



# WASHINGTON COUNTY, TENNESSEE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**2011**



WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

WASHINGTON COUNTY, TENNESSEE  
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**SECTION I**

**INTRODUCTORY**

WASHINGTON COUNTY, TENNESSEE  
ROSTER OF COUNTY OFFICIALS  
June 30, 2011

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<u>Title</u>	<u>Name</u>
County Mayor	Daniel J. Eldridge
Superintendent of Highways	John Deakins, Jr.
Director of Schools	Ronald Dykes
Trustee	Jack Daniels
County Clerk	Kathy Storey
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

Ben Bowman	Greg Matherly
Alpha Bridger	Richard Matherly
Lee Chase	Mitch Meredith
Doyle Cloyd	Roger Nave
Joe Corso	George E. "Skip" Oldham III
Mike Ford	Sam Phillips
Mark Ferguson	David Shanks
Ethan Flynn	Joe Sheffield
William "Joe" Grandy	Gerald Sparks
Sam Humphreys	Pete Speropulos III
Evert Jarrett	David Tomita
Mark Larkey	Pat Wolfe
Ken Lyon	

Board of Education

Clarence Mabe, Chairman	Todd Ganger
Chad Williams, Vice Chair	Keith Ervin
Phillip McLain	David Hammond
William Brinkley	Jack Leonard
Mary Lo Silvers	

**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 (the County), as of and for the fiscal year ended June 30, 2011, 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 management. 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, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

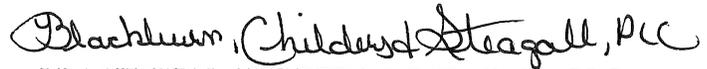
As described in Notes to the Financial Statements, the County has implemented the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2011, 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  
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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 14 and 71 through 79 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 responses 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 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 them.

  
BLACKBURN, CHILDERS & STEAGALL, PLLC

December 19, 2011

## 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, 2011. We encourage readers to consider all of the information presented in this Comprehensive Annual Financial Report. This discussion and analysis focuses on the primary government and the Washington County Board of Education, a discretely presented component unit. It does not include discussion of the Washington County Emergency Communications District, another discretely presented component unit.

### 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 \$55,418,032 (net assets). It is important to note that Washington County has the obligation of the debt on the buildings owned by the Board of Education.
- The government's total net assets increased by \$2,676,134.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$24,962,102, a decrease of \$1,998,819 in comparison with the prior year. Approximately 51 percent of this total amount, \$12,816,210, *is available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,816,210, or 38 percent of the total general fund expenditures.
- Washington County Board of County Commissioners issued bonds totaling \$9,765,000 in fiscal year 2010-2011. Funds were used to pay off Capital Outlay notes and to restructure the callable 2004 series bonds. There was a net reduction in debt of \$6,965,674 during the fiscal year.
- During the year, Washington County adopted the provisions of Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. That statement requires Washington County to recognize an actuarially calculated obligation for postemployment benefits other than pensions (primarily health insurance) as a long-term liability. As a result of implementing this standard, Washington County recorded an increase in long-term debt and a decrease in net assets of \$1,048,442 as of June 30, 2011.
- In December 2010, the legislative body of Washington County created an audit committee independent of county management. The audit committee is ultimately responsible for advising management in meeting its internal control and financial responsibilities. The committee consists of two members of the legislative body and three citizens who have significant experience and expertise in financial, accounting and internal control matters. The committee regularly reviews the County's various audit reports; meets with the County's independent auditors; deliberates financial, accounting and internal control matters; and makes recommendations to the Washington County legislative body for their consideration and implementation.

## 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 \$102,852,515. Of this amount, \$4,834,633 (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 \$3,432,644.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Washington County's basic financial statements. Washington County's basic financial statements consist of 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, finance, administration of justice, public safety, highways and streets, public health and welfare, 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 15-16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Washington County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Washington County can be divided into 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 eight 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 and the debt service fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

**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 21 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 22 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 71-79 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 80-81 of this report.

Financial statements for the Washington County School Board of Education are presented immediately following the nonmajor funds on pages 87-96 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 \$47,434,483 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 its 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 Net Assets**

Year:	Primary		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2010	2011	2010	2011
Current and Other Assets	\$ 66,723,257	\$ 64,642,825	\$ 20,345,064	\$ 20,002,862
Capital Assets	78,694,975	76,471,405	99,075,459	96,820,910
Total Assets	145,418,232	141,114,230	119,420,523	116,823,772
Long-Term Liabilities Outstanding	160,838,347	155,625,532	1,042,300	1,675,800
Other Liabilities	42,674,051	40,906,730	12,093,064	12,295,457
Total Liabilities	203,512,398	196,532,262	13,135,364	13,971,257
Net Assets				
Invested in Capital Assets, Net of Related Debt	54,620,038	54,382,423	99,075,459	96,820,910
Restricted	279,334	185,073	-	-
Unrestricted	(112,993,538)	(109,985,528)	7,209,700	6,031,605
Total Net Assets	\$ (58,094,166)	\$ (55,418,032)	\$ 106,285,159	\$ 102,852,515

In fiscal year 2010-2011, \$185,073 is subject to external restrictions on Washington County's net assets.

The primary government's net assets increased by \$2,676,134 during the current fiscal year. The Board of Education's net assets decreased by \$3,432,644.

Key elements of these changes are as follows:

## Washington County Government's Changes in Net Assets

	Primary Government		Component Unit	
	Governmental		Washington County	
	Activities		Board of Education	
	2010	2011	2010	2011
<b>Revenues</b>				
Program Revenues:				
Charges for services	\$ 8,796,427	8,931,946	2,050,776	2,207,806
Operating grants and contributions	4,633,676	4,091,955	9,273,133	9,302,920
Capital grants and contributions	2,540,570	1,717,060	1,226,327	149,364
General Revenues:				
Property taxes	36,088,749	35,961,432	11,176,624	11,292,363
Other taxes	1,592,674	1,658,144	13,006,178	13,827,745
Grants and contributions not restricted to specific programs	4,376,790	3,530,463	31,019,949	32,079,149
Other	234,165	85,853	67,922	42,674
<b>Total Revenues</b>	<b>58,263,051</b>	<b>55,976,853</b>	<b>67,820,909</b>	<b>68,902,021</b>
<b>Expenses</b>				
General government	24,764,315	5,849,052 *	-	-
Finance	-	2,544,864 *	-	-
Administration of Justice	-	3,497,335 *	-	-
Public safety	11,182,742	17,363,717 *	-	-
Highway / streets	8,482,146	8,273,843	-	-
Public Health and Welfare	1,598,683	5,390,784 *	-	-
Social, Cultural and Recreation	491,958	983,279 *	-	-
Agriculture and Natural Resources	-	384,050 *	-	-
Other Operations	-	1,314,448 *	-	-
Debt Service	8,071,516	7,402,705	-	-
Education	-	270,000	70,311,618	72,321,799
<b>Total Expenses</b>	<b>54,591,360</b>	<b>53,274,077</b>	<b>70,311,618</b>	<b>72,321,799</b>
Increase in net assets before transfers & special items	3,671,691	2,702,776	(2,490,709)	(3,419,778)
Special Items	1,491,702	(26,642)	3,604	(12,866)
Transfers	(5,826,589)	-	2,712,691	-
<b>Increase in net assets</b>	<b>(663,196)</b>	<b>2,676,134</b>	<b>225,586</b>	<b>(3,432,644)</b>
Net assets, Beginning	(56,730,970)	(57,394,166)	106,495,073	106,285,159
Prior Period Adjustments	-	(700,000)	(435,500)	-
<b>Net assets, Ending</b>	<b>\$ (57,394,166)</b>	<b>(55,418,032)</b>	<b>106,285,159</b>	<b>102,852,515</b>

\* Due to expense classification changes made in the financial statements for fiscal year 2011, prior year information is not readily available or may not be comparable.

