay of \$2,483,607	(1,319,718)
The effect of other transactions involving capital assets such as a contribution from the primary government is to increase net assets.	1,226,327
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.	24,767
In the statement of activities, OPEB 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. OPEB expended for the current year were less than the amount earned.	(606,800)
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.	(641)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 225,586</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 24,888,032	24,388,032	24,213,552	(174,480)
Licenses and Permits	1,200	1,200	1,656	456
Fines, Forfeitures and Penalties	60,480	85,480	102,211	16,731
Charges for Current Services	613,272	603,272	548,341	(54,931)
Other Local Revenue	242,411	142,411	131,304	(11,107)
Revenue from State of Tennessee	31,092,661	31,190,485	31,405,458	214,973
Revenue from Federal Government	2,165,210	2,170,496	2,891,534	721,038
TOTAL REVENUES	59,063,266	58,581,376	59,294,056	712,680
EXPENDITURES				
Regular Instruction	35,283,053	35,130,312	34,508,527	621,785
Special Education Program	2,985,497	3,023,996	3,002,810	21,186
Vocational Education Program	2,066,082	2,019,182	1,993,488	25,694
Adult Education Program	7,043	7,043	5,685	1,358
Attendance	106,087	118,027	117,765	262
Health Services	828,888	825,428	816,612	8,816
Other Student Services	1,047,137	1,019,286	1,013,822	5,464
Board of Education	1,021,414	1,023,114	1,012,717	10,397
Office of Director	635,078	638,769	618,273	20,496
Office of Principal	3,216,708	3,142,902	3,065,367	77,535
Fiscal Services	194,007	190,007	188,751	1,256
Operation of Plant	4,709,962	4,690,552	4,582,342	108,210
Maintenance of Plant	1,734,864	1,697,364	1,593,862	103,502
Transportation	2,799,916	2,904,341	2,534,823	369,518
Central and Other	151,410	151,410	150,205	1,205
Food Service	268,723	268,723	267,976	747
Community Service	596,529	596,529	536,981	59,548
Capital Outlay	221,776	2,757,720	2,171,568	586,152
TOTAL EXPENDITURES	57,874,174	60,204,705	58,181,574	2,023,131
Excess of Revenues Over (Under) Expenditures	1,189,092	(1,623,329)	1,112,482	(1,310,451)
Fund Balance, July 1, 2009	5,727,665	5,727,665	5,727,665	-
Fund Balance, June 30, 2010	<u>\$ 6,916,757</u>	<u>4,104,336</u>	<u>6,840,147</u>	<u>(1,310,451)</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 GENERAL PURPOSE SCHOOL FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2010

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
TOTAL REVENUES	\$ 59,294,056	-	-	59,294,056
EXPENDITURES				
Regular Instruction	34,508,527	95,359	334,938	34,748,106
Special Education Program	3,002,810	-	-	3,002,810
Vocational Education Program	1,993,488	-	-	1,993,488
Adult Education Program	5,685	-	-	5,685
Attendance	117,765	-	-	117,765
Health Services	816,612	-	-	816,612
Other Student Services	1,013,822	-	-	1,013,822
Board of Education	1,012,717	-	-	1,012,717
Office of Director	618,273	-	-	618,273
Office of Principal	3,065,367	-	-	3,065,367
Fiscal Services	188,751	-	-	188,751
Operation of Plant	4,582,342	2,541	4,709	4,584,510
Maintenance of Plant	1,593,862	12,652	-	1,581,210
Transportation	2,534,823	-	31	2,534,854
Central and Other	150,205	31	-	150,174
Food Service	267,976	-	-	267,976
Community Service	536,981	-	-	536,981
Capital Outlay	2,171,568	20,725	-	2,150,843
TOTAL EXPENDITURES	58,181,574	131,308	339,678	58,389,944
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,112,482	131,308	(339,678)	904,112
Fund Balance, July 1, 2009	5,727,665	-	339,678	6,067,343
Fund Balance, June 30, 2010	\$ 6,840,147	131,308	0	6,971,455

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

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHOOL FEDERAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Revenue From Federal Government	\$ 7,961,056	7,974,090	6,237,813	(1,736,277)
TOTAL REVENUES	<u>7,961,056</u>	<u>7,974,090</u>	<u>6,237,813</u>	<u>(1,736,277)</u>
EXPENDITURES				
Regular Instruction	3,498,581	3,543,386	2,351,075	1,192,311
Special Education	3,194,395	3,248,634	3,044,248	204,386
Vocational Education	98,965	103,361	103,361	-
Other Student Support	124,281	123,000	100,125	22,875
Transportation	306,240	306,240	306,240	-
Capital Outlay	413,001	414,978	332,764	82,214
TOTAL EXPENDITURES	<u>7,635,463</u>	<u>7,739,599</u>	<u>6,237,813</u>	<u>1,501,786</u>
Excess of Revenues Over (Under) Expenditures	325,593	234,491	-	(234,491)
Fund Balance, July 1, 2009	<u>11,303</u>	<u>11,303</u>	-	<u>(11,303)</u>
Fund Balance, June 30, 2010	<u>\$ 336,896</u>	<u>245,794</u>	<u>0</u>	<u>(245,794)</u>

WASHINGTON COUNTY, TENNESSEE
SCHOOL FEDERAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2010	Add: Encumbrances 6/30/2009	
TOTAL REVENUES	\$ 6,237,813	-	-	6,237,813
EXPENDITURES				
Regular Instruction	2,351,076	-	-	2,351,076
Special Education	3,044,247	2	714	3,044,959
Vocational Education	103,361	1,068	10,589	112,882
Other Student Support	100,125	-	-	100,125
Transportation	306,240	-	-	306,240
Capital Outlay	332,764	-	-	332,764
TOTAL EXPENDITURES	6,237,813	1,070	11,303	6,248,046
Excess of Revenues Over (Under) Expenditures	-	(1,070)	(11,303)	(10,233)
Fund Balance, July 1, 2009	-	-	11,303	11,303
Fund Balance, June 30, 2010	\$ 0	(1,070)	0	1,070

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

WASHINGTON COUNTY, TENNESSEE
SCHOOL FOOD SERVICE
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Breakfast and Lunch Payments	\$ 1,872,180	1,872,180	1,501,166	(371,014)
State of Tennessee	-	-	37,687	37,687
USDA Lunch	1,617,720	1,617,720	1,553,105	(64,615)
USDA Breakfast	439,624	439,624	488,238	48,614
Other USDA	-	-	216,272	216,272
Other Revenues	-	-	474	474
TOTAL REVENUES	3,929,524	3,929,524	3,796,942	(132,582)
EXPENDITURES				
Supplies and Materials	174,828	284,434	255,164	29,270
Food Purchases	1,540,261	1,583,021	1,748,196	(165,175)
Labor and Taxes	1,734,004	1,722,994	1,701,049	21,945
Utilities	16,320	6,220	5,825	395
Other Contracted Services	55,692	92,812	78,936	13,876
Miscellaneous Expenses and Repairs	296,423	240,043	-	240,043
Equipment	111,996	-	-	-
TOTAL EXPENDITURES	3,929,524	3,929,524	3,789,170	140,354
Excess of Revenues Over (Under) Expenditures	-	-	7,772	7,772
Fund Balance, July 1, 2009	779,098	779,098	779,098	-
Fund Balance, June 30, 2010	\$ 779,098	779,098	786,870	7,772

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2010

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2009	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2010	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES											
PAYABLE THROUGH DEBT SERVICE FUND											
Highway Department Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	\$ 152,000	2.89%	11/24/2008	11/24/2011	\$ 152,000	-	52,667	99,333	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	30,400	-	30,400	-	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	2,372,000	-	395,000	1,977,000	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	3,753,000	-	417,000	3,336,000	Ad Valorem
Highway Department Capital Outlay	Suntrust	Sections 5-10-501 to 5-10-509, T.C.A.	235,000	4.09%	8/23/2006	7/23/2009	77,000	-	77,000	-	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	2,916,666	-	2,916,666	-	Ad Valorem

100

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2010

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2009	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2010	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES (CONTINUED)											
PAYABLE THROUGH DEBT SERVICE FUND											
General and School Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	620,000	2.33%	10/15/2009	10/15/2012	-	620,000	-	620,000	Ad Valorem
Health Department Capital Outlay	MSHA	Sections 5-10-501 to 5-10-509, T.C.A.	1,675,000	4.00%	1/30/2010	9/30/2013	-	1,675,000	191,667	1,483,333	Ad Valorem
Board of Education Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	1,130,100	3.80%	1/5/2010	1/5/2022	-	1,130,100	-	1,130,100	Ad Valorem
Board of Education Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	3,446,000	3.83%	1/28/2010	1/28/2022	-	3,446,000	-	3,446,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES PAYABLE - PAYABLE THROUGH DEBT SERVICE FUND							<u>\$ 9,301,066</u>	<u>6,871,100</u>	<u>4,080,400</u>	<u>12,091,766</u>	

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
For the Fiscal Year Ended June 30, 2010

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2009	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2010	Anticipated Source of Revenue
GENERAL BONDED DEBT PAYABLE THROUGH COUNTY TRUSTEE										
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	\$ 19,575,000	-	2,920,000	16,655,000	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						<u>\$ 149,935,000</u>	<u>0</u>	<u>2,920,000</u>	<u>147,015,000</u>	

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF TRANSFERS - ALL FUNDS
 For the Fiscal Year Ended June 30, 2010

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
General	Library	To provide funds for operations	453,935
General	Capital Projects	To provide funds for capital projects	150,000
Constitutional Officers - Fees Fund	General	Excess fees and commissions	5,008,341
Capital Projects	Debt Service	To provide funds for debt service	18,178
Highway	Debt Service	Quarry payment	<u>75,500</u>
TOTAL OPERATING TRANSFERS			<u>\$ 5,705,954</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS
 For the Fiscal Year Ended June 30, 2010

	Authorization for Salary	Salary Paid During Period	Special Commissioner Fees	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	\$ 103,232	-	50,000	Traveler's Casualty and Surety
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	89,378	-	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	98,000	-	100,000	Western Surety Company
TRUSTEE	Section 8-24-102, T.C.A.	73,866	-	2,000,000	Traveler's Casualty and Surety
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	73,866	-	10,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	73,866	-	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.	73,866 7,387	-	50,000	Traveler's Casualty and Surety
CLERK AND MASTER	Section 8-24-102, T.C.A. Section 8-21-801, T.C.A.	73,866	-	50,000	Traveler's Casualty and Surety
REGISTER	Section 8-24-102, T.C.A.	73,866	-	25,000	Traveler's Casualty and Surety
SHERIFF	Section 8-24-102, T.C.A. Section 8-24-111, T.C.A.	89,378 8,938	-	25,000	Traveler's Property and Casualty

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, 2010

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	\$ 17,886,407	5,184,186	-	10,774,878	33,845,471	10,490,218	44,335,689
Taxes Prior Years							
Trustee	770,578	210,935	-	463,676	1,445,189	452,349	1,897,538
Clerk and Master	146,912	42,480	-	88,501	277,893	86,167	364,060
Interest and Penalty	188,251	54,460	-	112,942	355,653	110,697	466,350
Pick-Up Taxes	-	6,126	-	12,763	18,889	12,426	31,315
Tax Equivalent							
Federal	1,987	575	-	1,197	3,759	2,106	5,865
Local	259,660	95,187	-	156,421	511,268	152,284	663,552
Other	25,224	-	-	3,361	28,585	10,215	38,800
Excise Tax	86,332	24,965	-	52,090	163,387	50,632	214,019
Local Option Sales Tax	13,004	-	-	-	13,004	12,608,766	12,621,770
Interstate Telecommunications	11,928	-	-	-	11,928	4,885	16,813
Litigation Tax	556,099	-	-	304,892	860,991	-	860,991
Business Tax	597,109	146,585	-	305,370	1,049,064	232,807	1,281,871
Beer Tax	334,344	-	-	-	334,344	-	334,344
Other Statutory Local Tax	139,240	-	-	-	139,240	-	139,240
TOTAL TAXES	<u>21,017,075</u>	<u>5,765,499</u>	<u>0</u>	<u>12,276,091</u>	<u>39,058,665</u>	<u>24,213,552</u>	<u>63,272,217</u>
LICENSES AND PERMITS							
Marriage Licenses	2,814	815	-	1,615	5,244	1,656	6,900
Cable TV Franchise	374,335	-	-	-	374,335	-	374,335
Building Permits	67,016	-	-	-	67,016	-	67,016
Handgun Permits	21,735	-	-	-	21,735	-	21,735
TOTAL LICENSES AND PERMITS	<u>465,900</u>	<u>815</u>	<u>0</u>	<u>1,615</u>	<u>468,330</u>	<u>1,656</u>	<u>469,986</u>
FINES, FORFEITURES AND PENALTIES							
Circuit Court	27,977	62,671	-	-	90,648	-	90,648

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

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	192,873	-	-	-	192,873	-	192,873
General Sessions Court	246,518	12,318	-	-	258,836	-	258,836
Chancery Court	296,270	-	-	-	296,270	-	296,270
Other Courts	34,324	8,849	-	-	43,173	102,211	145,384
TOTAL FINES, FORFEITURES AND PENALTIES	797,962	83,838	0	0	881,800	102,211	984,011
CHARGES FOR CURRENT SERVICES							
Breakfast and Lunch Payments	-	-	-	-	-	1,199,879	1,199,879
A la Carte Sales	-	-	-	-	-	301,287	301,287
Tuition and Fees	-	-	-	-	-	548,341	548,341
Other Employee Benefits	430,039	-	-	-	430,039	-	430,039
Other Charges	660,461	698,500	-	-	1,358,961	-	1,358,961
Work Release	27,447	-	-	-	27,447	-	27,447
TOTAL CHARGES FOR CURRENT SERVICES	1,117,947	698,500	0	0	1,816,447	2,049,507	3,865,954
OTHER LOCAL REVENUES							
Investment Income	114,457	21,253	8,647	133,939	278,296	67,922	346,218
Sale of Property	1,095	300,940	-	-	302,035	-	302,035
Refunds	38,546	-	-	-	38,546	-	38,546
Insurance Recovery	14,575	-	-	-	14,575	-	14,575
Damages from Individuals	-	-	-	-	-	3,604	3,604
Employee Benefit Charges	-	135,741	-	-	135,741	-	135,741
Rentals	-	-	-	-	-	2,482	2,482
Contributions	21,000	-	-	-	21,000	-	21,000
Fingerprinting Services	-	7,000	-	-	7,000	-	7,000
Proceeds-Confiscated Property	-	11,770	-	-	11,770	-	11,770

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

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	103,387	20,399	-	-	123,786	57,770	181,556
Forfeitures and Seizures	-	2,070	-	-	2,070	-	2,070
Commissary Sales	50,792	-	-	-	50,792	-	50,792
Lease	-	148,152	-	-	148,152	-	148,152
Special Commissioner Fees	-	42,487	-	-	42,487	-	42,487
TOTAL OTHER LOCAL REVENUES	343,852	689,812	8,647	133,939	1,176,250	131,778	1,308,028
FROM STATE OF TENNESSEE							
Income Tax	145,863	-	-	-	145,863	-	145,863
Alcoholic Beverage	140,177	-	-	-	140,177	8,801	148,978
State Preschool Funds	-	-	-	-	-	28,080	28,080
State Salary Supplements	16,380	-	-	-	16,380	-	16,380
Litter Grant	34,597	-	-	-	34,597	-	34,597
Contracted Prisoner Board	1,463,350	-	-	-	1,463,350	-	1,463,350
Basic Education Program	-	-	-	-	-	29,962,000	29,962,000
Gasoline and Motor Fuel	-	2,163,460	-	-	2,163,460	-	2,163,460
Gasoline Inspection Fee	-	86,092	-	-	86,092	-	86,092
Mineral Severance Tax	-	19,262	-	-	19,262	-	19,262
Health Department Programs	1,056,598	-	125,000	-	1,181,598	-	1,181,598
Driver Education	-	-	-	-	-	38,454	38,454
Law Enforcement Training	58,962	-	-	-	58,962	-	58,962
Reappraisal Program	27,991	-	-	-	27,991	-	27,991
Substance Grant	99,985	-	-	-	99,985	-	99,985
TVA Replacement	352,270	101,867	-	212,210	666,347	373,459	1,039,806
Juvenile Grant	12,000	-	-	-	12,000	-	12,000
Career Ladder/Extended Contract	-	-	-	-	-	456,051	456,051
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, 2010