- Washington County's property tax rate has remained constant since 2008-2009. Pursuant to Tennessee state law, reappraisal of real and personal property values are performed every five years. Washington County's most recent appraisal was conducted in 2008-2009. As a result of that reappraisal, the certified tax rate was set at \$1.91 on each \$100.00 of assessed value. Property taxes provide the majority of revenue for the operation of the County. A summary of Washington County's property tax rates for the past ten years can be found on Schedule 6 of the statistical schedule of these financial statements.
- The budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.
- Capital grants for governmental activities decreased by \$823,510, mostly as a result of decreases in Homeland Security grants. The grants awarded furnish 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, *unassigned 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 \$24,962,102, a decrease of \$1,998,819 in comparison with the prior year. Approximately 51 percent of this total amount, or \$12,816,210 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is segregated to indicate that it is not available for new spending because it has already been restricted, committed, or assigned (1) to liquidate contracts and purchase orders of the prior period \$375,941; (2) Unemployment and General Liabilities \$1,012,739; (3) Debt Service \$4,544,205; and (4) a variety of other restricted purposes \$6,213,007.

The general fund is the chief operating fund of Washington County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,816,210, while total fund balance reached \$14,396,696. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38 percent of total general fund expenditures, while total fund balance represents 43 percent of that same amount.

The fund balance of Washington County's general fund increased by \$254,486 during the current fiscal year.

The debt service fund has a total fund balance of \$4,544,205, all of which is assigned for the payment of debt service. The fund balance decreased during the current year in the debt service fund in the amount of \$2,675,226. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$10,808,342 in the current fiscal year.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there were various increases in appropriations in the amount of \$2,331,055 between the original and final amended budget. In most cases, these additional appropriations were funded by external grants. Following is a brief summary of the difference:

- \$638,000 - Homeland Security Grants
- \$296,033 - Public Safety Grants
- \$353,224 - Use of restricted for specific expenses
- \$286,310 - Appropriated for various operational expenses
- \$500,000 - Community Development Block Grant
- \$172,526 - Fast Track Grant for Koyo
- \$51,534 - Local Match Fast Track Grant for Koyo
- \$33,428 - Library computer grant

Additional information on the General Fund Budgetary Highlights may be found on page 71 of this report.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** Washington County's investment in capital assets as of June 30, 2011, amounts to \$75,159,310 (net of accumulated depreciation), and \$96,820,910 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.

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

## Washington County's Capital Assets

(net of depreciation)

	Primary Government		Component Unit	
	Governmental		Washington County	
	Activities		Board of Education	
	2010	2011	2010	2011
Land	\$ 3,026,957	3,026,957	1,888,432	1,888,432
Library Infrastructure	722,521	739,324	-	-
Buildings and Improvements	46,895,382	47,484,814	120,380,081	123,336,342
Furniture and Fixture	85,184	85,184	1,020,249	1,020,249
Office Machinery and Equipment	1,838,159	1,838,159	682,777	571,739
Machinery and Equipment	16,676,398	17,090,932	14,105,415	14,168,008
Infrastructure	48,202,828	49,069,960	-	-
Construction in Progress	599,556	70,389	1,392,707	237,709
Less: Accumulated Depreciation	(40,584,815)	(44,246,409)	(40,394,202)	(44,401,569)
Total	\$ 77,462,170	75,159,310	99,075,459	96,820,910

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 \$156,423,577. Of this amount, \$156,153,577 comprises debt backed by the full faith and credit of the government. The remaining \$270,000 of Washington County's debt represents capital outlay notes secured by the taxing power of the County. The primary government is obligated for the long-term debt of Washington County Board of Education.

## Washington County's Outstanding Debt

General Obligation and Revenue Bonds

	Primary Governmental Activities		
	2010	2011	Increase (Decrease)
General Obligation Bonds	\$ 151,297,485.00	156,153,577	4,856,092
Capital Outlay Notes	12,091,766	270,000	(11,821,766)
Total	\$ 163,389,251.00	156,423,577	(6,965,674)

- Washington County's total bonded debt and notes payable decreased \$6,965,674 during the current fiscal year.
- The principal on the general bonded debt increased \$4,856,092 and notes payable decreased \$11,821,766.
- Washington County issued Capital Outlay Notes during the 2010-2011 fiscal year for \$270,000 for education purposes.
- Washington County issued bonded debt in the amount of \$9,765,000 during fiscal year 2010-2011. \$6,950,000 was used to decrease various capital outlay notes and \$2,870,000 was used to refinance the callable 2004 series bonds for Education.

Washington County received an Aa2 rating from Moody Investors Service with a stable outlook for Washington County's Series 2011 Bonds. In Moody's Investors Service opinion, the high quality rating reflected the County's favorable trends of sound financial operations including significant reserves, continued tax base growth, and low direct debt levels. Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time.

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. See 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. TENN. CODE ANN. §§ 9-21-403 to 404.3.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

According to U.S. Census results, Washington County grew by 14.7 % during the past decade. Population increased to 122,979 from 107,198 in 2000. Washington County's growth rate compared favorably to the State of Tennessee at 11.5% and the National average of 9.7%. The other seven Counties of Northeast Tennessee experienced growth rates between 1.2% and 9.4%.

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. During fiscal year 2011, sales tax revenue for the County increased 10 of the last 12 months. Total collections for fiscal year 2011 increased 3.5% over 2010.

The unemployment rate, which climbed as high as 9.8% in January 2010, had declined to 8.9% by June 2011, compared to the State of Tennessee rate of 9.8%. The civilian labor force continues to expand, reaching 64,660 in June 2011. Washington County's unemployment rate had decreased to 7.7% by October 2011. The relative strength of Washington County's employment picture can be attributed to the county's diversified and stable job base of healthcare, education, government, and a significant number of small to mid-sized commercial and industrial employers.

Likewise, the local housing market is performing better relative to state and national trends with the number of homes on the market declining and average sales prices trending higher.

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

- Effective July 1, 2011 the economic development entities within Washington County were consolidated under the Washington County Economic Development Council, a public-private effort headed by CEO Robert Reynolds. Included in the consolidation were the Economic Development Board, Johnson City Development Authority and the Public Building Authority. Factors driving the decision were more efficient use of limited economic development resources; to improve effectiveness of efforts to attract new employers; to enhance and facilitate existing employer's opportunities to expand; to grow and diversify the employer base in Washington County; and position Washington County to more effectively compete for limited economic development opportunities.
- On July 15, 2011, Washington County closed on the purchase of an additional 67 acres of land adjacent to the existing Washington County Industrial Park in Telford. Funding of the \$733,000 purchase price was provided by the Economic Development Board in the amount of \$500,000 and the Johnson City Power Board in the amount of \$233,000. The additional land will be developed and marketed to industrial manufacturing prospects. The County is currently working with the Tennessee Department of Transportation to secure a grant through the State Industrial Access Fund for the cost of a new road to access this property. A comprehensive marketing plan for the property has been developed by the Washington County Economic Development Council and is currently being offered to potential users.
- As of June 30, 2011, Washington County had agreed to sell to the Johnson City Development Authority, the County's Downtown Center property located in Johnson City. Several courts and other county offices had been located in this facility until the opening of the George P. Jaynes Justice Center in Jonesborough in 2009. The purchase price is \$1,000,000. The JCDA has offered the property to Northeast State Community College for the establishment of a teaching site in Johnson City. JCDA has agreed to provide another \$1,000,000 in funding for improvements to the facility.
- In June 2011, the County Commission made the decision to discontinue the practice of self-insuring against general liability claims. Effective July 1, 2011 Washington County is fully insured against general liability claims up to a limit of \$1,000,000 per occurrence with an aggregate of \$2,000,000. The County was also added the following coverages: 1) Public Official Liability of \$1,000,000 each wrongful act and per member aggregate, 2) Employee Benefits Liability coverage of \$1,000,000 combined single limit per member and 3) Law Enforcement Liability coverage of \$1,000,000 combined single limit.

During the current fiscal year, unassigned fund balance in the general fund increased \$254,486 to a total of \$12,816,210. Historically, Washington County has appropriated various amounts of unreserved fund balance to balance the budget and all the funds that were not utilized were returned at the end of the fiscal year. The 2010-2011 budget was presented as a balanced budget without any appropriations from the unassigned 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 –

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, 2011

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
<b>ASSETS</b>			
Equity in Pooled Cash and Deposits	\$ 23,891,753	4,214,102	-
Cash and Cash Equivalents	337,047	-	418,254
Certificates of Deposit	-	-	1,092,996
Due from Federal Government	368,191	522,927	-
Due from State of Tennessee	1,049,487	806,212	104,008
Due from Other Local Governments	135,598	-	-
Due from Others	73,883	35,112	102,808
Sales Tax Receivable	-	2,287,018	-
Taxes Receivable	38,829,263	11,961,580	-
Allowance for Uncollectibles	(42,397)	(13,352)	-
Inventories	-	189,263	-
Prepaid Expenses	-	-	27,284
Bond Issue Costs, Net	1,312,095	-	-
Capital Assets not Being Depreciated:			
Land	3,026,957	1,888,432	-
Construction in Progress	70,389	237,709	-
Library Infrastructure	739,324	-	-
Capital Assets, Net	71,322,640	94,694,769	766,836
<b>TOTAL ASSETS</b>	<b>141,114,230</b>	<b>116,823,772</b>	<b>2,512,186</b>
<b>LIABILITIES</b>			
Accounts Payable	115,205	823,194	100
Accrued Expenses	1,286,320	14,045	43,966
Retainages Payable	282,080	-	-
Due to Other Governments	153,098	-	-
Due to Others	47,649	35,112	-
Unearned Revenues	35,850,839	11,294,002	-
Long-term Liabilities			
Due Within One Year	3,171,539	309,104	330,255
Due Within More Than One Year	155,625,532	1,495,800	77,261
<b>TOTAL LIABILITIES</b>	<b>196,532,262</b>	<b>13,971,257</b>	<b>451,582</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	54,382,423	-	-
Invested in Capital Assets	-	96,820,910	766,836
Restricted for Public Safety	109,518	-	-
Restricted for Social, Cultural and Recreational	75,555	-	-
Restricted for Education	-	1,196,972	-
Unrestricted	(109,985,528)	4,834,633	1,293,768
<b>TOTAL NET ASSETS</b>	<b>\$ (55,418,032)</b>	<b>102,852,515</b>	<b>2,060,604</b>

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

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF ACTIVITIES  
June 30, 2011

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Washington County School Board	Emergency Communications District
PRIMARY GOVERNMENT							
GOVERNMENT ACTIVITIES							
General Government	\$ 5,849,052	417,850	263,400	904,614	(4,263,188)	-	-
Finance	2,544,864	-	-	-	(2,544,864)	-	-
Administration of Justice	3,497,335	4,452,695	36,164	-	991,524	-	-
Public Safety	17,363,717	3,184,023	189,515	10,559	(13,979,620)	-	-
Highways	8,273,843	448,373	2,331,909	780,480	(4,713,081)	-	-
Public Health and Welfare	5,390,784	420,630	1,157,535	-	(3,812,619)	-	-
Social, Cultural and Recreational	983,279	8,375	113,432	21,407	(840,065)	-	-
Agriculture and Natural Resources	384,050	-	-	-	(384,050)	-	-
Other Operations	1,314,448	-	-	-	(1,314,448)	-	-
Education	270,000	-	-	-	(270,000)	-	-
Interest on Long-Term Debt	7,402,705	-	-	-	(7,402,705)	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>53,274,077</b>	<b>8,931,946</b>	<b>4,091,955</b>	<b>1,717,060</b>	<b>(38,533,116)</b>	<b>-</b>	<b>-</b>
COMPONENT UNITS							
Board of Education	72,321,799	2,207,806	9,302,920	149,364	-	(60,661,709)	-
Emergency Communications	2,893,848	1,856,915	1,096,334	-	-	-	59,401
<b>TOTAL COMPONENT UNITS</b>	<b>75,215,647</b>	<b>4,064,721</b>	<b>10,399,254</b>	<b>149,364</b>	<b>-</b>	<b>(60,661,709)</b>	<b>59,401</b>
GENERAL REVENUES							
Taxes							
Property Taxes					35,961,432	11,292,363	-
In Lieu of Taxes					580,622	191,324	-
Sales Taxes					-	13,267,490	-
Business Taxes					1,077,522	368,931	-
Miscellaneous					1,786,512	33,315	-
Other Local Governments					1,658,603	71,043	-
State Aid					78,043	31,974,791	-
Federal Aid					7,305	-	-
Unrestricted Investment Earnings					85,853	42,674	17,919
Loss on Sale and Disposal of Assets					(26,642)	(12,866)	(4,374)
<b>TOTAL GENERAL REVENUES</b>					<b>41,209,250</b>	<b>57,229,065</b>	<b>13,545</b>
CHANGE IN NET ASSETS					2,676,134	(3,432,644)	72,946
NET ASSETS - BEGINNING					-	106,285,159	-
NET ASSETS - BEGINNING (Restated)					(58,094,166)	-	1,987,658
NET ASSETS - ENDING					<b>\$ (55,418,032)</b>	<b>102,852,515</b>	<b>2,060,604</b>

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

WASHINGTON COUNTY, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Deposits	\$ 13,313,942	3,868,267	4,509,105	2,200,440	23,891,754
Cash with Paying Agent	-	-	-	4,339	4,339
Cash	100	-	-	332,608	332,708
Due from Federal Government	368,191	-	-	-	368,191
Due from State of Tennessee	1,028,231	-	-	21,256	1,049,487
Due from Other Local Governments	95,773	-	-	39,825	135,598
Due from Others	16,917	15,930	682	40,354	73,883
Taxes Receivable	22,439,537	5,052,558	10,114,689	1,222,479	38,829,263
Allowance for Uncollectibles	(24,608)	(5,172)	(11,254)	(1,363)	(42,397)
Due from Other Funds	498,676	11,611	-	-	510,287
<b>TOTAL ASSETS</b>	<b>\$ 37,736,759</b>	<b>8,943,194</b>	<b>14,613,222</b>	<b>3,859,938</b>	<b>65,153,113</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 93,389	9,189	623	12,004	115,205
Retainage Payable	-	-	-	282,080	282,080
Accrued Expenses	463,607	107,445	-	17,838	588,890
Deferred Revenues	22,582,320	4,625,479	10,068,394	1,217,609	38,493,802
Due to Others	47,649	-	-	-	47,649
Due to Other Governments	153,098	-	-	-	153,098
Due to Other Funds	-	-	-	510,287	510,287
<b>TOTAL LIABILITIES</b>	<b>23,340,063</b>	<b>4,742,113</b>	<b>10,069,017</b>	<b>2,039,818</b>	<b>40,191,011</b>
<b>FUND BALANCE</b>					
Restricted for:					
Restricted for Public Safety	109,518	-	-	-	109,518
Restricted for Social, Cultural and Recreational	75,555	-	-	-	75,555
Committed for:					
Committed for General Government	1,012,739	-	-	-	1,012,739
Committed for Administration of Justice	62,002	-	-	-	62,002
Committed for Highway	-	8,111	-	-	8,111
Committed for Public Health and Welfare	-	-	-	894,381	894,381
Assigned for:					
Assigned for Public Safety	168,528	-	-	377,406	545,934
Assigned for Capital Projects	-	-	-	548,333	548,333
Assigned for Highway	-	4,192,970	-	-	4,192,970
Assigned for Debt Service	-	-	4,544,205	-	4,544,205
Assigned for General Government	135,832	-	-	-	135,832
Assigned for Finance	2,610	-	-	-	2,610
Assigned for Administration of Justice	13,492	-	-	-	13,492
Assigned for Social, Cultural and Recreational	210	-	-	-	210
Unassigned	12,816,210	-	-	-	12,816,210
<b>TOTAL FUND BALANCE</b>	<b>14,396,696</b>	<b>4,201,081</b>	<b>4,544,205</b>	<b>1,820,120</b>	<b>24,962,102</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 37,736,759</b>	<b>8,943,194</b>	<b>14,613,222</b>	<b>3,859,938</b>	<b>65,153,113</b>