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)							
Board of Jurors	584	-	-	-	584	-	584
Tires/Solid Waste Grant	-	163,855	-	-	163,855	-	163,855
State Aid Program (Rural Roads)	-	630,795	-	-	630,795	-	630,795
Other State Revenues	58,832	-	-	-	58,832	576,300	635,132
TOTAL FROM STATE OF TENNESSEE	3,476,589	3,165,331	125,000	212,210	6,979,130	31,443,145	38,422,275
FROM FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,553,105	1,553,105
School Breakfast Funds	-	-	-	-	-	488,238	488,238
School Snack Funds	-	-	-	-	-	1,269	1,269
USDA Commodities	-	-	-	-	-	215,003	215,003
R.O.T.C.	-	-	-	-	-	136,141	136,141
Title I Funds	-	-	-	-	-	2,011,011	2,011,011
Title II Funds	-	-	-	-	-	372,545	372,545
Title IV Funds	-	-	-	-	-	28,270	28,270
Preschool and IDEA	-	-	-	-	-	3,637,947	3,637,947
Indirect Costs	-	-	-	-	-	2,755,393	2,755,393
Program Improvement	-	-	-	-	-	142,735	142,735
Prisoner Board	31,102	-	-	-	31,102	-	31,102
Asset Forfeiture Funds	30,022	-	-	-	30,022	-	30,022
Homeland Security Grants	1,321,463	-	-	-	1,321,463	-	1,321,463
Law Enforcement Grants	18,344	-	-	-	18,344	-	18,344
Justice Assistance Grant - Firearms	26,296	-	-	-	26,296	-	26,296
Federal Incentive	12,200	-	-	-	12,200	-	12,200
Justice Assistance Grant - ARRA	108,100	-	-	-	108,100	-	108,100
Other Federal Revenues	-	-	-	-	-	45,305	45,305
TOTAL FROM FEDERAL GOVERNMENT	1,547,527	0	0	0	1,547,527	11,386,962	12,934,489

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

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	80,093	-	-	-	80,093	-	80,093
Reappraisal Program - Johnson City	76,790	-	-	-	76,790	-	76,790
Donations from the Town of Jonesborough	-	10,500	-	-	10,500	-	10,500
Reimbursement - Local Governments	1,255,676	-	-	-	1,255,676	-	1,255,676
TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZENS GROUPS	<u>1,412,559</u>	<u>10,500</u>	<u>0</u>	<u>0</u>	<u>1,423,059</u>	<u>0</u>	<u>1,423,059</u>
EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS							
Commissions	-	2,267,606	-	-	2,267,606	-	2,267,606
Fees	-	2,750,916	-	-	2,750,916	-	2,750,916
TOTAL EXCESS FEES AND COMMISSIONS RECEIVED FROM COUNTY OFFICIALS	<u>0</u>	<u>5,018,522</u>	<u>0</u>	<u>0</u>	<u>5,018,522</u>	<u>0</u>	<u>5,018,522</u>
TOTAL REVENUES	<u>\$ 30,179,411</u>	<u>15,432,817</u>	<u>133,647</u>	<u>12,623,855</u>	<u>58,369,730</u>	<u>69,328,811</u>	<u>127,698,541</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2010

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	\$ 4,093,681	1,090,505	-	-	-	-	5,184,186
Taxes Prior Years							
Trustee	176,385	34,550	-	-	-	-	210,935
Clerk and Master	33,630	8,850	-	-	-	-	42,480
Interest and Penalty	43,080	11,380	-	-	-	-	54,460
Pick-Up Taxes	4,849	1,277	-	-	-	-	6,126
Tax Equivalent							
Federal	455	120	-	-	-	-	575
Local and Other	79,193	15,994	-	-	-	-	95,187
Excise Tax	19,759	5,206	-	-	-	-	24,965
Business Tax	116,024	30,561	-	-	-	-	146,585
TOTAL TAXES	<u>4,567,056</u>	<u>1,198,443</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,765,499</u>
LICENSES AND PERMITS							
Marriage Licenses	645	170	-	-	-	-	815
TOTAL LICENSES AND PERMITS	<u>645</u>	<u>170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>815</u>
FINES, FORFEITURES AND PENALTIES							
Fees and Dues	-	-	8,849	-	-	-	8,849
Circuit and Criminal Courts	-	-	-	12,274	50,397	-	62,671
General Sessions Court	-	-	-	12,318	-	-	12,318
TOTAL FINES, FORFEITURES AND PENALTIES	<u>0</u>	<u>0</u>	<u>8,849</u>	<u>24,592</u>	<u>50,397</u>	<u>0</u>	<u>83,838</u>
CHARGES FOR CURRENT SERVICES							
Other Charges	572,918	117,982	7,600	-	-	-	698,500
TOTAL CHARGES FOR CURRENT SERVICES	<u>572,918</u>	<u>117,982</u>	<u>7,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>698,500</u>
OTHER LOCAL REVENUE							
Investment Income	12,517	4,156	1,044	3,536	-	-	21,253
Sale of Property	17,434	283,506	-	-	-	-	300,940
Fingerprinting Services	-	-	-	7,000	-	-	7,000
Proceeds-Confiscated Property	-	-	-	11,770	-	-	11,770
Forfeitures and Seizures	-	-	-	2,070	-	-	2,070
Other Local Revenue	288	-	19,908	-	203	-	20,399
Employee Benefit Charges	114,958	14,461	6,322	-	-	-	135,741
Lease	148,152	-	-	-	-	-	148,152
Special Commissioner Fees	-	-	-	-	-	42,487	42,487
TOTAL OTHER LOCAL REVENUES	<u>293,349</u>	<u>302,123</u>	<u>27,274</u>	<u>24,376</u>	<u>203</u>	<u>42,487</u>	<u>689,812</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2010

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	2,163,460	-	-	-	-	-	2,163,460
Gasoline Inspection Fee	86,092	-	-	-	-	-	86,092
Mineral Severance Tax	19,262	-	-	-	-	-	19,262
State Aid Program (Rural Roads)	630,795	-	-	-	-	-	630,795
TVA Replacement	80,624	21,243	-	-	-	-	101,867
Tires/Solid Waste Grant	18,029	145,826	-	-	-	-	163,855
TOTAL FROM STATE OF TENNESSEE	2,998,262	167,069	0	0	0	0	3,165,331
REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS							
Donations from Town of Jonesborough	-	-	10,500	-	-	-	10,500
TOTAL REVENUE FROM OTHER GOVERNMENTS AND CITIZEN GROUPS	0	0	10,500	0	0	0	10,500
EXCESS FEES AND COMMISSIONS							
Commissions	-	-	-	-	-	2,267,606	2,267,606
Fees	-	-	-	-	-	2,750,916	2,750,916
TOTAL EXCESS FEES AND COMMISSIONS	0	0	0	0	0	5,018,522	5,018,522
TOTAL REVENUES	\$ 8,432,230	1,785,787	54,223	48,968	50,600	5,061,009	15,432,817

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

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	\$ 10,490,218	-	-	10,490,218
Property Taxes Prior Years				
Trustee	452,349	-	-	452,349
Clerk and Master	86,167	-	-	86,167
Interest and Penalty	110,697	-	-	110,697
Pick-Up Taxes	12,426	-	-	12,426
Tax Equivalent				
Federal	2,106	-	-	2,106
Local	152,284	-	-	152,284
Other	10,215	-	-	10,215
Excise Tax	50,632	-	-	50,632
Local Option Sales Tax	12,608,766	-	-	12,608,766
Interstate Telecommunications	4,885	-	-	4,885
Business Tax	232,807	-	-	232,807
TOTAL TAXES	24,213,552	0	0	24,213,552
LICENSES AND PERMITS				
Marriage Licenses	1,656	-	-	1,656
TOTAL LICENSES AND PERMITS	1,656	0	0	1,656
FINES, FORFEITURES AND PENALTIES				
Court Fines	102,211	-	-	102,211
TOTAL FINES, FORFEITURES AND PENALTIES	102,211	0	0	102,211
CHARGES FOR CURRENT SERVICES				
Breakfast and Lunch Payments	-	-	1,199,879	1,199,879
A la Carte Sales	-	-	301,287	301,287
Tuition and Fees	548,341	-	-	548,341
TOTAL CHARGES FOR CURRENT SERVICES	548,341	0	1,501,166	2,049,507
OTHER LOCAL REVENUE				
Investment Income	67,448	-	474	67,922
Damages from Individuals	3,604	-	-	3,604
Rentals	2,482	-	-	2,482
Other Local Revenue	57,770	-	-	57,770
TOTAL OTHER LOCAL REVENUES	131,304	0	474	131,778

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

Source	Special Revenue Funds Washington County Board of Education			
	General	School	School	Total
	Purpose School	Federal Projects	Food Service	Component Unit
FROM STATE OF TENNESSEE				
Basic Education Program	28,291,300	-	-	28,291,300
Basic Education Program - ARRA	1,670,700.00	-	-	1,670,700
Driver Education	38,454	-	-	38,454
Alcoholic Beverage	8,801	-	-	8,801
State Preschool Funds	28,080	-	-	28,080
TVA Replacement	373,459	-	-	373,459
Career Ladder	312,951	-	-	312,951
Extended Contract - ARRA	143,100	-	-	143,100
Safe Schools - ARRA	20,600	-	-	20,600
Consolidated School Health - ARRA	100,000	-	-	100,000
Internet Connectivity - ARRA	26,457	-	-	26,457
Family Resource Center - ARRA	33,300	-	-	33,300
Other State Revenues	358,256	-	37,687	395,943
TOTAL FROM STATE OF TENNESSEE	31,405,458	0	37,687	31,443,145
FROM FEDERAL GOVERNMENT				
School Lunch Funds	-	-	1,553,105	1,553,105
School Breakfast Funds	-	-	488,238	488,238
School Snack Funds	-	-	1,269	1,269
USDA Commodities	-	-	215,003	215,003
R.O.T.C.	136,141	-	-	136,141
Title I Funds	-	1,744,829	-	1,744,829
Title I Funds - ARRA	-	266,182	-	266,182
Title II Funds	-	332,787	-	332,787
Title II Funds - ARRA	-	39,758	-	39,758
Title IV Funds	-	28,270	-	28,270
Preschool and IDEA	-	1,948,753	-	1,948,753
Preschool and IDEA - ARRA	-	1,689,194	-	1,689,194
Program Improvement	-	142,735	-	142,735
State Discretionary	-	45,305	-	45,305
Indirect Costs	2,755,393	-	-	2,755,393
TOTAL FROM FEDERAL GOVERNMENT	2,891,534	6,237,813	2,257,615	11,386,962
TOTAL REVENUES	\$ 59,294,056	6,237,813	3,796,942	69,328,811

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, 2010

COUNTY GENERAL FUND

COUNTY COMMISSION

Compensation	\$ 112,800	
Per Diem Allowance	1,200	
Social Security	5,751	
State Retirement	11,981	
Employer Medicare	1,346	
Contracts with Other Public Agencies	8,576	
Dues and Memberships	9,414	
Travel	9,234	
TOTAL COUNTY COMMISSION		160,302

BOARDS AND COMMITTEES

Fees	14,610	
Social Security	731	
Employer Medicare	212	
TOTAL BOARDS AND COMMITTEES		15,553

COUNTY MAYOR

Administrative Salaries	142,401	
Social Security	8,776	
State Retirement	19,466	
Employer Medicare	2,053	
Communication	7,015	
Dues and Memberships	2,350	
Freight	122	
Postage and Box Rent	572	
Travel	4,032	
Gasoline	3,244	
Office Supplies	2,939	
Periodicals	500	
TOTAL COUNTY MAYOR		193,470

COUNTY ATTORNEY

Compensation	33,000	
Social Security	2,009	
State Retirement	4,511	
Employer Medicare	470	
Dues and Memberships	100	
Periodicals	5,916	
Travel	1,220	
TOTAL COUNTY ATTORNEY		47,226

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

ELECTION COMMISSION

Personnel Salaries	244,238	
Election Commission	18,000	
Election Workers	38,512	
In-Service Training	1,990	
Social Security	15,463	
State Retirement	29,553	
Employer Medicare	3,684	
Communication	13,262	
Data Processing Services	6,025	
Dues and Memberships	575	
Freight Expenses	461	
Legal Notices	22,639	
Maintenance and Repair	2,740	
Postal Charges	7,522	
Printing, Stationery and Forms	9,911	
Rentals	2,239	
Travel	4,693	
Other Contracted Services	6,000	
Data Processing Supplies	10,000	
Instruction Supplies	2,705	
Office Supplies	7,858	
Periodicals	29	
Other Supplies and Materials	771	
Other Charges	1,550	
TOTAL ELECTION COMMISSION	450,420	450,420

REGISTER OF DEEDS

Personnel Salaries	304,520
Social Security	18,278
State Retirement	40,431
Employer Medicare	4,275
Communication	4,822
Dues and Memberships	747
Freight	472
Maintenance and Repair	23,921
Postal Charges	12,000
Rentals	2,746
Travel	1,614

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)		
REGISTER OF DEEDS (CONTINUED)		
Periodicals	37	
Office Supplies	22,130	
Surety Bond	280	
TOTAL REGISTER OF DEEDS		436,273
PLANNING AND ZONING		
Board and Committee Members Fees	11,760	
Social Security	729	
Employer Medicare	171	
Contracts with Government Agencies	13,500	
Maintenance	342	
Rentals	1,020	
Office Supplies	4,701	
TOTAL PLANNING AND ZONING		32,223
CODES COMPLIANCE		
Salaries and Wages	169,617	
Social Security	10,165	
State Retirement	23,187	
Employer Medicare	2,377	
Communication	8,931	
Freight	415	
Rentals	6,535	
Gasoline	1,756	
Office Supplies	8,956	
Periodicals	2,219	
TOTAL CODES COMPLIANCE		234,158

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

COUNTY BUILDING

Maintenance and Repair	47,150	
Electricity	10,062	
Water and Sewer	799	
Capital Outlay	69,947	
TOTAL COUNTY BUILDING	127,958	127,958

OTHER GENERAL ADMINISTRATION

Personnel	128,574	
Social Security	7,518	
State Retirement	17,576	
Employer Medicare	1,758	
Other Fringe Benefits	6,868	
Professional Services	108,300	
Communication	15,337	
Freight Expense	1,154	
Legal Notices	25,496	
Legal Fees	200,132	
Maintenance and Repair	215,630	
Medical and Dental Services	9,344	
Pest Control	2,750	
Printing	3,600	
Rentals	36,464	
Travel	901	
Contracts with Public Agencies	45,620	
Other Contracted Services	2,800	
Custodial Supplies	33,526	
Duplicating Supplies	12,932	
Utilities	307,457	
Gasoline	698	
Other Supplies and Materials	66,340	
Boiler Insurance	6,414	
Building and Contents Insurance	296,299	
Liability Insurance	147,542	
Trustee's Commission	455,763	
Workman's Compensation Insurance	179,968	
Tax Relief Program	242,405	
Other Charges	100,119	
Capital Outlay	65,362	
TOTAL OTHER GENERAL ADMINISTRATION	2,744,647	2,744,647

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING

Salaries	210,698	
Social Security	12,731	
State Retirement	28,802	
Employer Medicare	2,978	
Communications	5,673	
Freight	107	
Postal Charges	1,747	
Travel	103	
Data Processing Supplies	4,075	
Office Supplies	2,919	
Other Charges	70	
Premiums on Corporate Surety Bonds	443	
TOTAL ACCOUNTING AND BUDGETING	270,346	270,346

PURCHASING

Administrative Salaries	105,329	
Social Security	6,394	
State Retirement	14,398	
Employer Medicare	1,495	
Communications	1,972	
Legal Notices	3,583	
Maintenance Agreements	216	
Postal Charges	352	
Data Processing Supplies	465	
Office Supplies	836	
Premiums on Corporate Surety Bonds	100	
TOTAL PURCHASING	135,140	135,140

PROPERTY ASSESSOR

Salaries	296,782
Social Security	17,237
State Retirement	39,491
Employer Medicare	4,146
Communications	6,209
Data Processing Services	30,266
Dues and Memberships	1,737
Freight	23
Legal Notices	859

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Maintenance and Repair	5,138	
Postal Charges	2,000	
Rentals	881	
Travel	1,272	
Gasoline	3,849	
Office Supplies	6,976	
Publications and Books	6	
Surety Bonds	410	
TOTAL PROPERTY ASSESSOR		417,282

REAPPRAISAL PROGRAM

Salaries	133,151	
Social Security	7,381	
State Retirement	16,631	
Employer Medicare	1,833	
Audit Service - Property	81,945	
Communication	2,612	
Data Processing Services	10,918	
Dues and Memberships	100	
Maintenance and Repair	967	
Postal Charges	5,015	
Gasoline	810	
Office Supplies	6,830	
TOTAL REAPPRAISAL PROGRAM		268,193

COUNTY TRUSTEE

Salaries	247,886
Social Security	13,502
State Retirement	31,356
Employer Medicare	3,445
Communication	6,165
Data Processing Services	2,500
Dues and Memberships	737
Freight	40
Legal Notices	266
Maintenance and Repair	931
Postal Charges	20,943

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

COUNTY TRUSTEE (CONTINUED)