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

WASHINGTON COUNTY, TENNESSEE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2011

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TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 24,962,102
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 \$119,405,719 and the accumulated depreciation is \$44,246,409	75,159,310
Revenue for amounts not received during the period of availability and, therefore, not considered "available" has been deferred in the funds.	2,642,963
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 \$1,732,612 and the accumulated amortization is \$420,517.	1,312,095
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(697,431)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(158,797,071)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ (55,418,032)</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, 2011

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 20,688,480	4,597,201	12,328,772	1,206,711	38,821,164
Licenses and Permits	467,092	572	3,160	151	470,975
Fines, Forfeitures and Penalties	882,150	-	-	77,059	959,209
Charges for Current Services	615,031	212,103	-	143,629	970,763
Other Local Revenues	331,707	284,422	-	361,077	977,206
Investment Income	-	-	30,326	-	30,326
Revenue from State of Tennessee	3,183,944	2,353,260	-	178,060	5,715,264
Revenue from Federal Government	1,127,712	-	-	-	1,127,712
Revenue from Other Governments and Citizens Groups	1,629,185	-	-	5,203,354	6,832,539
<b>TOTAL REVENUES</b>	<b>28,925,301</b>	<b>7,447,558</b>	<b>12,362,258</b>	<b>7,170,041</b>	<b>55,905,158</b>
<b>EXPENDITURES</b>					
General Government	4,867,910	-	-	242,106	5,110,016
Finance	2,544,864	-	-	-	2,544,864
Administration of Justice	3,498,568	-	-	-	3,498,568
Public Safety	16,606,647	-	-	-	16,606,647
Highways	-	7,063,859	-	-	7,063,859
Public Health and Welfare	3,689,022	-	-	1,622,134	5,311,156
Social, Cultural and Recreational	957,385	-	-	-	957,385
Agriculture and Natural Resources	384,050	-	-	-	384,050
Other Operations	1,314,448	-	-	-	1,314,448
Debt Service	-	-	25,292,739	-	25,292,739
Education	-	-	-	270,000	270,000
<b>TOTAL EXPENDITURES</b>	<b>33,862,894</b>	<b>7,063,859</b>	<b>25,292,739</b>	<b>2,134,240</b>	<b>68,353,732</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Note Proceeds	-	-	-	270,000	270,000
Refunding Bonds Issued	-	-	9,765,000	-	9,765,000
Premium on Bonds Issued	-	-	414,755	-	414,755
Transfers to Other Funds	-	(75,500)	-	(5,192,079)	(5,267,579)
Transfers from Other Funds	5,192,079	-	75,500	-	5,267,579
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,192,079</b>	<b>(75,500)</b>	<b>10,255,255</b>	<b>(4,922,079)</b>	<b>10,449,755</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	254,486	308,199	(2,675,226)	113,722	(1,998,819)
Fund Balance, July 1, 2010	14,142,210	3,892,882	7,219,431	1,706,398	26,960,921
Fund Balance, June 30, 2011	<u>\$ 14,396,696</u>	<u>4,201,081</u>	<u>4,544,205</u>	<u>1,820,120</u>	<u>24,962,102</u>

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

WASHINGTON COUNTY, TENNESSEE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2011

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TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,998,819)

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 \$770,431 is less than depreciation of (\$3,834,264) in the period. (3,063,833)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets. 760,973

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 \$2,532,058 and the current year amount of \$2,642,963. 110,905

In the statement of activities, certain operating expenses, compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences decreased by this amount for the current year. 64,487

In the statement of activities, certain operating expenses, other post-employment benefits, 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. The liability for other post-employment benefits increased by this amount for the current year. (348,443)

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. 309,482

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 6,841,382

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,676,134

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2011

	Agency Funds				Total Agency Funds
	Johnson City School Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	
<b>ASSETS</b>					
Cash on Hand and in Bank	\$ -	-	5,859,627	-	5,859,627
Equity in Pooled Cash and Deposits	-	-	-	112,323	112,323
Accounts Receivable	-	-	22,738	37,633	60,371
Taxes Receivable	9,806,096	-	-	-	9,806,096
Allowance for Uncollectibles	(10,860)	-	-	-	(10,860)
Sales Tax Receivable	1,876,647	3,544,809	-	-	5,421,456
<b>TOTAL ASSETS</b>	<b>\$ 11,671,883</b>	<b>3,544,809</b>	<b>5,882,365</b>	<b>149,956</b>	<b>21,249,013</b>
<b>LIABILITIES</b>					
Due to Other Governments	\$ 11,671,883	3,544,809	-	133,536	15,350,228
Due to State	-	-	787,575	-	787,575
Due to Litigants, Heirs and Others	-	-	5,094,790	16,420	5,111,210
<b>TOTAL LIABILITES</b>	<b>\$ 11,671,883</b>	<b>3,544,809</b>	<b>5,882,365</b>	<b>149,956</b>	<b>21,249,013</b>

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

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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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 resources 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, 2011

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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 and statement of activities) 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, 2011

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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. These transactions are being accounted for in the Debt Service Fund (major fund) of the primary government. Bond and note proceeds are shared with the City of Johnson City based on average daily attendance. The transactions are being accounted for in the Capital Projects Fund (major fund) of the primary government. Separate financial statements are provided for governmental funds, and fiduciary funds. 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 post-employment 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, 2011

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

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, 2011

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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 discretely presented 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. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The County does not have a proprietary fund.

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. Also, it is the County's policy that committed amounts would be reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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, 2011. Property taxes are levied on October 1 on property values assessed as of January 1. After March 1, the tax bill becomes delinquent and penalty and interest are assessed. Property taxes are declared to be a lien on the property after the 1<sup>st</sup> of January of the assessment year. The allowance for uncollectible taxes represents the estimated amount of the receivable, which will be filed in court for collection, based on historical rates. Delinquent taxes filed in court for collection are included in taxes receivable and the offsetting account, deferred revenue.

3. Inventories and Prepaid Items

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

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

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (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 \$10,000 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, 2011

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (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 an 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.

8. Net Assets and Fund Equity

In the government-wide financial statements equity is classified as net assets and displayed in four 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.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Net Assets and Fund Equity (continued)

As of June 30, 2011, the County had \$131,690,000 in outstanding debt for capital purchases purposed for the discretely presented component unit 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 a deficit Unrestricted Net Assets balance to be reflected for the Primary Government.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

- a. Nonspendable Fund Balance - includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted Fund Balance - includes amounts that have constraints placed on the use of the resources that are either (1) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Committed Fund Balance - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the County's highest level of decision-making authority and the Board of Education, the School's highest level of decision making authority.
- d. Assigned Fund Balance - includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The County Commission and the Board of Education are authorized bodies to make assignments.
- e. Unassigned Fund Balance - the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, unless legal requirements disallow it or unrestricted funds will be lost if not utilized. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

9. Change in Beginning Fund Balance and Net Assets

During the fiscal year 2011, the County implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. With the implementation of GASB 54, a previously reported special revenue fund no longer met the definition and needed to be reclassified as part of the general fund.

At the end of the fiscal year 2011, it was determined a reclassification of beginning fund balance was necessary as a result of a governmental fund that no longer met the major fund status per the accounting standards.

The following discloses the restatement of governmental fund balances as of the beginning of the fiscal year:

	General Fund	Other Governmental Funds
Fund Balance, beginning of year, as previously stated:	\$ 14,018,431	1,261,149
Increase due to reclassification of major fund to non major	-	569,028
Increase (decrease) due to reclassification of special revenue fund	123,779	(123,779)
Fund balance, beginning of year, as restated	\$ 14,142,210	1,706,398

An adjustment of \$700,000 was made to net assets to record 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.

The following discloses the restatement of government wide net assets as of the beginning of the fiscal year:

	Governmental Activities	Component Unit - WCECD
Net assets, beginning of year, as previously stated:	\$ (57,394,166)	1,884,106
Decrease due to recognition of OPEB liability	(700,000)	-
Increase due to recognition of prior year revenue and receivable	-	103,552
Net assets, beginning of year, as restated	\$ (58,094,166)	1,987,658

10. 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, 2011

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 a reconciliation between *fund balance-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	\$ (151,670,000)	-
Less: Deferred Charge on Refunding (net of amortization of \$525,724 recorded as interest expense)	652,822	-
Add: Bond Premium (net of amortization of \$2,443,356 recorded as interest expense)	(5,136,399)	-
Capital Outlay Notes	(270,000)	-
Contingent Liability	(50,000)	-
Other Post-Employment Benefits	(1,048,442)	(1,675,800)
Compensated Absences	<u>(1,275,052)</u>	<u>(129,104)</u>
 Net adjustment to reduce <i>fund balance governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>(158,797,071)</u>	 <u>(1,804,904)</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	\$ 2,077,436	654,226
Income Taxes	96,852	-
Beer Taxes	13,917	-
State Prisoner Board	111,370	-
Federal Prisoner Board	247,616	-
Local Tax Revenue	<u>95,772</u>	<u>-</u>
 Net adjustment to increase <i>fund balance-governmental funds</i> to arrive at <i>net assets-governmental activities</i>	 \$ <u>2,642,963</u>	 <u>654,226</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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 a reconciliation between *net change in fund balances-governmental funds* and *change 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 \$760,973 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.	\$ 801,887
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.	(40,914)
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 760,973</u>

Another element of that reconciliation states that “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 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 \$6,841,382 difference are as follows:

Debt Issued or Incurred:	
Issuance of Capital Outlay Notes	\$ (270,000)
Issuance of Bonds	(9,765,000)
Less: Premium	(414,755)
Contingent Liability	(50,000)
Principal Repayments:	
General Obligation Debt	845,986
Capital Outlay Notes	12,091,766
Capital Leases	1,234
Insurance Costs	138,137
Payment to Escrow Agent for Refunding	<u>4,264,014</u>
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 6,841,382</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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 \$309,482 difference are as follows:

Prior Year Accrued Interest	\$ 852,097
Current Year Accrued Interest	(697,431)
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 change in fund balances - governmental funds</i> to arrive at <i>change in net assets of governmental activities</i> .	<u>\$ 309,482</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, 2011

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.

At June 30, 2011, the County reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government: Major Fund: General Fund	Other General Administration Federal Asset Forfeiture	\$ 102,000 129,228
Component Unit: School Board: General Purpose School Fund	Regular Capital Outlay	130,372

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: County Attorney	\$ 27
Board of Education: School Food Service Food Service Operations	117,940

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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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	\$ 23,891,753	4,214,102	-
Cash and Cash Equivalents	<u>337,047</u>	<u>-</u>	<u>418,254</u>
	<u>\$ 24,228,800</u>	<u>4,214,102</u>	<u>418,254</u>

Agency Funds

Equity in Pooled Cash and Deposits	\$ 112,323
Cash on Hand and in Bank	<u>5,859,627</u>
	<u>\$ 5,971,950</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, 2011

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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 \$28,218,178 and the bank balance was \$29,413,238. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2011.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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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>6,182,388</u>	<u>7,333,300</u>
Cash with Paying Agent - Bond Proceeds	\$ <u>4,339</u>	<u>4,339</u>
<u>Component Unit:</u>		
Washington County Emergency Communications District	\$ <u>418,254</u>	<u>420,242</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, 2011

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	\$ -	-	-	-	-	2,287,018	2,287,018
Property Tax	22,439,537	5,052,558	10,114,689	1,222,479	38,829,263	11,961,580	50,790,843
Due from Others	16,917	15,930	682	40,354	73,883	35,112	108,995
Intergovernmental	1,492,195	-	-	61,081	1,553,276	1,329,139	2,882,415
Gross Receivables	23,948,649	5,068,488	10,115,371	1,323,914	40,456,422	15,612,849	56,069,271
Less: Allowance for Uncollectibles	(24,608)	(5,172)	(11,254)	(1,363)	(42,397)	(13,352)	(55,749)
Net Total Receivables	<u>\$ 23,924,041</u>	<u>5,063,316</u>	<u>10,104,117</u>	<u>1,322,551</u>	<u>40,414,025</u>	<u>15,599,497</u>	<u>56,013,522</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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 \$70,790,843 are presented on the statement of net assets with an allowance for uncollectibles and an offsetting contra-account, for the unearned portion as indicated below.

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

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

	Primary Government		Component Unit	
	Unavailable	Unearned	Unavailable	Unearned
Receivables not received within period of availability:				
Property Taxes Receivable:				
General Fund	\$ 1,205,818	20,810,975	-	-
Highway Fund	253,425	4,372,054	-	-
Debt Service Fund	551,421	9,516,973	-	-
Solid Waste Fund	66,772	1,150,837	-	-
General Purpose School Fund	-	-	654,226	11,294,002
Beer Tax (General Fund)	13,917	-	-	-
Income Tax Receivable (General Fund)	96,852	-	-	-
State Prisoner Board (General Fund)	111,370	-	-	-
Federal Prisoner Board (General Fund)	247,616	-	-	-
Local Tax Revenue (General Fund)	95,772	-	-	-
	\$ 2,642,963	35,850,839	654,226	11,294,002

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2011 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	722,521	51,484	(34,681)	-	739,324
Construction in Progress	599,556	91,917	-	(621,084)	70,389
Total, Capital Assets, Not Being Depreciated	<u>4,349,034</u>	<u>143,401</u>	<u>(34,681)</u>	<u>(621,084)</u>	<u>3,836,670</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	46,895,382	55,000	-	534,432	47,484,814
Furniture and Fixtures	85,184	-	-	-	85,184
Office Machinery and Equipment	1,838,159	-	-	-	1,838,159
Machinery and Equipment	16,676,398	623,514	(208,980)	-	17,090,932
Roads and Bridges	48,202,828	780,480	-	86,652	49,069,960
Total, Capital Assets, Being Depreciated	<u>113,697,951</u>	<u>1,458,994</u>	<u>(208,980)</u>	<u>621,084</u>	<u>115,569,049</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(8,462,424)	(1,253,126)	-	-	(9,715,550)
Furniture and Fixtures	(78,598)	(964)	-	-	(79,562)
Office Machinery and Equipment	(1,639,706)	(72,482)	-	-	(1,712,188)
Machinery and Equipment	(11,659,773)	(1,292,643)	172,670	-	(12,779,746)
Roads and Bridges	(18,744,314)	(1,215,049)	-	-	(19,959,363)
Total Accumulated Depreciation	<u>(40,584,815)</u>	<u>(3,834,264)</u>	<u>172,670</u>	<u>-</u>	<u>(44,246,409)</u>
Total Capital Assets, Being Depreciated, Net	<u>73,113,136</u>	<u>(2,375,270)</u>	<u>(36,310)</u>	<u>621,084</u>	<u>71,322,640</u>
Governmental Activities Capital Assets, Net	<u>\$ 77,462,170</u>	<u>(2,231,869)</u>	<u>(70,991)</u>	<u>0</u>	<u>75,159,310</u>

Note 1: 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 General fund.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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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	\$ 1,142,402
Sheriff's Department	1,163,143
Highways and Streets, including Depreciation of General Infrastructure Assets	1,439,003
Sanitation	<u>89,716</u>
Total Depreciation Expense-Governmental Activities	<u><u>\$ 3,834,264</u></u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