Rentals	3,961	
Travel	560	
Data Processing Supplies	1,634	
Office Supplies	10,024	
Premiums on Corporate Surety	713	
Other Charges	279	
	<u> </u>	
TOTAL COUNTY TRUSTEE		344,942

COUNTY CLERK

Salaries	570,092	
Social Security	32,895	
State Retirement	75,297	
Employer Medicare	7,973	
Communications	10,236	
Dues and Memberships	762	
Freight	55	
Maintenance and Repair	23,884	
Postal Charges	22,000	
Printing	757	
Rentals	5,243	
Travel	2,727	
Office Supplies	5,431	
Premium on Surety Bonds	855	
Other Charges	75	
	<u> </u>	
TOTAL COUNTY CLERK		758,282

CIRCUIT COURT

Salaries	979,967
Overtime	5,051
Social Security	58,386
State Retirement	119,158
Employer Medicare	13,654
Communication	20,784
Dues and Memberships	682
Freight	532
Maintenance and Repair	6,931
Postal Charges	19,999
Printing, Stationery and Forms	7,721
Rentals	8,413
Travel	537
Office Supplies	25,653

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

Surety Bonds	1,685	
Periodicals	241	
Other Charges	3,682	
Data Processing Supplies	20,904	
TOTAL CIRCUIT COURT		1,293,980

GENERAL SESSIONS JUDGE

Salaries	293,450	
Social Security	13,575	
State Retirement	39,914	
Employer Medicare	4,188	
Communication	718	
Dues and Memberships	440	
Freight	87	
Travel	4,353	
Office Supplies	1,837	
Periodicals	338	
Other Charges	998	
TOTAL GENERAL SESSIONS JUDGE		359,898

DRUG COURT

Remittance of Revenue	16,078	
TOTAL DRUG COURT		16,078

CHANCERY COURT

Salaries	416,763	
Social Security	24,910	
State Retirement	55,743	
Employer Medicare	5,826	
Communication	7,406	
Dues and Memberships	562	
Freight	549	
Maintenance and Repair	4,211	
Rentals	5,396	
Travel	1,306	
Data Processing Services	3,847	
Office Supplies	33,179	
Periodicals	1,276	
Surety Bonds	275	
Other Charges	1,039	
Postal Charges	5,400	
TOTAL CHANCERY COURT		567,688

DISTRICT ATTORNEY

Other Contracted Services	80,093	
TOTAL DISTRICT ATTORNEY		80,093

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

JUDICIAL COURT

Other Salaries	20,493	
Jury and Witness Fees	66,076	
Other Per Diem and Fees	3,286	
Social Security	1,179	
Employer Medicare	276	
Legal Notices	76,585	
Office Supplies	52,183	
TOTAL JUDICIAL COURT	220,078	220,078

SHERIFF'S DEPARTMENT

Salaries	3,285,352
State Salary Supplement	48,600
Employee Training	14,415
Social Security	197,811
State Retirement	445,276
Employer Medicare	46,264
Communication	27,603
Dues and Memberships	4,590
Freight	2,320
Legal Notices	255
Licenses	423
Maintenance and Repair	30,224
Postal Charges	4,749
Printing, Stationery and Forms	8,252
Rentals	37,628
Travel	13,989
Veterinary Services	418
Other Contracted Services	39,842
Animal Food and Supplies	823
Data Processing Supplies	15,800
Garage Supplies	5,179
Gasoline	216,289
Instructional Supplies and Materials	1,674
Law Enforcement Supplies	106,336
Lubricants	7,652
Office Supplies	7,547
Periodicals	903
Tires and Tubes	16,495
Uniforms	34,911
Vehicle Parts	26,381
Other Supplies and Materials	64,275

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)		
SHERIFF'S DEPARTMENT (CONTINUED)		
Other Charges	10,091	
Capital Outlay	<u>276,380</u>	
TOTAL SHERIFF'S DEPARTMENT		4,998,747
NETCIAU GRANT		
Supplies	<u>1,492</u>	
TOTAL NETCIAU GRANT		1,492
SUBSTANCE ABUSE GRANT		
Other Contracted Services	<u>133,314</u>	
TOTAL SUBSTANCE ABUSE GRANT		133,314
ALCOHOL AND DRUG PROGRAM		
Investigators	5,000	
Social Security	310	
State Retirement	684	
Employer Medicare	<u>73</u>	
TOTAL ALCOHOL AND DRUG PROGRAM		6,067
JAIL		
Salaries	2,907,593	
In-Service Training	1,160	
Social Security	172,895	
Employer Medicare	40,435	
State Retirement	344,594	
Communication	58,429	
Contracts with Private Agencies	1,107,750	
Dues and Memberships	300	
Freight	4,562	
Maintenance and Repair	156,068	
Pest Control	5,235	
Postal Charges	315	
Professional Services	2,700	
Printing, Stationery and Forms	5,195	
Rentals	7,553	
Transportation - Prisoners	11,666	
Travel	5,297	
Other Contracted Services	2,230	
Custodial Supplies	62,595	
Data Processing Supplies	32,775	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

JAIL (CONTINUED)

Food Preparation Supplies	6,432	
Utilities	396,418	
Food Supplies	465,596	
Uniforms	44,054	
Law Enforcement Supplies	4,805	
Office Supplies	30,694	
Prisoners Clothing	7,791	
Chemicals	811	
Other Supplies and Materials	31,647	
Other Charges	1,725	
Capital Outlay	<u>6,724</u>	
TOTAL JAIL		5,926,044

JUVENILE SERVICES

Salaries	182,144	
Social Security	10,980	
Employer Medicare	2,568	
State Retirement	24,899	
Communication	6,970	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	246,654	
Evaluation and Testing	7,950	
Freight	173	
Rentals	3,633	
Travel	4,683	
Office Supplies	9,133	
Postal Charges	2,936	
Maintenance and Repairs	1,466	
Periodicals	<u>55</u>	
TOTAL JUVENILE SERVICES		508,744

WORK RELEASE PROGRAM

Board and Committee Member Fees	9,720	
Social Security	539	
Employer Medicare	126	
State Retirement	<u>1,329</u>	
TOTAL WORK RELEASE PROGRAM		11,714

FEDERAL ASSET FORFEITURE

Law Enforcement Supplies	24,226	
Capital Outlay	<u>11,990</u>	
TOTAL FEDERAL ASSET FORFEITURE		36,216

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

OTHER PUBLIC SAFETY

Salaries	39,078	
Social Security	2,331	
Employer Medicare	545	
State Retirement	5,342	
Freight	12	
Other Charges	<u>1,829</u>	
TOTAL OTHER PUBLIC SAFETY		49,137

FIRE PROTECTION AND CONTROL

Contributions	<u>870,747</u>	
TOTAL FIRE PROTECTION AND CONTROL		870,747

CIVIL DEFENSE

Matching Grant	<u>109,058</u>	
TOTAL CIVIL DEFENSE		109,058

HAZARDOUS MATERIALS

Freight	176	
Other Charges	<u>10,435</u>	
TOTAL HAZARDOUS MATERIALS		10,611

RESCUE SQUAD

Local Squads	<u>74,300</u>	
TOTAL RESCUE SQUAD		74,300

OTHER EMERGENCY MANAGEMENT

Freight Expense	6,080	
Contributions to Other Governments	1,202,441	
Capital Outlay	<u>105,427</u>	
TOTAL OTHER EMERGENCY MANAGEMENT		1,313,948

COUNTY CORONER

Contracts with Private Agencies	30,000	
Other Contracted Services	1,303	
Other Charges	<u>116,886</u>	
TOTAL COUNTY CORONER		148,189

SCHOOL RESOURCE OFFICER GRANT

Communications	<u>1,704</u>	
TOTAL SCHOOL RESOURCE OFFICER GRANT		1,704

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)

COUNTY HEALTH CENTER

Salaries	410,794
Social Security	24,523
State Retirement	53,997
Employee Medicare	5,735
Communication	23,257
Contract with Governmental Agencies	16,149
Freight	1,854
Maintenance and Repair	18,792
Pest Control	638
Postal Charges	6,000
Rentals	10,609
Travel	507
Other Contracted Services	26,300
Custodial Supplies	9,947
Drugs and Medical Supplies	86,221
Utilities	80,302
Office Supplies	12,540
Periodicals	99
Other Supplies and Materials	5,835
Other Charges	64,600

TOTAL COUNTY HEALTH CENTER

858,699

LOCAL HEALTH CENTER STATE GRANT

Salaries	709,528
Social Security	42,354
State Retirement	61,597
Medicare	9,906
Freight	510
Printing, Stationery and Forms	1,781
Travel	8,440
Liability Insurance	9,945
Other Charges	17,041

TOTAL LOCAL HEALTH CENTER STATE GRANT

861,102

RABIES AND ANIMAL CONTROL

Contributions	157,919
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TOTAL RABIES AND ANIMAL CONTROL

157,919

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

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	<u>33,320</u>	
TOTAL PUBLIC WELFARE		109,320
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	28,048	
Social Security	1,642	
Employee Medicare	384	
State Retirement	3,834	
Freight Expenses	240	
Maintenance and Repair	225	
Other Contracted Services	9,336	
Other Supplies and Materials	<u>480</u>	
TOTAL SANITATION EDUCATION		44,189

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)		
SENIOR CITIZEN'S ASSISTANCE		
Contributions	139,977	
TOTAL SENIOR CITIZEN'S ASSISTANCE		139,977
LIBRARIES		
Contributions	100,000	
Library Books	27,500	
TOTAL LIBRARIES		127,500
SOCIAL, CULTURAL AND RECREATIONAL		
Contributions - Museum	21,000	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		21,000
NATIONAL STORYTELLING		
Contributions	50,000	
TOTAL NATIONAL STORYTELLING		50,000
AGRICULTURE EXTENSION SERVICE		
Salaries	143,892	
Social Security	10,010	
Employer Medicare	844	
State Retirement	16,086	
Communication	5,729	
Dues and Memberships	300	
Freight	39	
Rentals	6,445	
Travel	6,630	
Maintenance and Repair	2,035	
Pest Control	600	
Custodial Supplies	363	
Other Supplies and Materials	10,231	
Liability Insurance	593	
Utilities	5,020	
Office Supplies	1,653	
Other Charges	45	
TOTAL AGRICULTURE EXTENSION SERVICE		210,515
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, 2010

COUNTY GENERAL FUND (CONTINUED)

SOIL CONSERVATION

Secretary	29,016	
Other Salary and Wages	20,651	
Social Security	3,005	
Employer Medicare	702	
State Retirement	6,789	
Contributions	12,066	
	<u>12,066</u>	
TOTAL SOIL CONSERVATION		72,229

STORM WATER MANAGEMENT

Consultants	35,255	
Licenses	3,460	
Maintenance and Repairs	3,000	
Rentals	2,025	
Other Contracted Services	13,780	
Salaries	5,000	
Social Security	304	
Employer Medicare	71	
State Retirement	684	
Freight Expenses	1,683	
Office Supplies	14,659	
Data Processing Supplies	280	
Other Supplies and Materials	400	
	<u>400</u>	
TOTAL STORM WATER MANAGEMENT		80,601

AGRICULTURE AND NATURAL RESOURCES

Salaries	8,579	
Social Security	532	
Employer Medicare	124	
Communication	206	
Freight	6	
Utilities	476	
Custodial Supplies	85	
Other Supplies and Materials	647	
	<u>647</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		10,655

TOURISM

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

INDUSTRIAL DEVELOPMENT

Contributions	139,244	
	<u>139,244</u>	
TOTAL INDUSTRIAL DEVELOPMENT		139,244

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COUNTY GENERAL FUND (CONTINUED)		
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions	44,891	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		44,891
TRANSPORTATION		
Contributions	13,000	
TOTAL TRANSPORTATION		13,000
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	238,493	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		238,493
EMPLOYEE BENEFITS		
Handling Charges and Administration Costs	43,501	
Employee and Dependent Insurance	4,259,341	
Dental and Vision Insurance	207,851	
Life Insurance	18,805	
Unemployment	49,649	
TOTAL EMPLOYEE BENEFITS		4,579,147
JUDGMENTS		
Judgments	241,114	
TOTAL JUDGMENTS		241,114
COURTROOM SECURITY		
Salaries	352,180	
Social Security	21,292	
Employer Medicare	4,979	
State Retirement	29,772	
TOTAL COURTROOM SECURITY		408,223
ARRA JAG Grant		
Law Enforcement Supplies	11,528	
Capital Outlay	41,697	
TOTAL ARRA JAG GRANT		53,225
JAG GRANT		
Freight	49	
Law Enforcement Supplies	24,473	
TOTAL JAG GRANT		24,522
TOTAL COUNTY GENERAL FUND		\$ 33,776,066

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

SPECIAL REVENUE FUNDS

HIGHWAY FUND

ADMINISTRATION

Salaries	\$ 251,004
Employee Benefits	52,980
Communication	15,465
Dues and Memberships	3,950
Freight	128
Operating Lease Payments	9,000
Licenses	36
Maintenance and Repair	24,332
Other Contracted Services	47,266
Postal Charges	440
Rentals	33
Travel	2,334
Office Supplies	4,615
Other Supplies	1,516
Liability Insurance	63,004
Utilities	8,977
Premiums on Corporate Surety Bonds	200
Workman's Compensation	121,806
Other Charges	4,524

TOTAL ADMINISTRATION

611,610

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

SPECIAL REVENUE FUND (CONTINUED)
 HIGHWAY FUND (CONTINUED)

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,297,942	
Employee Benefits	269,639	
Overtime	1,143	
Freight	622	
Maintenance and Repair	1,553	
Rentals	12,273	
Other Contracted Services	22,442	
Chemicals	2,138	
Concrete and Crushed Stone	154,458	
Diesel Fuel	114,067	
Gasoline	63,036	
Equipment Parts	794	
Fertilizer, Lime and Seed	1,160	
General Construction Material	3,307	
Ice	256	
Metal Pipe	23,650	
Road Signs	95,007	
Salt	44,936	
Small Tools	1,918	
Other Supplies and Materials	28,173	
Other Charges	12,743	
TOTAL HIGHWAY AND BRIDGE MAINTENANCE	2,151,257	

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	285,492
Employee Benefits	60,136
Overtime	211
Communication	3,020
Evaluation and Testing	194
Freight	6,993
Maintenance and Repair	30,157
Rentals	7,874
Tow-In Service	900
Electricity	16,513
Equipment Parts	208,526
Garage Supplies	15,229

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Lubricants	18,550
Office Supplies	845
Propane Gas	7,481
Small Tools	3,941
Tires and Tubes	32,792
Vehicle Parts	1,143
Other Supplies and Materials	14,890
Other Charges	333

TOTAL OPERATION AND MAINTENANCE OF EQUIPMENT	715,220
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ASPHALT PLANT OPERATIONS

Salaries	753,064
Employee Benefits	157,213
Overtime	1,243
Communication	275
Freight	18,043
Maintenance and Repair - Equipment	250
Rentals	95
Other Contracted Services	371
Asphalt	970,441
Crushed Stone	232,143
Diesel Fuel	81,799
Electricity	45,457
Equipment and Machinery Parts	16,634
Fuel Oil	88,754
Lubricants	4,195
Natural Gas	808
Sand	33,127
Water and Sewer	592
Other Supplies and Materials	7,992
State Aid Projects (Rural Road)	341,839

TOTAL ASPHALT PLANT OPERATIONS	2,754,335
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OTHER CHARGES

Trustee's Commission	114,471
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TOTAL OTHER CHARGES	114,471
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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, 2010

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	713,199	
Dental and Vision Insurance	46,691	
Unemployment Compensation	<u>3,360</u>	
TOTAL EMPLOYEE BENEFITS		763,250

CAPITAL OUTLAY

Motor Vehicles	79,840	
Other Equipment	<u>9,895</u>	
TOTAL CAPITAL OUTLAY		<u>89,735</u>

TOTAL HIGHWAY FUND

7,199,878

SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Disposal Fees	479,461	
Trustee Commission	24,658	
Salaries	379,309	
Employee Benefits	149,400	
Retirement	37,246	
Communication	5,548	
Freight	232	
Maintenance and Repair	59,779	
Rentals	4,690	
Travel	1,235	
Gasoline	6,948	
Lubricants	375	
Tires	8,504	
Diesel Fuel	48,676	
Utilities	9,662	
Supplies and Materials	12,659	
Workman's Compensation Insurance	26,578	
Other Charges	1,926	
Dues and Memberships	100	
Liability Insurance	<u>11,063</u>	
TOTAL SANITATIONS OPERATIONS		1,268,049