**Discretely Presented Component Units**

Washington County Board of Education

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated					
Land	\$ 1,888,432	-	-	-	1,888,432
Construction In Progress	1,392,707	1,088,269	-	(2,243,267)	237,709
<b>Total Capital Assets, Not Being Depreciated</b>	<u>3,281,139</u>	<u>1,088,269</u>	<u>0</u>	<u>(2,243,267)</u>	<u>2,126,141</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	120,380,081	750,686	(37,692)	2,243,267	123,336,342
Furniture and Fixtures	1,020,249	-	-	-	1,020,249
Office Machinery and Equipment	682,777	-	-	(111,038)	571,739
Machinery and Equipment	14,105,415	240,313	(288,758)	111,038	14,168,008
<b>Total Capital Assets Being Depreciated</b>	<u>136,188,522</u>	<u>990,999</u>	<u>(326,450)</u>	<u>2,243,267</u>	<u>139,096,338</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(27,386,882)	(3,662,908)	37,692	616	(31,011,482)
Furniture and Fixtures	(1,006,990)	(1,484)	-	-	(1,008,474)
Office Machinery and Equipment	(549,473)	(6,725)	-	-	(556,198)
Machinery and Equipment	(11,450,857)	(649,834)	275,892	(616)	(11,825,415)
<b>Total Accumulated Depreciation</b>	<u>(40,394,202)</u>	<u>(4,320,951)</u>	<u>313,584</u>	<u>0</u>	<u>(44,401,569)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>95,794,320</u>	<u>(3,329,952)</u>	<u>(12,866)</u>	<u>2,243,267</u>	<u>94,694,769</u>
<b>Washington County Board of Education Capital Assets, Net</b>	<u>\$ 99,075,459</u>	<u>(2,241,683)</u>	<u>(12,866)</u>	<u>0</u>	<u>96,820,910</u>

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

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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	\$ 532,124	717	-	532,841
Vehicles	51,618	-	-	51,618
Office Equipment	1,448,386	22,057	(14,517)	1,455,926
Furniture and Fixtures	57,678	-	(857)	56,821
Total, Capital Assets Being Depreciated	<u>2,089,806</u>	<u>22,774</u>	<u>(15,374)</u>	<u>2,097,206</u>
Less Accumulated Depreciation for				
Building Improvements	(283,096)	(22,145)	-	(305,241)
Vehicles	(23,171)	(10,324)	-	(33,495)
Office Equipment	(846,926)	(101,870)	10,143	(938,653)
Furniture and Fixtures	(52,693)	(1,145)	857	(52,981)
Total Accumulated Depreciation	<u>(1,205,886)</u>	<u>(135,484)</u>	<u>11,000</u>	<u>(1,330,370)</u>
Total, Capital Assets Being Depreciated, Net	<u>\$ 883,920</u>	<u>(112,710)</u>	<u>(4,374)</u>	<u>766,836</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

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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, 2011 amount to \$60,518. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2012	\$ 50,554
2013	39,563
2014	33,000
2015	30,750
Thereafter	12,500
Total	<u>\$ 166,367</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, 2011 amount to \$2,518. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2012	\$ 2,235
2013	2,235
2014	2,235
2015	1,490
Total	<u>\$ 8,195</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. 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, 2011.

Governmental Activities

	Balance Beginning of Year	Additions	Retirements / Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
Primary Government					
General Obligation Bonds	\$ 147,015,000	9,765,000	(5,110,000)	151,670,000	2,785,000
Less: Deferred Amounts on Refunding	(734,963)	-	82,141	(652,822)	-
Add: For Issuance of Premium	5,017,448	414,755	(295,804)	5,136,399	-
Total General Obligation Bonds	151,297,485	10,179,755	(5,323,663)	156,153,577	2,785,000
Capital Outlay Notes	12,091,766	270,000	(12,091,766)	270,000	90,000
Capital Leases	1,233	-	(1,233)	-	-
Other Post-employment Benefits	700,000	348,442	-	1,048,442	62,000
Compensated Absences	1,339,539	-	(64,487)	1,275,052	184,539
Contingent Liability	-	50,000	-	50,000	50,000
Primary Government Long-Term Liabilities	<u>\$ 165,430,023</u>	<u>10,848,197</u>	<u>(17,481,149)</u>	<u>158,797,071</u>	<u>3,171,539</u>
Component Unit - WCSB					
Compensated Absences	140,726	-	(11,622)	129,104	129,104
Other Post-employment Benefits	1,042,300	633,500	-	1,675,800	180,000
Component Unit Long-Term Liabilities	<u>\$ 1,183,026</u>	<u>633,500</u>	<u>(11,622)</u>	<u>1,804,904</u>	<u>309,104</u>
Component Unit - ECD					
Compensated Absences	313,352	16,903	-	330,255	330,255
Other Post-employment Benefits	54,668	22,593	-	77,261	-
Component Unit Long-Term Liabilities	<u>\$ 368,020</u>	<u>39,496</u>	<u>0</u>	<u>407,516</u>	<u>330,255</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

<u>Bonds Payable</u>	<u>Date</u> <u>Issued</u>	<u>Date</u> <u>Matures</u>	<u>Amount</u> <u>Issued</u>	<u>Interest Rate</u>	<u>Outstanding</u> <u>June 30, 2011</u>
School Construction Bonds	09/15/04	06/30/18	\$ 19,700,000	2.70-5.00%	\$ 11,705,000
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%	20,250,000
School Refunding Construction Bonds	06/27/11	04/01/23	2,870,000	1.70-4.00%	2,870,000
School Refunding Bonds	06/27/11	04/01/22	6,895,000	2.00-4.00%	<u>6,895,000</u>
<b>Total</b>					<b>\$ <u>151,670,000</u></b>

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,720,000	585,250	2,305,250
2013	1,100,000	499,250	1,599,250
2014	905,000	444,250	1,349,250
2015	2,020,000	399,000	2,419,000
2016	2,120,000	298,000	2,418,000
2017-2018	3,840,000	288,000	4,128,000
	<u>\$ 11,705,000</u>	<u>2,513,750</u>	<u>14,218,750</u>

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	-	4,929,256	4,929,256
2017-2021	10,750,000	24,160,481	34,910,481
2022-2026	21,680,000	20,076,031	41,756,031
2027-2031	27,580,000	14,171,644	41,751,644
2032-2036	36,140,000	7,212,970	43,352,970
2037	9,525,000	428,625	9,953,625
	<u>\$ 105,675,000</u>	<u>90,696,031</u>	<u>196,371,031</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. 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
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	810,000	166,250	976,250
2017-2018	2,515,000	193,000	2,708,000
	<u>\$ 4,275,000</u>	<u>1,146,850</u>	<u>5,421,850</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
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	260,000	912,531	1,172,531
2017-2021	2,855,000	4,296,307	7,151,307
2022-2026	4,605,000	3,383,907	7,988,907
2027-2031	5,880,000	2,127,544	8,007,544
2032-2035	5,765,000	644,000	6,409,000
	<u>\$ 20,250,000</u>	<u>15,108,213</u>	<u>35,358,213</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

Bonds Payable (continued)

School Refunding Tax Exempt Bonds issued June 27, 2011, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 900,000	155,685	1,055,685
2013	840,000	186,550	1,026,550
2014	825,000	169,750	994,750
2015	760,000	145,000	905,000
2016	755,000	122,200	877,200
2017-2021	2,495,000	241,700	2,736,700
2022	320,000	9,600	329,600
	<u>\$ 6,895,000</u>	<u>1,030,485</u>	<u>7,925,485</u>

School Refunding Taxable Bonds issued June 27, 2011, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ -	69,836	69,836
2013	-	91,755	91,755
2014	-	91,755	91,755
2015	255,000	91,755	346,755
2016	260,000	87,420	347,420
2017-2021	1,395,000	332,058	1,727,058
2022-2023	960,000	64,142	1,024,142
	<u>\$ 2,870,000</u>	<u>828,721</u>	<u>3,698,721</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. 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
2012	\$ 2,785,000	6,892,208	9,677,208
2013	2,320,000	6,852,392	9,172,392
2014	2,405,000	6,765,392	9,170,392
2015	3,650,000	6,668,392	10,318,392
2016	4,205,000	6,515,657	10,720,657
2017-2021	23,850,000	29,511,546	53,361,546
2022-2026	27,565,000	23,533,680	51,098,680
2027-2031	33,460,000	16,299,188	49,759,188
2032-2036	41,905,000	7,856,970	49,761,970
2037	9,525,000	428,625	9,953,625
	<u>\$ 151,670,000</u>	<u>111,324,050</u>	<u>262,994,050</u>

Capital Outlay Notes

	Date Issued	Maturity Date	Amount Issued	Interest Rate	Outstanding June 30, 2011
School Capital Outlay	07/26/10	07/26/13	\$ 270,000	2.25%	\$ <u>270,000</u>
Total					\$ <u>270,000</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

Capital Outlay Notes (continued)

School Capital Outlay Note issued July 26, 2010, debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 90,000	6,160	96,160
2013	90,000	4,106	94,106
2014	90,000	2,053	92,053
	<u>\$ 270,000</u>	<u>12,319</u>	<u>282,319</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. Currently, the County's exposure is estimated at \$50,000.

Advance Refunding

The County issued \$9,765,000 of Series 2011 School Improvement Bonds of which \$6,895,000 was used to redeem several School Capital Outlay Notes. These bonds were sold as qualified tax-exempt obligations. The remaining \$2,870,000 were sold as taxable to provide resources that were placed in an irrevocable trust for the purpose of generating resources for the future debt service payments of \$2,843,500 on the County's outstanding Refunded Series 2004 Bonds. As a result, the refunded bonds of \$2,580,000 are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. Since the 2004 Refunded Bonds were restructured and extended from April 1, 2015 through April 1, 2023, inclusive, there was a loss associated with the transaction which totaled around (\$855,221) on an aggregate basis or about (\$467,318) on a net present value basis. The aggregate savings realized when the transaction for the nontaxable portion was executed was about \$528,166 or nearly \$506,489 on a net present value basis.

On June 30, 2011, the following bonds outstanding are considered to be defeased:

<u>Date</u>	<u>Bond Refunding</u>	<u>Amount</u>	<u>Issued Refunded</u>
6/27/11	School Improvement Bonds	\$2,580,000	2004

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

**Due to/from Other Funds**

	Payable Fund Nonmajor Governmental Funds	Total
Receivable Fund		
General Fund	\$ 498,676	498,676
Highway Fund	11,611	11,611
	\$ 510,287	510,287

**Interfund Transfers**

	Transfer In		
	General Fund	Debt Service Fund	Total
Transfer Out			
Highway Fund	\$ -	75,500	75,500
Constitutional Officers	5,192,079	-	5,192,079
Total Transfers Out	\$ 5,192,079	75,500	5,267,579

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, 2011

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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, 2011.

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, 2011.

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, 2011.

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, 2011.

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 \$210,748 to the operations during the year and has no equity interest as June 30, 2011. Financial statements for the joint venture are not available. However, information about the management company operating the facility is available on their website as [www.uhsinc.com](http://www.uhsinc.com).

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

Animal Control Center  
525 Sells Avenue  
Johnson City, TN 37601

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

Emergency Medical Services  
Wesley Street  
Johnson City, TN 37601

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

Audited information for each of the above, as of June 30, 2011, 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, 2011, therefore, the information reflected is for June 30, 2010. Contributions from Washington County to the Emergency Medical Services for fiscal year ended June 30, 2011 were \$1,291,272.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

NOTE 5 - OTHER INFORMATION (CONTINUED)

A. Joint Ventures (Continued)

	Washington County Johnson City Animal Control Center	Emergency Medical Services - Ambulance Division	Jonesborough/ Washington County Economic Development Board, Inc.	Tri-Cities Airport Commission
Operating Revenues	\$ 87,572	7,378,700	374,007	5,896,264
Operating Expenses	(523,073)	(9,115,962)	(493,133)	(5,347,016)
Depreciation	-	(534,184)	(93)	(3,148,163)
Amortization	-	-	-	(13,500)
Other Income (Expense)	408,646	1,878,207	2,765	936,264
Capital Contributions	-	-	-	3,640,905
Net Income(Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	(26,855)	(393,239)	(116,454)	1,964,754
Total Fund Equity, July 1	318,782	3,505,284	920,604	61,058,737
Total Fund Equity, June 30	<u>\$ 291,927</u>	<u>3,112,045</u>	<u>804,150</u>	<u>63,023,491</u>
Total Assets	\$ 327,351	5,975,586	804,431	70,662,959
Total Liabilities	35,424	2,863,541	281	7,639,468
Total Fund Equity	<u>\$ 291,927</u>	<u>3,112,045</u>	<u>804,150</u>	<u>63,023,491</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, 2011

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

Washington County carries insurance coverage through the Tennessee Risk Management Trust and Tennessee Board of Education Liability Trust for general liability, 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, 2009	\$ 14,717
June 30, 2010	241,114
June 30, 2011	0

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

The County provides 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.

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, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Claims Accrued at July 1	\$ 624	1,108
Claims Incurred	348,105	264,482
Claims Paid	<u>(343,538)</u>	<u>(264,966)</u>
Claims Accrued at June 30	<u>\$ 5,191</u>	<u>624</u>

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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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 5.00% of annual covered payroll.

The County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011 was 14.67% 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, 2011 was 11.96% 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, 2011

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Annual Pension Cost

For the year ending June 30, 2011, the County's annual pension cost of \$3,364,149 to TCRS was equal to the County's required and actual contributions and the WCECD's annual pension cost of \$184,149 to TCRS was equal to WCECD's required and actual contributions. The required contribution was determined as part of the July 1, 2009 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 7.50% a year compounded annually, (b) projected 3.00% annual rate of inflation, (c) projected salary increases of 4.75% (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.50% annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.50% 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. The County and WCECD's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009 was 6 years for the County and 9 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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 20, 2011	\$ 3,364,149	100%	\$ 0
June 30, 2010	\$ 3,109,063	100%	\$ 0
June 30, 2009	\$ 3,025,592	100%	\$ 0

**WCECD**

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	\$ 184,149	100%	\$ 0
June 30, 2010	\$ 184,536	100%	\$ 0
June 30, 2009	\$ 172,556	100%	\$ 0

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

**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 \$54.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$22.1 million, and the ratio of the UAAL to the covered payroll was 42.35%. The WCECD's plan was 76.68% funded. The actuarial accrued liability for benefits was \$3.00 million, and the actuarial value of assets was \$2.3 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 \$1.5 million, and the ratio of the UAAL to the covered payroll was 46.94%.

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.

**Washington County**

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%

**WCECD**

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, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Component Unit - Washington County Schools

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute 5.00% 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, 2011 was 9.05% 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, 2011, 2010, and 2009 were \$2,620,212, \$1,821,779, and \$1,844,488, respectively, equal to the required contributions for each year.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan

Washington County

Plan Description

The County has adopted a preferred provider organization (PPO) plan that provides healthcare and life benefits for retirees and their spouses. Upon retirement, individuals are eligible to continue to receive coverage under the employer's group medical and life plans.

The County offers post-employment benefits for full time regular employees retiring under the Tennessee Consolidated Retirement System (TCRS) guidelines. The minimum age requirement is 60 years of age and 5 years of service or 30 years of service until Medicare eligible. Coverage for eligible retirees' spouse will cease when the retirees' benefits cease. Beginning August 2011, the County will cover 50% of the medical premium. Prior to August 2011, the County contributed 25% of medical premiums. There are no surviving spouse benefits. The County also provides a \$5,000 paid up life insurance policy for its retirees. As of the effective date of the actuarial valuation, there were a total of 6 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 County has applied GASB 45 prospectively.

Funding Policy

The premium requirements of plan members are established and may be amended by the County's commission. The plans are financed on a pay-as-you go basis.