TIRE CENTER OPERATIONS

Salaries	71,556
Employee Benefits	22,711

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

SPECIAL REVENUE FUNDS (CONTINUED)		
SOLID WASTE / SANITATION FUND (CONTINUED)		
TIRE CENTER OPERATIONS (CONTINUED)		
Retirement	7,187	
Communication	2,780	
Freight	7	
Repairs and Maintenance	936	
Permits	75	
Travel	596	
Other Contracted Services	559	
Utilities	1,460	
Supplies and Materials	1,197	
Worker's Compensation Insurance	1,541	
Contracts with Private Agency	<u>173,687</u>	
TOTAL TIRE CENTER OPERATIONS		284,292
CAPITAL OUTLAY		
Other Capital Outlay	<u>139,300</u>	
TOTAL CAPITAL OUTLAY		<u>139,300</u>
TOTAL SOLID WASTE / SANITATION FUND		1,691,641
LIBRARY FUND		
ADMINISTRATION		
Salaries	286,882	
Employee Benefits	24,331	
Retirement	29,860	
Communication	13,561	
Contracts with Private Agencies	10,920	
Freight	576	
Repairs and Maintenance	7,213	
Postage	1,393	
Pest Control	450	
Rentals	456	
Travel	330	
Custodial Supplies	1,599	
Utilities	19,691	
Insurance	4,331	
Library Books	31,971	
Periodicals	2,224	
Worker's Compensation Insurance	1,100	
Other Supplies and Materials	33,780	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

SPECIAL REVENUE FUNDS (CONTINUED)		
LIBRARY FUND (CONTINUED)		
ADMINISTRATION (CONTINUED)		
Other Charges	1,589	
Trustee's Commission	89	
TOTAL ADMINISTRATION	472,346	
TOTAL LIBRARY FUND		472,346
DRUG FINES FUND		
ADMINISTRATION		
Contributions	1,000	
Drug Control Payments	10,000	
Dues and Memberships	50	
Freight	967	
Uniforms	1,400	
Supplies	17,176	
Trustee's Commission	440	
Travel	2,468	
Training	2,700	
Other Charges	12,245	
TOTAL ADMINISTRATION	48,446	
CAPITAL OUTLAY		
Law Enforcement Equipment	26,270	
TOTAL CAPITAL OUTLAY	26,270	
TOTAL DRUG FINES FUND		74,716
CONSTITUTIONAL OFFICER - FEES FUNDS		
Special Commissioner Fees	42,487	
Bank Charges	10,115	
Postage	66	
TOTAL CONSTITUTIONAL OFFICERS -FEES FUNDS		52,668
DISTRICT ATTORNEY GENERAL		
Salaries	17,478	
Employee Benefits	1,687	
Dues and Memberships	3,345	
Office Supplies	1,116	
Trustee's Commission	477	
Travel	2,570	
TOTAL DISTRICT ATTORNEY GENERAL FUND	26,673	
TOTAL SPECIAL REVENUE FUNDS		\$ 9,517,922

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

CAPITAL PROJECTS FUND

Trustee's Commission	\$ 59
Other Charges	3,501
Capital Outlay - Schools	1,226,327
Capital Outlay - Detention Center	1,412,533
Capital Outlay - Sheriff Radios	827,932
Capital Outlay - Health Department	<u>497,249</u>

TOTAL CAPITAL PROJECTS FUND

\$ 3,967,601

DEBT SERVICE FUND

Bond Principal	\$ 2,920,000
Note Principal	4,080,400
Interest on Bonds	7,066,588
Interest on Notes	367,085
Trustee's Commission	242,329
Fees	<u>773,786</u>

TOTAL DEBT SERVICE FUND

\$ 15,450,188

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION

GENERAL PURPOSE SCHOOL FUND

REGULAR INSTRUCTION PROGRAM

CLASSROOM

Teachers	\$ 19,092,953	
Career Ladder Program	219,335	
Career Ladder Extended Contract	80,500	
Educational Assistants	1,111,642	
Substitute Teachers	368,923	
Social Security	1,252,179	
State Retirement	1,400,289	
Life Insurance	14,500	
Medical Insurance	4,414,331	
Unemployment Compensation	34,878	
Employer Medicare	293,189	
Other Fringe Benefits	53,071	
Maintenance and Repair	269,960	
Other Contracted Services	2,868,837	
Instructional Supplies and Materials	215,847	
Textbooks	612,923	
Other Supplies and Materials	145,175	
Other Charges	573,679	
	<hr/>	
TOTAL CLASSROOM		33,022,211

ADMINISTRATION

Supervisors	211,778	
Career Ladder Program	8,000	
Career Ladder Extended Contract	20,000	
Librarians	693,628	
Instructional Computer Personnel	112,875	
Secretary and Clerical	131,642	
Other Salaries and Wages	43,330	
Social Security	66,155	
State Retirement	84,923	
Life Insurance	826	
Medical Insurance	137,050	
Employer Medicare	17,049	
Other Fringe Benefits	374	
Maintenance and Repair	15,928	
Travel	38,826	
Library Books	102,908	
In-Service Workshops	7,594	
Other Supplies and Materials	33,009	
	<hr/>	
TOTAL ADMINISTRATION		1,725,895

TOTAL REGULAR INSTRUCTION PROGRAM

34,748,106

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

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

SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	1,254,864	
Career Ladder Program	20,000	
Career Ladder Extended Contract	2,000	
Homebound Teachers	41,362	
Educational Assistants	143,486	
Speech Pathologist	222,046	
Other Salaries and Wages	84,283	
Substitute Teachers	50,000	
Social Security	106,814	
State Retirement	129,385	
Life Insurance	1,734	
Medical Insurance	242,611	
Employer Medicare	25,344	
Other Fringe Benefits	1,076	
Other Contracted Services	728	
Instructional Supplies and Materials	10,681	
Other Charges	954	
	2,337,368	
TOTAL CLASSROOM		2,337,368

ADMINISTRATION

Supervisor/Director	77,207	
Career Ladder Program	5,000	
Psychological Personnel	43,177	
Career Ladder Extended Contract	2,000	
Assessment Personnel	182,062	
Secretary	22,797	
Speech Pathologist	166,124	
Other Salaries and Wages	26,302	
Social Security	32,002	
State Retirement	37,400	
Life Insurance	303	
Medical Insurance	44,650	
Employer Medicare	7,484	
Other Fringe Benefits	170	
Repairs and Maintenance	795	
Travel	13,183	
In-Service / Staff Development	4,500	
Other Supplies and Materials	286	
	665,442	
TOTAL ADMINISTRATION		665,442

TOTAL SPECIAL EDUCATION PROGRAM

3,002,810

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	1,340,150	
Career Ladder Program	8,000	
Career Ladder Extended Contracts	2,000	
Substitute Teachers	25,000	
Educational Assistants	14,022	
Social Security	80,940	
State Retirement	88,216	
Life Insurance	870	
Medical Insurance	223,326	
Employer Medicare	18,929	
Other Fringe Benefits	503	
Instructional Supplies and Materials	73,359	
TOTAL CLASSROOM	1,875,315	1,875,315

ADMINISTRATION

Supervisor and Director	38,604	
Career Ladder Program	3,000	
Career Ladder Extended Contract	4,000	
Secretary	24,336	
Social Security	4,080	
State Retirement	6,254	
Life Insurance	44	
Medical Insurance	10,628	
Employer Medicare	954	
Other Fringe Benefits	17	
Maintenance and Repair	4,059	
Travel	20,341	
Other Supplies and Materials	1,856	
TOTAL ADMINISTRATION	118,173	118,173

TOTAL VOCATIONAL EDUCATION PROGRAM

1,993,488

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION PROGRAM		
Teacher	3,500	
Social Security	170	
State Retirement	182	
Employer Medicare	39	
Instructional Supplies and Materials	1,794	
TOTAL ADULT EDUCATION PROGRAM	5,685	5,685
ATTENDANCE		
Supervisor and Director	61,304	
Career Ladder Program	1,000	
Secretary and Clerical	20,563	
Social Security	5,052	
State Retirement	6,811	
Life Insurance	44	
Medical Insurance	16,780	
Employer Medicare	1,150	
Other Fringe Benefits	17	
Travel	4,090	
Other Supplies and Materials	954	
TOTAL ATTENDANCE	117,765	117,765
HEALTH SERVICES		
Medical Personnel	182,593	
Other Salaries and Wages	278,288	
Social Security	26,541	
State Retirement	62,922	
Life Insurance	362	
Medical Insurance	127,370	
Employer Medicare	6,207	
Other Fringe Benefits	81	
Travel	8,221	
Other Contracted Services	100,000	
Drugs and Medical Supplies	454	
Other Supplies and Materials	14,941	
Other Charges	8,632	
TOTAL HEALTH SERVICES	816,612	816,612
OTHER STUDENT SERVICES		
Career Ladder Program	3,000	
Guidance Personnel	741,119	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SERVICES (CONTINUED)		
Social Security	44,391	
State Retirement	47,772	
Life Insurance	486	
Medical Insurance	86,920	
Employer Medicare	10,382	
Other Fringe Benefits	292	
Contracts with Other Public Agencies	40,000	
Evaluation and Testing	36,000	
Other Supplies and Materials	3,460	
TOTAL OTHER STUDENT SERVICES	1,013,822	1,013,822
BOARD OF EDUCATION		
Board and Committee Fees	27,303	
Social Security	1,693	
State Retirement	2,671	
Medical Insurance	22,349	
Employer Medicare	396	
Audit Services	42,650	
Dues and Memberships	11,188	
Legal Services	6,000	
Travel	17,834	
Other Contracted Services	2,700	
Liability Insurance	88,065	
Premiums on Corporate Surety Bonds	4,865	
Trustee Commission	454,604	
Workman's Compensation	317,073	
Other Charges	13,326	
TOTAL BOARD OF EDUCATION	1,012,717	1,012,717
OFFICE OF THE DIRECTOR		
Director of Schools	98,000	
Career Ladder Program	1,000	
Secretary and Clerical	206,223	
Other Salaries and Wages	30,347	
Social Security	20,053	
State Retirement	44,180	
Life Insurance	157	
Medical Insurance	40,880	
Employer Medicare	4,688	
Other Fringe Benefits	17	
Communications	69,992	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OFFICE OF THE DIRECTOR (CONTINUED)

Postal Charges	14,192	
Travel	9,287	
Other Contracted Services	75,048	
Office Supplies	4,209	

TOTAL OFFICE OF THE DIRECTOR 618,273

OFFICE OF THE PRINCIPAL

Principals	852,153	
Career Ladder	24,000	
Career Ladder Extended Contract	15,000	
Assistant Principals	819,752	
Secretary and Clerical	573,446	
Social Security	135,432	
State Retirement	186,070	
Life Insurance	1,302	
Medical Insurance	310,038	
Employer Medicare	31,911	
Other Fringe Benefits	493	
Communications	20,000	
Travel	3,396	
Other Supplies and Materials	4,166	
Other Charges	88,208	

TOTAL OFFICE OF THE PRINCIPAL 3,065,367

FISCAL SERVICES

Supervisor/Director	66,797	
Clerical Personnel	64,510	
Social Security	7,829	
State Retirement	17,950	
Life Insurance	60	
Medical Insurance	17,000	
Employer Medicare	1,831	
Travel	663	
Other Contracted Services	11,272	
Other Supplies and Materials	839	

TOTAL FISCAL SERVICES 188,751

OPERATION OF PLANT

Custodial Personnel	800,903	
Social Security	46,960	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

OPERATION OF PLANT (CONTINUED)

State Retirement	88,129	
Life Insurance	695	
Medical Insurance	165,333	
Employer Medicare	10,981	
Other Contracted Services	99,710	
Custodial Supplies	70,893	
Janitorial Services	660,886	
Electricity	2,016,057	
Natural Gas	123,947	
Garbage Services	125,000	
Water and Sewer	250,000	
Boiler Insurance	14,500	
Other Supplies and Materials	105,628	
Other Charges	4,888	
TOTAL OPERATION OF PLANT		4,584,510

MAINTENANCE OF PLANT

Supervisor and Director	59,343	
Maintenance Personnel	864,294	
Social Security	54,693	
State Retirement	119,841	
Life Insurance	481	
Medical Insurance	187,499	
Employer Medicare	12,791	
Communication	2,461	
Maintenance and Repair	38,125	
Other Contracted Services	225	
Other Supplies and Materials	232,581	
Other Charges	8,876	
TOTAL MAINTENANCE OF PLANT		1,581,210

TRANSPORTATION

Supervisor and Director	44,848
Mechanics	188,151
Bus Drivers	870,246
Social Security	63,461
State Retirement	149,674
Life Insurance	1,517
Medical Insurance	418,421
Employer Medicare	14,843
Communication	437

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	4,159	
Gasoline	129,222	
Diesel	358,289	
Garage Supplies	23,420	
Tires and Tubes	47,629	
Vehicle Parts	127,884	
Other Supplies and Materials	1,673	
Vehicle and Equipment Insurance	81,268	
Other Charges	9,712	
TOTAL TRANSPORTATION		2,534,854
CENTRAL AND OTHER		
Supervisor/Director	51,660	
Clerical Personnel	18,970	
Other Salaries and Wages	27,179	
Social Security	5,736	
State Retirement	9,625	
Life Insurance	76	
Medical Insurance	26,100	
Employer Medicare	1,341	
Office Supplies	4,000	
Other Charges	5,487	
TOTAL CENTRAL AND OTHER		150,174
FOOD SERVICE		
Supervisor/Director	44,560	
Social Security	2,562	
State Retirement	6,091	
Life Insurance	1,647	
Medical Insurance	212,500	
Employer Medicare	599	
Other Fringe Benefits	17	
TOTAL FOOD SERVICE		267,976
COMMUNITY SERVICE		
Supervisor	30,306	
Secretaries	24,752	
Other Salaries and Wages	382,168	
Social Security	25,469	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

COMMUNITY SERVICE (CONTINUED)

State Retirement	9,506
Medical Insurance	9,500
Employer Medicare	5,956
Travel	1,516
Food Supplies	26,998
Other Supplies and Materials	14,977
Other Charges	5,833

TOTAL COMMUNITY SERVICE 536,981

CAPITAL OUTLAY

Regular Instruction	34,361
Operation of Plant	72,860
Maintenance of Plant	115,738
Transportation	352,365
Other Capital Outlay	1,575,519

TOTAL CAPITAL OUTLAY 2,150,843

TOTAL GENERAL PURPOSE SCHOOL FUND \$ 58,389,944

SCHOOL FEDERAL PROJECTS

REGULAR INSTRUCTION PROGRAM

CLASSROOM

Teachers	1,226,798
Educational Assistants	197,901
Substitute Teachers	59,702
Social Security and Medicare	91,268
State Retirement	90,845
Medical Insurance	278,303
Maintenance and Repair	4,477
Instructional Supplies and Materials	85,116
Other Supplies and Materials	31,920

TOTAL CLASSROOM 2,066,330

ADMINISTRATION

Secretary and Clerical	11,867
Other Salaries and Wages	98,860
Social Security and Medicare	7,991
Medical Insurance	21,408
State Retirement	7,451

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

SCHOOL FEDERAL PROJECTS (CONTINUED)

REGULAR INSTRUCTION PROGRAM (CONTINUED)

ADMINISTRATION (CONTINUED)

Travel	22,142	
In-service Workshops	61,610	
Other Charges	30,616	
Indirect Cost	22,801	
TOTAL ADMINISTRATION	284,746	284,746

TOTAL REGULAR INSTRUCTION PROGRAM 2,351,076

SPECIAL EDUCATION PROGRAM

CLASSROOM

Teachers	892,907	
Educational Assistants	789,303	
Speech Pathologist	35,621	
Other Supplies and Materials	25,731	
Other Salaries and Wages	207,729	
Social Security and Medicare	144,633	
State Retirement	198,344	
Medical Insurance	406,395	
TOTAL CLASSROOM	2,700,663	2,700,663

ADMINISTRATION

Travel	1,029	
Other Contracted Services	26,751	
In-Service Workshops	66,160	
Other Supplies and Materials	230,632	
Other Charges	1,199	
Indirect Cost	18,525	
TOTAL ADMINISTRATION	344,296	344,296

TOTAL SPECIAL EDUCATION PROGRAM 3,044,959

VOCATIONAL EDUCATION PROGRAM

CLASSROOM

Teachers	38,736	
Social Security and Medicare	2,964	
State Retirement	2,487	
Medical Insurance	4,750	
Instructional Supplies and Materials	53,035	
Other Supplies and Materials	8,442	
Other Charges	260	
Indirect Cost	1,375	
TOTAL CLASSROOM	112,049	112,049

ADMINISTRATION

Other Supplies and Materials	833	
TOTAL ADMINISTRATION	833	833

TOTAL VOCATIONAL EDUCATION PROGRAM 112,882

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2010

COMONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS (CONTINUED)		
OTHER STUDENT SUPPORT		
Guidance	28,270	
Secretary	23,695	
Social Security and Medicare	1,813	
State Retirement	2,248	
Travel	33,637	
In-Service Workshops	933	
Other Contracted Services	2,000	
Other Charges	2,805	
Other Supplies and Materials	4,724	
TOTAL OTHER STUDENT SUPPORT	100,125	
TRANSPORTATION		
Bus Drivers	186,006	
Social Security and Medicare	18,818	
State Retirement	25,426	
Medical Insurance	75,990	
TOTAL TRANSPORTATION	306,240	
CAPITAL OUTLAY		
Capital Outlay	332,764	
TOTAL CAPITAL OUTLAY	332,764	
TOTAL SCHOOL FEDERAL PROJECTS	\$ 6,248,046	
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	\$ 1,701,049	
Food	1,748,196	
Non-Food and Other Supplies	255,164	
Utilities	5,825	
Contracted Services	78,936	
TOTAL SCHOOL FOOD SERVICE FUND	\$ 3,789,170	
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION	\$ 68,427,160	

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2010

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
ASSETS									
Equity in Pooled Cash	\$20,933,432	-	-	-	-	-	-	-	20,933,432
Cash on Hand	400	1,100	1,050	1,350	-	150	100	7,332	11,482
Cash in Bank	-	656,853	186,953	43,121	1,555,127	595,955	320,511	59,987	3,418,507
Investments	17,722,450	-	573,049	84,501	729,845	2,624,911	-	-	21,734,756
Receivables	4,053	-	-	-	-	-	1,401	21,970	27,424
Due from State	7,178,951	-	-	-	-	-	-	-	7,178,951
TOTAL ASSETS	\$45,839,286	657,953	761,052	128,972	2,284,972	3,221,016	322,012	89,289	53,304,552
LIABILITIES									
Due State of Tennessee									
Business and Gross Receipts Tax	\$ -	4,757	-	-	-	-	-	-	4,757
Marriage Licenses	-	4,858	-	-	-	-	-	-	4,858
Motor Vehicle Registration	-	243,077	-	-	-	-	-	-	243,077
Sales and Use Tax	-	266,433	-	-	-	-	-	-	266,433
Realty Transfer and Mortgage									
Transfer Tax	-	-	-	-	-	-	253,315	-	253,315
County Officials Retirement Tax	-	-	-	-	-	-	6,386	-	6,386
Due to Litigants, Heirs and Others									
Donor Awareness	-	419	-	-	-	-	-	-	419
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	10	-	-	-	-	-	-	10
Helping Schools	-	93	-	-	-	-	-	-	93
Data Processing Fee	-	152	-	-	-	-	-	-	152
Court Funds and Costs	-	-	42,700	4,742	1,555,201	449,988	-	-	2,052,631
Deposits	-	-	573,049	84,501	729,845	2,624,911	-	-	4,012,306

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2010

	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	-	-	-	-	-	145,937	-	-	145,937
Publications	-	-	-	-	-	180	-	-	180
Cash Bonds	-	-	33,500	42,500	-	-	-	-	76,000
Escrow and Refunds	-	-	-	-	-	-	2,586	-	2,586
Due to Inmates	-	-	-	-	-	-	-	38,648	38,648
Drug Program	-	-	-	-	-	-	-	7,232	7,232
Swanson and Others	-	-	-	-	-	-	-	43,409	43,409
Due to Johnson City Schools	1,672,282	-	-	-	-	-	-	-	1,672,282
Due to Sales Tax Fund	3,364,363	-	-	-	-	-	-	-	3,364,363
Due to General Purpose School Fund	2,070,516	-	-	-	-	-	-	-	2,070,516
FUNDS									
General	13,194,572	-	-	-	-	-	-	-	13,194,572
Solid Waste / Sanitation	746,541	-	-	-	-	-	-	-	746,541
Library Operation	154,472	-	-	-	-	-	-	-	154,472
Highway Upkeep	3,514,176	-	-	-	-	-	-	-	3,514,176
General Purpose School	11,862,789	-	-	-	-	-	-	-	11,862,789
School Federal Projects	567,439	-	-	-	-	-	-	-	567,439
Debt Service	7,151,489	-	-	-	-	-	-	-	7,151,489
Capital Projects	808,270	-	-	-	-	-	-	-	808,270
Self Insurance	7,735	-	-	-	-	-	-	-	7,735
Drug Fines	371,227	-	-	-	-	-	-	-	371,227
District Attorney	48,654	-	-	-	-	-	-	-	48,654
Judicial District Drug	158,570	-	-	-	-	-	-	-	158,570
Commission Account	146,191	137,054	111,803	(2,771)	(74)	-	59,725	-	451,928
TOTAL LIABILITIES	\$ 45,839,286	657,953	761,052	128,972	2,284,972	3,221,016	322,012	89,289	53,304,552

150

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 For the Fiscal Year Ended June 30, 2010

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 203,442,457	-	-	-	-	-	-	-	203,442,457
State of Tennessee	-	6,973,769	130,727	753,404	17,505	19,505	2,564,874	-	10,459,784
Litigants, Heirs and Others	-	7,519	516,069	2,701,090	2,472,462	4,828,976	519	799,006	11,325,641
County Revenue Clearing Account	-	869,695	71,055	1,348,081	52,634	695,404	-	26,703	3,063,572
Fee and Commission Account	1,785,511	974,412	194,925	938,324	176,381	376,234	615,222	-	5,061,009
TOTAL RECEIPTS	205,227,968	8,825,395	912,776	5,740,899	2,718,982	5,920,119	3,180,615	825,709	233,352,463
DISBURSEMENTS	209,401,235	8,871,154	1,986,363	4,777,383	1,270,744	6,101,184	3,197,959	809,917	236,415,939
Excess of Receipts Over (Under)									
Disbursements	(4,173,267)	(45,759)	(1,073,587)	963,516	1,448,238	(181,065)	(17,344)	15,792	(3,063,476)
Transfers from Session and Law to Circuit Court	-	-	1,114,323	(937,942)	(176,381)	-	-	-	-
Cash Balance, July 1, 2009	42,829,549	703,712	720,316	103,398	1,013,115	3,402,081	337,955	51,527	49,161,653
Cash Balance, June 30, 2010	<u>\$ 38,656,282</u>	<u>657,953</u>	<u>761,052</u>	<u>128,972</u>	<u>2,284,972</u>	<u>3,221,016</u>	<u>320,611</u>	<u>67,319</u>	<u>46,098,177</u>

151

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, 2010

RECEIPTS	General Sessions - Jonesborough	General Sessions- Civil Court - Johnson City	General Sessions- State Court - Johnson City	General Sessions- Juvenile Court	Total General Sessions - Court Clerk
State of Tennessee	\$ 127,515	65,264	560,430	195	753,404
County Revenue Clearing Account	325,991	323,518	695,037	3,535	1,348,081
Litigants, Heirs and Others	283,915	1,936,797	433,562	46,816	2,701,090
Fee and Commission Account	192,324	271,270	453,195	21,535	938,324
TOTAL RECEIPTS	929,745	2,596,849	2,142,224	72,081	5,740,899
DISBURSEMENTS	744,583	2,323,802	1,670,073	38,925	4,777,383
Excess of Receipts Over (Under) Disbursements	185,162	273,047	472,151	33,156	963,516
Transfers from Sessions to Circuit Court	(191,976)	(271,270)	(453,161)	(21,535)	(937,942)
Cash Balance, July 1, 2009	6,864	2,367	21,266	72,901	103,398
Cash Balance, June 30, 2010	\$ 50	4,144	40,256	84,522	128,972

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, 2010

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 9,025	10,480	19,505
Washington County	228,804	466,600	695,404
Litigants, Heirs and Others	2,476,762	2,352,214	4,828,976
Fee and Commission Account	<u>129,526</u>	<u>246,708</u>	<u>376,234</u>
TOTAL RECEIPTS	2,844,117	3,076,002	5,920,119
DISBURSEMENTS	<u>2,915,943</u>	<u>3,185,241</u>	<u>6,101,184</u>
Excess of Receipts Over (Under) Disbursements	(71,826)	(109,239)	(181,065)
Transfers from Jonesborough to Johnson City	(102,889)	102,889	-
Balance, July 1, 2009	<u>1,607,517</u>	<u>1,794,564</u>	<u>3,402,081</u>
Balance, June 30, 2010	<u>\$ 1,432,802</u>	<u>1,788,214</u>	<u>3,221,016</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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
Business and Gross Receipts Tax	\$ 125,128	423,402	-	21,170	522,603	4,757
Marriage Licenses	4,639	40,650	-	587	39,844	4,858
Motor Vehicle Registration	222,990	3,370,383	-	-	3,350,296	243,077
Manufactured Home Installation Permits	148	888	-	-	1,036	-
Sales and Use Tax	222,253	2,943,570	-	147,179	2,752,211	266,433
Motor Vehicle Titles	-	194,876	-	-	194,876	-
TOTAL STATE OF TENNESSEE	575,158	6,973,769	0	168,936	6,860,866	519,125
WASHINGTON COUNTY						
Business Tax and Marriage Licenses	26,470	462,849	-	23,142	466,177	-
Beer Tax	-	328,412	-	16,421	311,991	-
Building Permits	-	71,102	-	3,555	67,547	-
Data Processing Fee	-	7,332	-	-	7,180	152
TOTAL WASHINGTON COUNTY/ JOHNSON CITY	26,470	869,695	0	43,118	852,895	152
LITIGANTS, HEIRS AND OTHERS						
Notary Seals and Commissions	20	2,152	-	-	2,162	10
Public Notices	-	-	-	-	-	-
Donor Awareness	343	4,096	-	-	4,020	419
Helping Schools	124	1,271	-	-	1,302	93
Due to County Clerk	1,100	-	-	-	-	1,100
Deposits	-	-	-	-	-	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,587	7,519	0	0	7,484	1,622
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	100,497	762,358	212,054	-	937,855	137,054
TOTAL FEE AND COMMISSION ACCOUNT	100,497	762,358	212,054	0	937,855	137,054
TOTAL ALL ACCOUNTS	\$ 703,712	8,613,341	212,054	212,054	8,659,100	657,953

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	99,902	-	4,406	95,496	-
Department of Safety	-	1,456	-	73	1,383	-
Tennessee Bureau of Investigations	-	1,825	-	91	1,734	-
Public Defender	-	18,023	-	901	17,122	-
Wildlife Resources	-	40	-	-	40	-
Attorney General	-	9,481	-	474	9,007	-
TOTAL STATE OF TENNESSEE	0	130,727	0	5,945	124,782	0
WASHINGTON COUNTY						
County Litigation Tax	-	9,865	-	666	9,199	-
Special Litigation Tax	-	609	-	41	568	-
Litigation Tax / Jail	-	7,046	-	476	6,570	-
Litigation Tax / Court House Security	-	5,473	-	369	5,104	-
County Fines	-	9,150	-	457	8,693	-
Drug Fines	-	12,617	-	631	11,986	-
Drug Court Fund	-	2,608	-	130	2,478	-
County Officer's Cost	-	9,908	-	495	9,413	-
Jail Fees	-	7,093	-	355	6,738	-
Other Collections	-	3,265	-	-	3,265	-
Data Processing Fee	-	1,250	-	-	1,250	-
Court Security Fee	-	2,171	-	109	2,062	-
TOTAL WASHINGTON COUNTY	0	71,055	0	3,729	67,326	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	85,832	353,629	-	-	396,761	42,700
Deposits	493,992	81,512	-	-	2,455	573,049
Alimony/Child Support	-	6,537	-	-	6,537	-
Cash Bonds	18,500	38,500	-	-	23,500	33,500
Constable's Cost	-	154	-	8	146	-
Witness Fess	-	2,186	-	-	2,186	-
Fines and Arrest Fees – Jonesborough	-	1,293	-	65	1,228	-
Fines and Arrest Fees - Johnson City	-	17,926	-	896	17,030	-
Drug Fines - Johnson City	-	14,332	-	717	13,615	-
TOTAL LITIGANTS, HEIRS AND OTHERS	598,324	516,069	0	1,686	463,458	649,249
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	121,992	1,297,888	11,360	0	1,319,437	111,803
TOTAL FEE AND COMMISSION ACCOUNT	121,992	1,297,888	11,360	0	1,319,437	111,803
TOTAL ALL ACCOUNTS	\$ 720,316	2,015,739	11,360	11,360	1,975,003	761,052

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	97,951	-	5,596	92,355	-
Department of Safety	-	10,968	-	548	10,420	-
Tennessee Bureau of Investigations	-	4,338	-	217	4,121	-
Public Defender	-	12,639	-	632	12,007	-
Attorney General	-	1,619	-	81	1,538	-
TOTAL STATE OF TENNESSEE	0	127,515	0	7,074	120,441	0
WASHINGTON COUNTY						
County Litigation Tax	-	47,607	-	3,214	44,393	-
Special Litigation Tax	-	41,364	-	2,166	39,198	-
Litigation Tax / Jail	-	69,243	-	4,674	64,569	-
Litigation Tax / Security	-	67,952	-	4,587	63,365	-
Booking Fees	-	6,173	-	309	5,864	-
County Fines	-	15,489	-	775	14,714	-
Drug Fines	-	4,235	-	212	4,023	-
Drug Court Fund	-	2,656	-	133	2,523	-
County Officer's Cost	-	39,618	-	1,981	37,637	-
Jail Fees	-	23,851	-	1,193	22,658	-
Other Collections	-	500	-	25	475	-
Data Processing Fee	-	5,935	-	-	5,935	-
Court Security Fee	-	1,368	-	68	1,300	-
TOTAL WASHINGTON COUNTY	0	325,991	0	19,337	306,654	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	592	212,587	-	-	212,999	180
Cash Bonds	6,750	45,000	-	-	51,750	-
Alimony/Child Support	-	1,351	-	-	1,351	-
Constable's Cost	-	10,106	-	505	9,601	-
Fines and Arrest Fees – Jonesborough	-	14,748	-	737	14,011	-
Fines and Arrest Fees – Johnson City	-	123	-	6	117	-
TOTAL LITIGANTS, HEIRS AND OTHERS	7,342	283,915	0	1,248	289,829	180
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(478)	164,665	27,659	-	191,976	(130)
TOTAL FEE AND COMMISSION ACCOUNT	(478)	164,665	27,659	0	191,976	(130)
TOTAL ALL ACCOUNTS	\$ 6,864	902,086	27,659	27,659	908,900	50

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	65,264	-	4,405	60,859	-
TOTAL STATE OF TENNESSEE	0	65,264	0	4,405	60,859	0
WASHINGTON COUNTY						
County Litigation Tax	-	46,835	-	3,161	43,674	-
Special Litigation Tax	-	51,409	-	2,699	48,710	-
Litigation Tax / Jail	-	91,759	-	6,194	85,565	-
Litigation Tax / Security	-	91,702	-	6,190	85,512	-
County Officer's Cost	-	40,818	-	2,041	38,777	-
Court Security Fee	-	995	-	50	945	-
TOTAL WASHINGTON COUNTY	0	323,518	0	20,335	303,183	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,875	1,904,865	-	-	1,902,676	4,064
Deposits	412	-	-	-	412	-
Alimony/Child Support	-	3,375	-	-	3,375	-
Constable's Cost	-	28,557	-	1,428	27,129	-
TOTAL LITIGANTS, HEIRS AND OTHERS	2,287	1,936,797	0	1,428	1,933,592	4,064
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	80	245,102	26,168	-	271,270	80
TOTAL FEE AND COMMISSION ACCOUNT	80	245,102	26,168	0	271,270	80
TOTAL ALL ACCOUNTS	\$ 2,367	2,570,681	26,168	26,168	2,568,904	4,144

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	307,439	-	17,771	289,668	-
Wildlife Resources	-	8,111	-	551	7,560	-
Department of Safety	-	132,226	-	6,611	125,615	-
Tennessee Bureau of Investigation	-	23,433	-	1,172	22,261	-
Public Defender	-	63,519	-	3,176	60,343	-
Public Service Commission	-	35	-	2	33	-
Attorney General	-	25,667	-	1,283	24,384	-
TOTAL STATE OF TENNESSEE	0	560,430	0	30,566	529,864	0
WASHINGTON COUNTY						
County Litigation Tax	-	142,713	-	9,633	133,080	-
Special Litigation Tax	-	77,424	-	4,045	73,379	-
Litigation Tax / Jail	-	121,344	-	8,191	113,153	-
Litigation Tax / Courthouse Security	-	113,104	-	7,635	105,469	-
County Fines	-	78,100	-	3,906	74,194	-
Drug Fines	-	7,422	-	371	7,051	-
Drug Court Fund	-	11,568	-	578	10,990	-
County Officer's Cost	-	35,938	-	1,797	34,141	-
Jail Fees	-	92,014	-	4,601	87,413	-
Data Processing Fee	-	10,979	-	-	10,979	-
Criminal Littering Fine	-	25	-	1	24	-
Court Security Fee	-	4,406	-	220	4,186	-
TOTAL WASHINGTON COUNTY	0	695,037	0	40,978	654,059	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,372	147,780	-	-	148,674	478
Cash Bonds	22,650	134,500	-	-	114,650	42,500
Constable's Cost	-	2,724	-	136	2,588	-
Fines and Arrest Fees -- Jonesborough	-	2,730	-	119	2,611	-
Fines and Arrest Fees - Johnson City	-	111,899	-	5,595	106,304	-
Drug Fines - Johnson City	-	33,929	-	1,696	32,233	-
TOTAL LITIGANTS, HEIRS AND OTHERS	24,022	433,562	0	7,546	407,060	42,978
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(2,756)	374,105	79,090	-	453,161	(2,722)
TOTAL FEE AND COMMISSION ACCOUNT	(2,756)	374,105	79,090	0	453,161	(2,722)
TOTAL ALL ACCOUNTS	\$ 21,266	2,063,134	79,090	79,090	2,044,144	40,256

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	50	-	3	47	-
Wildlife Resources	-	75	-	3	72	-
Department of Safety	-	70	-	4	66	-
TOTAL STATE OF TENNESSEE	0	195	0	10	185	0
WASHINGTON COUNTY						
County Fines	-	465	-	23	442	-
Courtroom Security Fee	-	8	-	-	8	-
County Officer's Cost	-	2,274	-	114	2,160	-
Data Processing Fee	-	788	-	-	788	-
TOTAL WASHINGTON COUNTY	0	3,535	0	137	3,398	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	200	25,996	-	-	26,176	20
Deposits	72,700	16,734	-	-	4,933	84,501
Alimony/Child Support	-	2,860	-	-	2,860	-
Fines and Arrest Fees - Jonesborough	-	1,226	-	61	1,165	-
TOTAL LITIGANTS, HEIRS AND OTHERS	72,900	46,816	0	61	35,134	84,521
FEE AND COMMISSION ACCOUNT						
Fees and Commissions	1	21,327	208	0	21,535	1
TOTAL FEE AND COMMISSION ACCOUNT	1	21,327	208	0	21,535	1
TOTAL ALL ACCOUNTS	\$ 72,901	71,873	208	208	60,252	84,522

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, 2010

Account	Balance	Receipts	Transfers		Disbursements	Balance
	7/1/2009		To	From		6/30/2010
STATE OF TENNESSEE						
State Litigation Tax	\$ -	17,505	-	1,182	16,323	-
TOTAL STATE OF TENNESSEE	0	17,505	0	1,182	16,323	0
WASHINGTON COUNTY						
County Litigation Tax	-	8,627	-	582	8,045	-
Special Litigation Tax	-	1,466	-	99	1,367	-
Litigation Tax / Jail	-	18,205	-	1,229	16,976	-
Litigation Court House	-	18,125	-	1,223	16,902	-
Court Security	-	442	-	22	420	-
County Officer's Cost	-	3,429	-	171	3,258	-
Other Collections	-	-	-	-	-	-
Contempt Fine	-	450	-	23	427	-
Data Processing Fee	-	1,890	-	-	1,890	-
TOTAL WASHINGTON COUNTY	0	52,634	0	3,349	49,285	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	305,398	2,374,967	-	-	1,125,164	1,555,201
Cash Bonds	-	-	-	-	-	-
Deposits	707,791	42,325	-	-	20,271	729,845
Alimony/Child Support	-	52,371	-	-	52,371	-
Constable's Cost	-	2,799	-	140	2,659	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,013,189	2,472,462	0	140	1,200,465	2,285,046
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(74)	171,710	4,671	-	176,381	(74)
TOTAL FEE AND COMMISSION ACCOUNT	(74)	171,710	4,671	0	176,381	(74)
TOTAL ALL ACCOUNTS	\$ 1,013,115	2,714,311	4,671	4,671	1,442,454	2,284,972

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
Litigation Tax	\$ -	9,025	-	609	8,416	-
TOTAL STATE OF TENNESSEE	0	9,025	0	609	8,416	0
WASHINGTON COUNTY						
County Litigation Tax	-	4,463	-	301	4,162	-
Special Litigation Tax	-	758	-	51	707	-
Litigation Tax - Jail	-	9,445	-	631	8,814	-
Litigation Tax - Court Security	-	9,425	-	636	8,789	-
County Officer's Cost	-	1,677	-	84	1,593	-
Delinquent Taxes	-	139,452	-	6,973	132,479	-
Delinquent Taxes - Penalty and Interest	-	59,461	-	2,973	56,488	-
Delinquent Taxes - Court Costs	-	3,120	-	-	3,120	-
Data Processing Fee	-	900	-	-	900	-
Court Security Fee	-	103	-	-	103	-
TOTAL WASHINGTON COUNTY	0	228,804	0	11,649	217,155	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	781,994	1,901,194	-	-	2,392,114	291,074
Deposits	824,733	418,049	-	-	101,234	1,141,548
Publications	790	16,732	-	-	17,342	180
State of TN Treasury Department	-	519	-	-	519	-
Alimony/ Child Support	-	42,236	-	-	42,236	-
Constables, Legal Process	-	5,755	-	-	5,755	-
Attorney's Fees and Commissions	-	-	-	-	-	-
- Delinquent Tax	-	32,201	-	-	32,201	-
City Delinquent Taxes	-	36,051	-	1,802	34,249	-
City Delinquent Taxes - Penalty and Interest	-	22,230	-	1,112	21,118	-
City Delinquent Tax - Court Costs	-	315	-	-	315	-
Jonesborough Delinquent Taxes	-	992	-	56	936	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	435	-	22	413	-
Jonesborough Delinquent Taxes - Court Costs	-	53	-	-	53	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,607,517	2,476,762	0	2,992	2,648,485	1,432,802
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	87,639	15,250	-	102,889	-
Special Commissioner Fees	-	26,637	-	-	26,637	-
TOTAL FEE AND COMMISSION ACCOUNT	0	114,276	15,250	0	129,526	0
TOTAL ALL ACCOUNTS	\$ 1,607,517	2,828,867	15,250	15,250	3,003,582	1,432,802

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, 2010

Account	Balance 7/1/2009	Receipts	Transfers		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	10,480	-	708	9,772	-
TOTAL STATE OF TENNESSEE	0	10,480	0	708	9,772	0
WASHINGTON COUNTY						
County Litigation Tax	-	5,184	-	377	4,807	-
Special Litigation Tax	-	878	-	59	819	-
Litigation Tax / Jail	-	10,957	-	739	10,218	-
Litigation Tax / Court Security	-	10,950	-	739	10,211	-
County Officers' Cost	-	2,916	-	146	2,770	-
Delinquent Taxes	120,571	305,539	-	15,278	264,895	145,937
Delinquent Taxes - Penalty and Interest	-	122,781	-	6,112	116,669	-
Delinquent Tax - Court Costs	-	6,075	-	-	6,075	-
Data Processing Fee	-	1,212	-	-	1,212	-
Court Security Fee	-	108	-	-	108	-
TOTAL WASHINGTON COUNTY	120,571	466,600	0	23,450	417,784	145,937
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	214,347	1,623,329	-	-	1,678,762	158,914
Deposits	1,444,915	128,326	-	-	89,878	1,483,363
Alimony/ Child Support	-	91,307	-	-	91,307	-
Constables, Legal Process	-	8,131	-	-	8,131	-
Attorneys Fees and Commissions - Delinquent Tax	-	100,131	-	-	100,131	-
City Delinquent Taxes	14,731	256,209	-	12,811	258,129	-
City Delinquent Taxes - Penalty and Interest	-	119,341	-	5,967	113,374	-
City Delinquent Taxes - Court Costs	-	2,978	-	-	2,978	-
Jonesborough Delinquent Taxes	-	15,954	-	797	15,157	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	5,468	-	273	5,195	-
Jonesborough Delinquent Taxes - Court Costs	-	760	-	-	760	-
Publications	-	280	-	-	280	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,673,993	2,352,214	0	19,848	2,364,082	1,642,277
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	186,852	44,006	-	230,858	-
Special Commissioner Fees	-	15,850	-	-	15,850	-
TOTAL FEE AND COMMISSION ACCOUNT	0	202,702	44,006	0	246,708	0
TOTAL ALL ACCOUNTS	\$ 1,794,564	3,031,996	44,006	44,006	3,038,346	1,788,214

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 REGISTER
 For the Fiscal Year Ended June 30, 2010

Account	Balance 7/1/2009	Receipts	Transfer		Disbursements	Balance 6/30/2010
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 256,259	2,564,874	-	61,629	2,506,189	253,315
County Officials' Retirement Tax	6,460	-	-	-	74	6,386
TOTAL STATE OF TENNESSEE	262,719	2,564,874	-	61,629	2,506,263	259,701
DUE TO HEIRS AND OTHERS	2,693	72	-	-	179	2,586
FEEES AND COMMISSION ACCOUNT	74,391	553,593	61,629	-	629,888	59,725
TOTAL ALL ACCOUNTS	\$ 339,803	3,118,539	61,629	61,629	3,136,330	322,012

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 SHERIFF
 For the Fiscal Year Ended June 30, 2010

Cash Balance, 7/1/2009 \$ 51,527

RECEIPTS

Officers Costs	26,703
Cash Bonds - Various Courts	122,647
Inmates Deposits	640,262
Fingerprinting	2,093
Handgun Permits	6,000
Sexual Offender Registry Fees	4,824
Reimbursement	10,580
Incentives	<u>12,600</u>

TOTAL RECEIPTS 825,709

DISBURSEMENTS

BY CHECK

Officers Costs Reported to County	26,787
Cash Bonds - Various Courts	122,563
Payments to Inmates	626,570
Handgun Permits	6,000
Incentives	12,600
Fingerprinting	2,093
Sexual Offender Registry	4,824

BY CASH

Drug Buy	<u>8,480</u>
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TOTAL DISBURSEMENTS 809,917

Receipts Over (Under) Disbursements 15,792

Cash Balance, 6/30/2010 \$ 67,319

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, 2010

	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	\$ -	761,345	183,565	805,199	171,710	271,849	553,480	-	2,747,148
Special Commissioner Fees	-	-	-	-	-	42,487	-	-	42,487
Interest Earned	-	1,013	-	-	-	2,642	113	-	3,768
Commissions	1,785,511	212,054	11,360	133,125	4,671	59,256	61,629	-	2,267,606
TOTAL REVENUE	1,785,511	974,412	194,925	938,324	176,381	376,234	615,222	0	5,061,009
OTHER SOURCES									
OPERATING TRANSFERS									
General Sessions - Jonesborough	-	-	191,976	-	-	-	-	-	191,976
General Sessions - Civil Court - Johnson City	-	-	271,270	-	-	-	-	-	271,270
General Sessions - State Court - Johnson City	-	-	453,161	-	-	-	-	-	453,161
General Sessions - Juvenile Court	-	-	21,535	-	-	-	-	-	21,535
Law Court	-	-	176,381	-	-	-	-	-	176,381
TOTAL REVENUE AND OTHER SOURCES	1,785,511	974,412	1,309,248	938,324	176,381	376,234	615,222	0	6,175,332
EXPENDITURES AND OTHER USES									
EXPENDITURES									
Special Commissioner Fees	-	-	-	-	-	42,487	-	-	42,487
Bank Charges	-	-	10,115	-	-	-	-	-	10,115
Postage	-	-	-	-	-	-	66	-	66
TOTAL EXPENDITURES	0	0	10,115	0	0	42,487	66	0	52,668

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS
 For the Fiscal Year Ended June 30, 2010

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
EXPENDITURES AND OTHER USES (CONTINUED)									
TOTAL EXPENDITURES (BROUGHT FORWARD)	-	-	10,115	-	-	42,487	66	-	52,668
OTHER USES									
Fees & Commissions to County General Fund	1,785,511	974,412	1,299,133	382	-	333,747	615,156	-	5,008,341
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	937,942	176,381	-	-	-	1,114,323
Total Expenditures and Other Uses	<u>1,785,511</u>	<u>974,412</u>	<u>1,309,248</u>	<u>938,324</u>	<u>176,381</u>	<u>376,234</u>	<u>615,222</u>	<u>0</u>	<u>6,175,332</u>
Excess Fees, June 30, 2010									
Add: Due to County General Fund -									
Excess Fees	146,191	137,054	108,958	-	-	-	59,725	-	451,928
Due to General Sessions - State Court - Johnson City	-	-	2,722	-	-	-	-	-	2,722
Due to General Sessions - Jonesborough	-	-	130	-	-	-	-	-	130
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	-	-	-	(2,771)	(74)	-	-	-	(2,845)
Cash Balance, June 30, 2010	<u>\$ 146,191</u>	<u>137,054</u>	<u>111,803</u>	<u>(2,771)</u>	<u>(74)</u>	<u>0</u>	<u>59,725</u>	<u>0</u>	<u>451,928</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2010

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2009	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2010
PRIMARY GOVERNMENT								
GENERAL FUND								
16.600	N/A	Federal Boarding of Prisoners	U.S. Marshalls	\$ 595,032	1,382,399	1,255,676	(83,953)	384,356
PASS-THROUGH STATE OF TENNESSEE								
16.005	Z-00-00025-68	Residence Substance Abuse	U.S. Department of Justice	33,330	133,315	133,313	-	33,328
TOTAL LAW ENFORCEMENT ASSISTANT GRANTS				33,330	133,315	133,313	0	33,328
16.710	**	Bullet Proof Vests	U.S. Department of Justice	-	16,665	-	-	(16,665)
16.738	**	ARRA Justice Assistance Grant	U.S. Department of Justice	-	108,100	96,027	(287)	(12,360)
16.738	**	Justice Assistance Grant - Firearms	U.S. Department of Justice	-	26,295	26,214	(98)	(179)
TOTAL DEPARTMENT OF JUSTICE				0	134,395	122,241	(385)	(12,539)
97.067	Z-07-20661-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	17,690	-	-	(13,305)	4,385
97.067	GG-08-23886-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	169,225	555,281	831,346	39	445,329
97.067	GG-05-11618-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	3,000	-	-	-	3,000
97.067	**	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	-	490,118	-	490,118
TOTAL DEPARTMENT OF HOMELAND SECURITY				189,915	555,281	1,321,464	(13,266)	942,832
20.600	Z-10-220118-00	Network Law Enforcement Grant	Tennessee Department of Transportation	-	2,099	4,762	-	2,663
20.600	Z-09-21442-01	Network Law Enforcement Grant	Tennessee Department of Transportation	1,066	7,267	6,201	-	-
20.600	Z-08-200113-00	Training Awareness	Tennessee Department of Transportation	10,542	10,542	-	-	-
20.600	Z-10-220430-00	RIP: Responsibility in Progress	Tennessee Department of Transportation	-	7,264	14,238	-	6,974
TOTAL DEPARTMENT OF TRANSPORTATION				11,608	27,172	25,201	0	9,637
PASS-THROUGH OTHER AGENCIES								
16.738	**	Byrne Formula Grant Program	U.S. Department of Justice from City of Johnson City	(4,961)	-	4,926	-	(35)
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	3,643	17,969	18,344	-	4,018
TOTAL GENERAL FUND GRANTS				233,535	884,797	1,625,489	(13,651)	960,576
AGENCY FUNDS								
JUDICIAL DISTRICT DRUG TASK FORCE								
PASS-THROUGH STATE OF TENNESSEE								
16.738		Byrne Formula Grant Program	U.S. Department of Justice	38,623	69,045	72,000	-	41,578
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE				38,623	69,045	72,000	0	41,578

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2010

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2009	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2010
COMPONENT UNITS								
<u>BOARD OF EDUCATION</u>								
PASS-THROUGH STATE OF TENNESSEE								
84.394	N/A	ARRA BEP State Stabilization	U.S. Department of Education	-	1,670,700	1,670,700	-	-
84.397	N/A	ARRA Consolidated School Health	U.S. Department of Education	-	100,000	100,000	-	-
84.397	N/A	ARRA Internet Connectivity	U.S. Department of Education	-	26,457	26,457	-	-
84.397	N/A	ARRA Safe Schools	U.S. Department of Education	-	-	20,600	-	20,600
84.397	N/A	ARRA Extended Contract	U.S. Department of Education	-	-	143,100	-	143,100
84.397	N/A	ARRA Family Resource Center	U.S. Department of Education	-	33,300	33,300	-	-
				<u>0</u>	<u>1,830,457</u>	<u>1,994,157</u>	<u>0</u>	<u>163,700</u>
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	2,989	48,224	45,235	-	-
84.392	N/A	ARRA Preschool Incentive Funds	U.S. Department of Education	-	422	422	-	-
84.027	N/A	IDEA - Part B	U.S. Department of Education	27,638	1,916,942	1,903,517	-	14,213
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	-	-	45,305	-	45,305
84.027	N/A	IDEA - Part B - Assistance Tech grant	U.S. Department of Education	23,000	23,000	-	-	-
84.027	N/A	IDEA - Part B	U.S. Department of Education	-	11,268	11,268	-	-
84.391	N/A	ARRA IDEA - Part B	U.S. Department of Education	-	1,688,548	1,688,773	-	225
				<u>53,627</u>	<u>3,688,404</u>	<u>3,694,520</u>	<u>0</u>	<u>59,743</u>
84.010	N/A	Title I Funds	U.S. Department of Education	165,542	1,894,092	1,744,829	-	16,279
84.389	N/A	ARRA Title I Funds	U.S. Department of Education	-	260,299	266,182	-	5,883
				<u>165,542</u>	<u>2,154,391</u>	<u>2,011,011</u>	<u>0</u>	<u>22,162</u>
84.318	N/A	Title II-D	U.S. Department of Education	527	4,962	4,435	-	-
84.386	N/A	ARRA Title II-D	U.S. Department of Education	-	39,758	39,758	-	-
				<u>527</u>	<u>44,720</u>	<u>44,193</u>	<u>0</u>	<u>0</u>
84.186	**	Drug-Free Grant	U.S. Department of Education	-	28,270	28,270	-	-
84.048	**	Carl Perkins - Program Improvement	U.S. Department of Education	53,703	190,370	142,735	(360)	5,708
84.367	N/A	Title II-A	U.S. Department of Education	82,503	409,990	328,352	-	865
TOTAL BOARD OF EDUCATION GRANTS				<u>355,902</u>	<u>8,346,602</u>	<u>8,243,238</u>	<u>(360)</u>	<u>252,178</u>
<u>SCHOOL FOOD SERVICE</u>								
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	215,003	215,003	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	49,574	460,667	488,238	-	77,145
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	131,132	1,481,077	1,553,105	-	203,160
TOTAL SCHOOL FOOD SERVICE GRANTS				<u>180,706</u>	<u>2,156,747</u>	<u>2,256,346</u>	<u>0</u>	<u>280,305</u>
TOTAL FEDERAL GRANTS				<u>\$ 808,766</u>	<u>11,457,191</u>	<u>12,197,073</u>	<u>(14,011)</u>	<u>1,534,637</u>

* These amounts represent amendments or adjustments to prior year estimates.

** Information not available.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal activity of the County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local, Governments and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of commodities received and used.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For the Fiscal Year Ended June 30, 2010

Grant Number	Program Name	Grantor Agency	Balance July 1, 2009	Cash Receipts	Expenditures	Balance June 30, 2010
PRIMARY GOVERNMENT						
<u>GENERAL FUND</u>						
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 306,104	1,491,659	1,463,350	277,795
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	12,060	44,134	34,597	2,523
*	Juvenile Grant	Tennessee Commission of Children & Youth	-	12,000	12,000	-
*	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	9,000	18,000	9,000	-
#Z-10-219833-00	Health Department	Tennessee Department of Health	-	855,225	1,050,098	194,873
#Z-09-213781-00	Health Department	Tennessee Department of Health	192,113	192,113	-	-
#GC-07-21922-00	Nakatetsu Incorporated	Department of Economic & Community Development	61,282	61,282	-	-
#GC-07-21923-00	Koyo Corporation	Department of Economic & Community Development	84,762	84,762	-	-
#Z-08-023690-00	NETCIAU	Tennessee Department of Transportation	1,048	13,443	12,395	-
*	Reappraisal Program	State Board of Equalization	-	27,991	27,991	-
TOTAL GENERAL FUND			<u>666,369</u>	<u>2,800,609</u>	<u>2,609,431</u>	<u>475,191</u>
<u>HIGHWAY FUND</u>						
*	Used Oil Collection and Recycling	Tennessee Department of Transportation	-	18,736	18,736	-
N/A	Rural Road Program	Tennessee Department of Transportation	-	232,095	630,795	398,700
TOTAL HIGHWAY FUND			<u>0</u>	<u>250,831</u>	<u>649,531</u>	<u>398,700</u>
<u>SANITATION FUND</u>						
#Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	33,397	138,268	145,828	40,957
TOTAL SANITATION FUND			<u>33,397</u>	<u>138,268</u>	<u>145,828</u>	<u>40,957</u>
TOTAL PRIMARY GOVERNMENT			<u>699,766</u>	<u>3,189,708</u>	<u>3,404,790</u>	<u>914,848</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For the Fiscal Year Ended June 30, 2010

Grant Number	Program Name	Grantor Agency	Balance July 1, 2009	Cash Receipts	Expenditures	Balance June 30, 2010
COMPONENT UNITS						
<u>GENERAL PURPOSE SCHOOL FUND</u>						
GG-08-22128-00	Transition School to Work	Tennessee Department of Education	13,280	91,099	82,692	4,873
TOTAL GENERAL PURPOSE SCHOOL FUND			<u>13,280</u>	<u>91,099</u>	<u>82,692</u>	<u>4,873</u>
<u>SCHOOL FOOD SERVICE</u>						
*	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	37,687	37,687	-
TOTAL SCHOOL FOOD SERVICE			<u>-</u>	<u>37,687</u>	<u>37,687</u>	<u>-</u>
TOTAL COMPONENT UNITS			<u>13,280</u>	<u>128,786</u>	<u>120,379</u>	<u>4,873</u>
TOTAL STATE GRANTS			<u>\$ 713,046</u>	<u>3,318,494</u>	<u>3,525,169</u>	<u>919,721</u>

* Grant number was not available.

SECTION V

**STATISTICAL SECTION
(UNAUDITED)**

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

	Fiscal Year							Schedule 1
	2003	2004	2005	2006	2007	2008	2009	2010
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	49,380,479	54,620,038
Restricted	152,417	(137,908)	131,927	167,986	175,741	210,752	238,327	279,334
Unrestricted	(22,541,477)	(14,105,989)	(13,980,108)	(16,908,701)	(23,106,763)	(78,526,872)	(106,349,776)	(112,293,538)
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>	<u>(56,730,970)</u>	<u>(57,394,166)</u>

NOTE: Comparable 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 Eight Fiscal Years
 (Accrual Basis of Accounting)

Schedule 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES								
Governmental Activities								
General Government	\$ 14,276,978	15,095,581	15,048,925	16,091,952	33,567,576	57,083,936	33,209,756	24,764,315
Sheriff's Department	8,192,022	8,263,500	8,701,776	8,911,291	9,289,512	9,842,642	10,147,418	11,182,742
Highways and Streets	6,391,155	6,800,823	7,197,616	7,261,231	8,092,168	8,687,288	8,228,881	8,482,146
Library	338,159	342,683	384,489	455,090	616,323	546,008	617,653	491,958
Sanitation	1,295,172	1,372,151	1,480,623	1,553,258	1,729,629	1,763,928	1,714,284	1,598,683
Interest on Long-Term Debt	2,126,859	2,084,402	1,866,731	1,866,239	4,173,695	7,597,620	7,382,896	8,071,516
Total Governmental Activities Expenses	32,620,345	33,959,140	34,680,160	36,139,061	57,468,903	85,521,422	61,300,888	54,591,360
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	4,937,531	4,734,732
Sheriff's Department	2,734,131	2,406,171	2,686,445	2,423,658	2,560,743	2,558,250	2,855,716	2,787,148
Highways and Streets	324,943	295,082	329,490	353,773	660,051	309,895	405,397	836,028
Library	10,872	13,308	18,090	22,333	33,576	30,872	24,885	22,770
Sanitation	201,578	197,398	238,762	309,965	327,289	365,413	301,626	415,749
Operating Grants and Contributions								
General Government	825,809	1,075,375	722,344	1,335,830	2,883,486	1,172,956	939,356	1,249,185
Sheriff's Department	388,194	428,152	372,955	366,013	328,365	453,549	869,319	309,173
Highways and Streets	405,369	714,156	197,960	2,475,920	2,780,712	2,752,378	2,031,066	2,880,346
Library	7,000	7,000	7,000	7,000	21,037	15,985	36,729	30,408
Sanitation	228,302	230,347	259,938	310,367	303,938	267,659	223,586	164,564
Capital Grants and Contributions								
General Government	370,045	250,000	439,233	1,323,847	445,285	1,008,787	589,451	1,464,807
Sheriff's Department	-	-	-	-	-	-	-	108,100
Highways and Streets	-	-	1,384,221	1,532,077	1,639,002	450,474	1,189,000	939,857
Library	1,343,511	26,397	21,130	14,114	78,977	41,381	42,788	-
Sanitation	-	-	-	-	-	-	-	27,806
Total Governmental Activities Program Revenues	10,866,832	9,970,855	11,126,104	15,193,207	17,183,177	14,839,577	14,446,450	15,970,673

(Continued)

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

Schedule 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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)	(46,854,438)	(38,620,687)
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	35,197,628	36,088,749
In Lieu of Taxes	361,000	369,987	354,468	382,971	407,086	505,020	506,007	543,610
Sales Taxes	732,912	-	-	-	-	-	-	-
Business Taxes	2,233,136	757,562	730,434	762,766	865,347	989,286	978,029	1,049,064
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	2,104,205	2,248,266
Other Local Governments	-	879,388	960,470	1,070,591	1,160,653	1,077,839	1,789,321	1,459,939
State Aid	442,347	452,819	650,023	417,082	515,918	724,903	766,454	668,585
Federal Aid	75,757	171,278	26,486	14,343	7,078	-	-	-
Sale of Property	-	10,800	62,668	80,820	12,570	18,859	25,840	1,491,702
Unrestricted Investment Earnings	247,007	204,154	398,069	719,272	3,535,084	4,578,378	696,149	234,165
Special Items								
Damages from Individuals	-	-	-	5,168	-	6	783	-
Contribution to Component Unit/ Note Proceeds	(4,742,000)	-	-	(5,000,000)	-	-	-	(2,712,691)
Bond Proceeds Remitted to Johnson City Schools	-	-	-	-	(5,511,025)	(29,330,390)	(11,617,308)	(3,113,898)
Grants and Contributions Not Restricted to Specific Programs	-	1,348,638	-	-	-	-	-	-
Transfers	585,605	235,605	(255,968)	-	-	-	-	-
Total Governmental Activities	<u>21,320,100</u>	<u>27,988,371</u>	<u>27,433,561</u>	<u>21,113,283</u>	<u>27,421,796</u>	<u>13,875,210</u>	<u>30,447,108</u>	<u>37,957,491</u>
CHANGE IN NET ASSETS								
Total Governmental Activities	<u>\$ (433,413)</u>	<u>\$ 4,000,086</u>	<u>\$ 3,879,505</u>	<u>\$ 167,429</u>	<u>(12,863,930)</u>	<u>(56,806,635)</u>	<u>(16,407,330)</u>	<u>(663,196)</u>

NOTE: Comparable 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 Seven Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year							Schedule 3
	2003	2004	2005	2006	2007	2008	2009	2010
	General Fund							
Reserved	\$ 447,428	287,027	304,901	1,120,759	382,222	414,557	548,548	595,895
Unreserved	10,870,121	11,125,506	12,046,813	12,653,265	10,964,710	12,940,961	12,662,133	13,422,536
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>	<u>13,210,681</u>	<u>14,018,431</u>
All Other Governmental Funds								
Reserved	-	343,182	401,990	16,929	57,968	84,431	27,929	95,228
Unreserved								
Highway Fund	3,519,867	3,582,508	3,053,324	2,565,827	2,592,663	2,732,866	2,734,471	3,828,397
Debt Service Fund	7,591,603	6,633,152	5,542,286	4,716,881	6,421,107	7,794,619	9,952,086	7,219,431
Capital Projects	-	-	-	-	113,503,812	38,610,173	4,901,649	569,028
Special Revenue Funds	927,346	1,111,621	1,188,493	2,037,948	1,126,211	1,019,023	1,106,642	1,230,406
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>	<u>18,722,777</u>	<u>12,942,490</u>

NOTE: Comparable 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)

	Schedule 4									
	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes	20,035,820	20,650,431	21,477,136	21,511,038	22,591,158	23,584,629	27,027,262	36,064,155	37,850,913	39,058,665
Licenses and Permits	307,056	324,813	338,989	364,663	402,569	438,950	457,549	479,878	461,441	468,330
Fines, Forfeitures and Penalties	365,920	396,867	413,610	432,207	421,533	479,370	554,028	704,110	870,337	881,800
Charges for Current Services	543,149	259,183	842,859	766,078	780,271	867,791	1,123,136	793,938	1,053,232	1,816,447
Other Local Revenues	1,189,837	1,066,897	739,957	800,987	1,113,606	1,577,698	4,602,293	5,506,319	1,911,102	1,033,664
Investment Income	-	-	-	-	-	-	-	-	-	142,586
Revenue from State of Tennessee	5,707,306	6,162,089	6,646,273	6,633,176	6,705,892	6,436,731	8,762,004	6,968,297	6,267,135	6,979,130
Revenue from Federal Government	300,664	1,501,434	493,456	1,217,147	766,455	1,607,853	682,143	1,146,897	759,267	1,547,527
Revenue from Other Governments and Citizens Groups	392,347	732,129	628,715	491,196	748,073	568,552	5,811,485	6,097,914	6,332,919	6,441,581
Excess Fees and Commissions	3,578,950	3,982,952	4,098,502	4,382,774	4,542,054	4,801,904	-	-	-	-
Total Revenues	32,421,049	35,076,795	35,679,497	36,599,266	38,071,611	40,363,478	49,019,900	57,761,508	55,506,346	58,369,730
EXPENDITURES										
General Government	19,749,766	21,986,497	21,963,747	14,941,631	14,750,758	15,870,857	20,212,698	20,066,377	21,832,796	22,547,326
Sheriff's Department	-	-	-	7,809,677	8,290,528	8,490,630	8,885,500	9,555,519	9,734,886	10,782,561
Highways and Streets	4,467,724	4,812,836	5,315,352	5,743,069	6,061,147	6,104,752	6,624,458	7,252,647	6,897,615	7,110,143
Library	296,592	324,733	348,218	352,562	355,385	448,402	473,774	533,725	474,110	472,346
Sanitation	768,417	1,162,177	1,266,883	1,335,866	1,442,172	1,520,333	1,715,788	1,755,369	1,679,295	1,552,341
Debt Service Principal	3,336,156	16,564,807	3,924,284	4,408,041	4,255,523	4,174,187	5,945,771	4,364,767	4,355,949	7,378,672
Debt Service Interest	2,293,423	2,341,869	2,144,066	2,144,043	1,989,135	1,950,438	4,369,520	7,960,259	7,382,896	8,071,516
Capital Outlay	913,856	1,425,785	1,357,840	474,351	1,672,180	1,990,077	17,027,023	48,394,518	23,346,663	4,796,873
Total Expenditures	31,825,934	48,618,704	36,320,390	37,209,240	38,816,828	40,549,676	65,254,532	99,883,181	75,704,210	62,711,778
Excess (Deficiency) of Revenues Over/(Under) Expenditures	595,115	(13,541,909)	(640,893)	(609,974)	(745,217)	(186,198)	(16,234,632)	(42,121,673)	(20,197,864)	(4,342,048)
OTHER FINANCING SOURCES (USES)										
Bonds Issued	-	-	-	-	-	-	126,085,000	-	-	-
Note Proceeds	1,091,000	338,720	436,000	101,000	203,000	760,000	3,735,000	-	152,000	5,196,100
Refunding Bond Issued	-	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	(6,000,000)	269,992	-	-	(21,553,600)	-	(4,674,945)	-	-	-
Contribution to the City of Johnson City	-	-	-	-	-	-	(5,511,025)	(29,330,390)	(11,617,308)	(3,113,898)
Contribution to the Component Unit - WCSB	-	-	-	-	-	-	-	-	-	(2,712,691)
Transfers to Other Funds	(4,255,547)	(4,997,181)	(4,391,474)	(4,698,300)	(4,888,042)	(5,198,472)	(8,277,532)	(8,453,533)	(8,986,345)	(5,705,954)
Transfers from Other Funds	6,859,289	5,874,298	4,391,474	4,698,300	4,888,042	5,198,472	8,277,532	8,453,533	8,986,345	5,705,954
Transfers (to)/ from Component Unit	(514,395)	(214,395)	585,605	235,605	(255,968)	-	-	-	-	-
Total Other Financing Sources (Uses)	3,280,347	13,831,434	1,021,605	336,605	200,028	760,000	128,171,717	(29,330,390)	(11,465,308)	(630,489)
Net Change in Fund Balances	3,875,462	289,525	380,712	(273,369)	(545,189)	573,802	111,937,085	(71,452,063)	(31,663,172)	(4,972,537)
Debt Service as a Percentage of Noncapital Expenditures	18.21%	40.06%	17.36%	17.84%	16.81%	15.88%	21.39%	23.94%	22.42%	26.68%

See Independent Auditors' Report.

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

Schedule 5

Fiscal Year Ended June 30	Real Property			Personal Property	Public Utility Property	Total Taxable Assessed Value	Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Real Property				
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
2009	1,306,890,092	643,877,000	89,731,175	126,365,420	62,775,708	2,229,639,395	1.91
2010	1,723,819,741	852,349,280	123,345,375	155,448,541	79,514,718	2,934,477,655	1.91

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)

	Schedule 6									
	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Direct Rates										
General	0.66	0.66	0.68	0.63	0.63	0.63	0.82	0.83	0.65	0.65
Upkeep (Highway)	0.16	0.16	0.16	0.14	0.14	0.14	0.19	0.19	0.15	0.15
General Purpose School	0.76	0.76	0.76	0.82	0.82	0.82	0.82	0.88	0.68	0.68
Debt Service	0.30	0.30	0.27	0.23	0.23	0.36	0.47	0.50	0.39	0.39
Solid Waste/Sanitation	0.05	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.04	0.04
Total Direct Rate	<u>1.93</u>	<u>1.93</u>	<u>1.93</u>	<u>1.87</u>	<u>1.87</u>	<u>2.00</u>	<u>2.35</u>	<u>2.45</u>	<u>1.91</u>	<u>1.91</u>
City Rates										
City of Johnson City	1.87	2.15	2.15	2.15	1.93	1.93	1.99	1.93	1.54	1.54
Town Rates										
Town of Jonesborough	1.53	1.53	1.53	1.75	1.54	1.54	1.89	1.54	1.18	1.18

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

Taxpayer	2010			2001			Schedule 7
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	
Sprint United Management	\$ 24,609,625	1	0.84%	35,011,870	1	2.23%	
Johnson City Venture	24,609,625	2	0.84%	17,447,182	2	1.11%	
Wal-Mart / Sam's Club	20,753,875	3	0.71%	6,794,974	6	0.43%	
American Water Heater	12,258,533	4	0.42%	8,955,574	4	0.57%	
The Haven at Knob Creek, LLC	10,769,409	5	0.37%	-	-	-	
Atmos Energy Corporation	10,628,513	6	0.36%	-	-	-	
Johnson City Crossing	8,682,560	7	0.30%	6,598,160	7	0.42%	
Med Tech Properties	7,023,250	8	0.24%	-	-	-	
Bank of Tennessee	5,312,989	9	0.18%	-	-	-	
Johnson City United, LP	5,203,576	10	0.18%	-	-	-	
Bosch Braking Systems	-	-	-	10,644,154	3	0.68%	
United Cities Gas Company	-	-	-	7,736,248	5	0.49%	
Kennametal, Inc.	-	-	-	6,771,917	9	0.43%	
Harris Tarkett	-	-	-	5,951,145	8	0.38%	
I Jobbers LLC	-	-	-	5,073,496	10	0.32%	
	<u>\$129,851,955</u>		<u>4.4%</u>	<u>110,984,720</u>		<u>7.1%</u>	

See Independent Auditors' Report.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Schedule 8 Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2001	\$ 30,339,772	(43,857)	30,295,915	28,334,769	95.5%	1,328,164	29,662,933	97.9%
2002	30,820,966	48,169	30,869,135	28,868,767	95.4%	1,378,297	30,247,064	98.0%
2003	31,762,768	(68,201)	31,694,567	29,861,069	95.4%	1,427,320	31,288,389	98.7%
2004	32,440,204	(10,144)	32,430,060	30,661,947	96.1%	1,240,851	31,902,798	98.4%
2005	37,184,044	70,112	37,254,156	35,123,059	95.7%	1,568,857	36,691,916	98.5%
2006	38,217,645	43,627	38,261,272	36,268,808	96.1%	1,460,031	37,728,839	98.6%
2007	41,835,939	143,193	41,979,132	39,878,098	95.9%	1,691,874	41,569,972	99.0%
2008	51,439,552	48,046	51,487,598	48,909,436	96.3%	1,898,097	50,807,533	98.7%
2009	54,637,088	11,241	54,648,329	51,526,466	95.7%	2,299,503	53,825,969	98.5%
2010	56,356,490	(167,999)	56,188,491	52,982,502	100.0%	-	52,982,502	94.3%

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
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	4.71%	1,463.95
2008	152,410,000	10,611,833	23,591	163,045,424	4.59%	1,397.65
2009	149,935,000	9,301,066	12,648	159,248,714	4.48%	1,342.30
2010	147,015,000	12,091,766	1,233	159,107,999	4.05%	1,319.33

Note: 2009, 2008, and 2007 percentages calculated using 2007 personal income data, which was the most recent available. 2010 percentages use 2010 personal income data.

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	Percentage of Actual Value ¹ of Taxable Property	Schedule 10
						Per Capita ²
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	4.17%	7.09%	1,297.18
2008	152,410,000	7,794,619	144,615,381	4.07%	6.60%	1,239.66
2009	149,935,000	9,952,086	139,982,914	3.94%	6.28%	1,179.91
2010	147,015,000	7,219,431	139,795,569	3.56%	4.76%	1,159.19

Note: 2009, 2008, and 2007 percentages calculated using 2007 personal income data, which was the most recent available. 2010 percentages use 2010 personal income data.

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, 2010

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
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	3,554,221,000	31,091	4.4%
2008	116,657	3,554,221,000	30,467	6.3%
2009	118,639	3,554,221,000	29,958	9.2%
2010	120,598	3,929,730,000	32,585	8.7%

¹ Fiscal years 2000 - 2002 are 2000 U.S. Census figures; all others are estimates from the U.S. Census Bureau.

² Personal income figures for 2008 and 2009 were not available. The fiscal year 2007 figure was used for calculation of Per Capita Personal Income for these years.

Sources: 1999 - 2007: First Tennessee Development District
 2008 - 2010: Tennessee Department of Labor & Workforce Development

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

<u>EMPLOYER</u>	2010			Schedule 13 2003*		
	<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	6.34%	3,541	1	6.3%
East Tennessee State University	2,330	2	4.17%	2,012	2	3.6%
Citi Cards	1,950	3	3.49%	1,817	3	3.3%
James H. Quillen VA Medical Center	1,592	4	2.85%	1,259	4	2.3%
Advance Call Center Technologies	1,400	5	2.51%	-	-	-
Washington County School Systems	1,200	6	2.15%	1,150	6	2.1%
American Water Heater Company	1,170	7	2.10%	1,200	5	2.2%
City of Johnson City	853	8	1.53%	824	8	1.5%
Johnson City School System	832	9	1.49%	920	7	1.6%
AT & T Mobility	650	10	1.16%	805	10	1.4%
Siemens Industrial Automation, Inc	-	-	-	730	9	1.3%
	<u>15,518</u>		<u>27.81%</u>	<u>14,258</u>		<u>25.60%</u>

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 2010 is based on the June 2010 labor force estimates from the Tennessee Department of Labor and Workforce Development.

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

FUNCTION	Schedule 14									
	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	158	167	162	177	165	170	160	166	143	143
Sheriff's Department	177	186	186	182	193	195	183	176	202	203
Highway and Streets	98	99	99	96	93	96	96	94	89	91
Library	8	8	8	9	9	9	9	9	9	12
Sanitation	22	18	20	20	21	22	14	16	14	14
Total	<u>463</u>	<u>478</u>	<u>475</u>	<u>484</u>	<u>481</u>	<u>492</u>	<u>462</u>	<u>461</u>	<u>457</u>	<u>463</u>

Source: Washington County Payroll Records

See Independent Auditors' Report.

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

Schedule 15

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Jail Bookings	*	5,823	6,200	6,609	8,094	8,736	8,495	8,191	8,357	8,736
Average Daily Population	*	409	413	432	449	465	488	521	528	510
Physical Arrests	*	3,030	2,628	3,444	3,603	3,558	3,552	3,270	3,335	3,740
Warrants Processed	*	7,685	8,745	9,420	9,845	9,913	18,550	18,013	18,432	17,676
Warrants Served	*	4,973	4,828	5,120	5,640	5,987	13,386	12,852	13,513	13,234
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	769.13	769.82
Streets Resurfaced (miles)	49.186	43.922	38.356	38.70	50.80	*	21.63	12.50	10.03	32.13
<u>Library</u>										
Volumes in Circulation	116,575	112,167	107,033	113,149	105,650	113,042	98,200	136,472	158,686	166,009
<u>Sanitation</u>										
Refuse Collected (tons/day)	*	45.88	49.47	52.64	52.53	54.01	52.81	55.91	53.84	57.32
Recyclables Collected (tons/day)	*	10.22	11.31	12.95	11.37	11.46	12.01	12.85	13.23	17.25

* 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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Correction Facility Capacity	352	352	352	362	362	352	352	352	578	578
Stations	1	1	1	1	1	1	1	1	1	1
Zones	5	5	5	5	5	5	5	5	5	5
Patrol Units	35	35	35	35	35	31	32	34	35	36
Substations	1	1	1	2	3	3	3	3	3	3
<u>Highways and Streets</u>										
Bridges under 20 feet	369	369	369	369	369	369	369	370	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
<u>Library</u>										
Volumes in Collection	61,945	67,535	70,236	75,693	76,946	80,876	75,167	88,541	99,561	87,467
<u>Sanitation</u>										
Collection Trucks	*	3	3	3	3	4	4	4	4	4

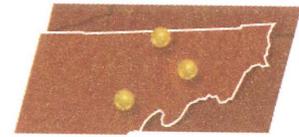
* Comparable information was not available for prior years.

Source: Various County Departments.

See Independent Auditors' Report.

SECTION VI

INTERNAL CONTROL AND COMPLIANCE SECTION



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 financial statements of the governmental 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, 2010, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 21, 2010. 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (10-1,10-2, 07-5, 06-4, 08-2, 06-1). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable County Mayor
and Board of Commissioners
Page 2

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 06-2.

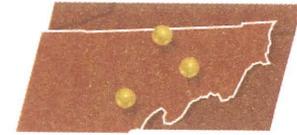
We noted certain matters that were reported to management of Washington County, Tennessee, in a separate letter dated December 10, 2010.

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 & STEAGALL, PLC

December 21, 2010



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Washington County, Tennessee's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Washington County, Tennessee's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and question costs as items 10-3, 10-4.

To the Honorable County Mayor
and Board of Commissioners
Page 2

Internal Control over Compliance

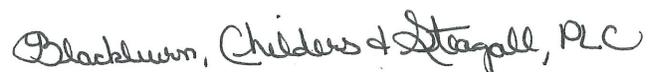
Management of Washington County, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Washington County, 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 the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 10-3, 10-4. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 21, 2010

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2010

Section I - Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Washington County, Tennessee.
2. Seven significant deficiencies disclosed during the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs; none of which is considered to be a material weakness.
3. There were 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 two 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>
Title I	84.010
ARRA Title I	84.389
IDEA – Part B	84.027
ARRA IDEA – Part B	84.391
IDEA – Preschool Incentive	84.173
ARRA IDEA –Preschool	84.392
ARRA State Fiscal Stabilization Fund – Education State Grant	84.394
ARRA State Fiscal Stabilization Fund – Government Services	84.397
ARRA JAG Grant	16.738
Office of Domestic Preparedness State Homeland Security	97.067
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 not determined to be a low-risk auditee.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section II - Financial Statement Findings

Current Year Audit Findings – Significant Deficiencies

Chancery Court

10-1 Trust funds were understated at year end:

Condition: A significant adjustment was required to correct the understatement of the Jonesborough Clerk and Master June Month End Report trust funds balance due to the timing difference of a trust account transfer at yearend. The original funds were withdrawn on June 28 and a check to redeposit the amount was written on June 30. This check was not deposited until July 1, therefore causing the yearend trust funds to be understated by approximately \$63,000.

Criteria: Clerk and Master Employees should properly include all trust funds due to litigants, heirs and others at yearend.

Effect: The trust funds reported per the month end June 2010 Jonesborough Clerk and Master Report filed with the Chancery Court was understated by approximately \$63,000.

Recommendation: The Clerk and Master's office should attempt to deposit, and account for, the transferring of trust account funds the same day the withdrawal is made, which will eliminate any timing differences. If instances arise where trust funds are not withdrawn and deposited on the same day, the check to redeposit these funds should not be written until the day it will be deposited in a bank. Due to this misstatement at June 30, we suggest a restated June 30, 2010 Clerk and Master Report be filed to the Chancery Court.

Management's Comments: We will make a concerted effort to deposit checks into trust accounts the same day they are written. The Clerk and Master's Report was restated and approved.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section II - Financial Statement Findings (Continued)

Current Year Audit Findings – Significant Deficiencies (Continued)

Board of Education

10-2 Fuel-Man Controls:

Condition: The Board of Education is not utilizing proper controls over the Fuel-Man system implemented county wide for use in refueling Washington County Board of Education vehicles resulting in a lack of reliable usage statistics or monitoring systems.

Criteria: The Board of Education utilizes the Fuel-Man service provider to monitor gasoline and diesel purchases by county employees for use in county vehicles. In prior years, problems with the reporting and usage statistics have been addressed directly with those responsible for maintaining and monitoring the internal controls as they relate to the purchase of fuel. In the current year, the exceptions have greatly increased in number and prior year recommendations were either not implemented or not implemented correctly.

Effect: The effect of this deficiency results in a failure of internal controls exposing the Board of Education to a high potential for abuse or misuse of Board of Education assets (fuel).

Recommendation: We recommend that the Fuel-Man usage policies be revisited and modified in order to allow for reliable usage statistics in order to effectively monitor fuel use and allow the Board of Education to have the capability to recognize abuse.

Management's Comments: The Board of Education will revisit and modify policies in order to allow for reliable usage statistics in order to effectively monitor fuel use and allow the Board of Education the capacity to recognize abuse.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

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 copy of the 2010 government-wide adjustments schedule will be obtained and similar schedule will be prepared by the County Budget Director and submitted to the auditors for Fiscal Year 2010-2011.

06-4 Fixed Assets (06-30-06 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, tagged and compared to detail records periodically.

Management's Comments: Management, working with the County-Owned Property Committee will develop and implement policies and procedures by the end of Fiscal Year 2010-2011, for the physical identification, marking and inventory of existing county assets, as well as new assets purchased. The policies and procedures will also address disposal of county assets. Dedication of a County employee to the task and procurement of asset management software will be considered in order to facilitate effective management and control of fixed assets in Washington County.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

Food Service

08-2 USDA Receivables (6-30-08 Report, Finding 08-2)

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: The accounting software has been adjusted to correctly allocate the funds beginning with the current school year.

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: The actual expenditures were necessary and were given authorization by management.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

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: All school cafeteria funds will be transferred to the Office of the Trustee March 1, 2011.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

Board of Education

10-3 Improper ARRA Reporting, Title I – Part A ARRA, CFDA No. 84.389, Grant Period – 7/1/09 – 9/30/2010:

Condition: The Board of Education failed to properly report the actual amount of Title I positions created or retained as a result of American Recovery and Reinvestment Act (ARRA) on the quarterly reports remitted for FY2010. Per the review of the payroll records, this amount of paraprofessionals per the quarterly reports submitted appears to be overstated.

Criteria: The instructions per the ARRA quarterly reports specifically state that the Board of Education should report “Full-Time Equivalents (FTEs) for all salaried positions created or retained as a result of American Recovery and Reinvestment Act of 2009 (ARRA) funding”.

Effect: The effect of this deficiency results in improper reporting in regard to Title I ARRA funding.

Recommendation: We recommend that the actual amount, not an estimate, of paraprofessionals being paid using the Title I ARRA funds be properly reported. It is our understanding that these reported cannot be amended therefore the correct amount of jobs retained and created be reported from this point forward.

Management’s Comments: The Board of Education will report the actual, not an estimate, number of jobs retained and created using the ARRA funds.

10-4 Improper Authorization of FACTS Request Documentation, State Fiscal Stabilization Fund ARRA – Family Resource Center, CFDA No. 84.397, Grant Period – 7/1/30 – 6/30/10:

Condition: The Board of Education failed to obtain proper authorization of the Tennessee Family Resource Center 2009-2010 FACTS Request Documentation Form.

Criteria: The form should be properly authorized by the signature of the Director of Schools, Mr. Ronald Dykes, before the request is submitted.

Effect: The effect of this deficiency results in improper reporting in regard Tennessee Family Resource Center ARRA funding.

Recommendation: We recommend that all reimbursement request forms be authorized by the Mr. Dykes before they are submitted.

Management’s Comments: In the future, all reimbursement requests forms will be authorized by the Director of Schools before they are submitted.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

Prior Year Recommendations Implemented

<u>Significant Deficiencies</u>	<u>Page Number</u>	<u>Subject</u>
<u>Chancery Court</u>		
09-1	183	Year End Report
<u>Food Service</u>		
07-7	188	Bank Reconciliation
<u>Circuit Court</u>		
09-2	184	Timely Deposits
<u>Board of Education</u>		
09-03	184	OPEB Calculation
<u>County Mayor</u>		
09-04	185	Segregation of Duties
<u>Trustee</u>		
09-05	186	Checking System