Monthly premiums vary based upon the plan selected as follows:

Monthly Premiums - Retiree:

PPO	\$6,133	(single coverage)
PPO	\$12,406	(employee plus spouse coverage)
PPO	\$17,240	(family coverage)

Annual OPEB Cost and Net OPEB Obligation

The County's other post-employment 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 County'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, 2011

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

Annual Required Contribution (ARC)	\$ 348,442
Interest on net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost (Expense)	348,442
Contribution made (assumed end of year)	(35,669)
Increase (Decrease) in net OPEB Obligation	312,773
Net OPEB Obligation - beginning of year	700,000
Net OPEB Obligation - end of year	\$ 1,012,773

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 is as follows:

Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End	Covered Payroll	OPEB Cost % of Payroll
6/30/2011	\$ 348,442	10.2%	\$ 1,012,773	\$ 15,256,094	2.3%

Data is not available for preceeding years.

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) ((b-a) / c)
7/1/2010	\$ -	\$ 2,235,068	\$ 2,235,068	0.00%	\$ 15,256,094	14.65%

Actuarial Methods and Assumptions

In the July 1, 2010, actuarial valuation for the County's plan, the Projected Unit Credit actuarial cost method was used and the actuarial assumptions included in a 4.00 % investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate 9.00 % for fiscal year 2010. The trend will be reduced by decrements to an ultimate rate of 5.00% by fiscal year 2014. The rate includes a 2.50% inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 29 year period beginning with June 30, 2011.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

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 post-employment benefit plans. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-302. In previous years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care 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 \$258 to \$362 (single coverage)

Washington County Department of Education will reimburse retirees directly \$1,931 for single coverage, \$2,539 for employee plus child, \$3,023 for employee plus spouse, and \$4,030 for family coverage until age 65 annually.

Monthly Premiums - Active:

PPO \$469 to \$575 (single coverage)

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2011

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Department of Education (continued)

Funding Policy (continued)

Washington County Department of Education will pay all but \$900 of the annual premium for individual coverage and \$2,503 for family coverage for active employees.

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution (ARC)	\$ 1,414,000
Interest on net OPEB Obligation	46,900
Adjustment to ARC	(44,400)
Annual OPEB Cost (Expense)	1,416,500
Contribution made (assumed end of year)	(783,000)
Increase (Decrease) in net OPEB Obligation	633,500
Net OPEB Obligation - beginning of year	1,042,300
Net OPEB Obligation - end of year	\$ 1,675,800

Year End	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2011	Teacher & Local Government Plan	\$ 1,416,500	55%	\$ 1,675,800
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

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, was as follows:

Actuarial Valuation Date	July 1, 2010
Actuarial Accrued Liability (AAL)	\$ 12,071,000
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 12,071,000
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, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment 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, 2010, actuarial valuation for the Local Education plan, the Projected Unit Credit actuarial cost method was used and the actuarial assumptions included in a 4.50% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate 10.00 % for fiscal year 2011. The trend will decrease to 9.5% in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of 5.00% by fiscal year 2021. The rate includes a 3.00% 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 post-employment 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, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Emergency Communications District (continued)

Plan Description (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 post-employment 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, 2011

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Emergency Communications District (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

Annual Required Contribution (ARC)	\$ 29,650
Interest on net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost (Expense)	<u>29,650</u>
Contribution Made (assumed end of year)	<u>7,057</u>
Increase in Net OPEB Obligation	22,593
Net OPEB Obligation - Beginning of Year	<u>54,668</u>
Net OPEB Obligation - End of Year	<u><u>\$ 77,261</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 29,650	0%	\$ 77,261
6/30/2010	29,650	0%	54,668
6/30/2009	25,018	0%	25,018

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (continued)

Washington County Emergency Communications District (continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008, the date of the actuarial valuation was as follows:

Actuarial Valuation Date	<u>7/1/2008</u>
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%

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 4.50% 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 3.00%. Average health care trend costs rates are assumed to increase by 11.50% (years 1 & 2), 11.00% (year 3), 10.50% (year 4), 10.00% (year 5), 9.50% (year 6), 9.00% (year 7), 8.50% (year 8), 8.00% (year 9), 7.50% (year 10), 7.00% (year 11), 6.50% (year 12), 6.00% (year 13), 5.50% (year 14) and 5.00% 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, 2011

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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. E. The on-behalf payment for 2010 was \$297,174 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 owned 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.

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.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2011

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NOTE 5 - OTHER INFORMATION (CONTINUED)

I. Purchasing Laws (continued)

Office of the Director of Schools

Purchasing procedures for the discretely presented component unit 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 Adjustments

Washington County – Government Wide

As illustrated in Note 1.D.9, an adjustment of \$700,000 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 made available in the current year.

Washington County – Emergency Communications District (Component Unit)

As illustrated in Note 1.D.9, a prior period adjustment of \$103,552 was recorded to properly record a receivable from the State of TN and the related revenue.

K. Subsequent Event

During December 2011, the Johnson City Development Authority purchased the Downtown Centre for \$1,000,000 from the County.

**SECTION III**

**REQUIRED SUPPLEMENTARY INFORMATION**

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget- Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 20,391,424	20,409,399	20,688,480	279,081
Licenses and Permits	422,000	422,000	467,092	45,092
Fines, Forfeitures and Penalties	626,700	626,700	882,150	255,450
Charges for Current Services	544,800	546,800	615,031	68,231
Other Local Revenues	163,700	295,019	331,707	36,688
Revenue from State of Tennessee	3,102,736	3,384,886	3,183,944	(200,942)
Revenue from Federal Government	24,000	1,363,508	1,127,712	(235,796)
Revenue from Other Governments and Citizens Groups	1,335,500	1,346,106	1,629,185	283,079
<b>TOTAL REVENUES</b>	<b>26,610,860</b>	<b>28,394,418</b>	<b>28,925,301</b>	<b>530,883</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
County Commission	163,201	314,201	303,067	11,134
Board of Equalization	15,360	15,360	5,758	9,602
County Mayor	193,552	216,552	202,366	14,186
County Attorney	47,981	54,661	54,688	(27)
Election Commission	659,379	769,935	738,232	31,703
Register of Deeds	556,241	614,241	501,170	113,071
Planning and Zoning	32,441	32,441	27,000	5,441
Codes Compliance	237,666	287,876	284,119	3,757
County Building	64,400	101,064	70,228	30,836
Other General Administration	3,011,208	3,076,318	2,684,939	391,379
Accounting and Budgeting	236,915	268,915	263,392	5,523
Purchasing	150,570	169,570	162,972	6,598
Property Assessor	481,054	567,054	502,321	64,733
Reappraisal Program	342,948	416,448	335,719	80,729
County Trustee	445,840	497,840	432,052	65,788
County Clerk	785,182	954,977	850,396	104,581
General Sessions Judge	373,585	404,585	398,325	6,260
Drug Court	16,200	16,200	13,388	2,812
Circuit Court	1,383,118	1,751,118	1,657,391	93,727
Chancery Court	560,010	719,010	703,640	15,370
District Attorney General	75,000	78,334	78,333	1
Judicial Court	238,295	266,295	125,137	141,158
Courtroom Security	456,036	567,036	535,233	31,803
Sheriff's Department	5,102,082	6,672,530	6,337,717	334,813
Substance Abuse Grant	-	133,314	133,312	2
Alcohol and Drug Program	12,232	12,232	-	12,232
Network Law Enforcement Grant	-	4,344	809	3,535
Jail	6,401,617	7,419,320	7,047,867	371,453
Juvenile Services	513,908	557,908	503,767	54,141
Work Release Program	13,212	13,212	10,959	2,253
Federal Asset Forfeiture	18,000	147,988	139,998	7,990
ARRA JAG Grant	-	12,362	12,351	11
JAG Grant (Firearms)	-	23,981	23,981	-
Fire Protection and Control	835,000	835,000	835,000	-
Civil Defense	109,058	109,058	109,058	-
Hazardous Materials	11,400	14,654	13,095	1,559

(Continued)

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (CONTINUED)				
Other Emergency Management	-	638,000	621,482	16,518
Rescue Squad	74,300	74,300	74,300	-
County Coroner	151,021	151,021	144,670	6,351
School Resource Officer	2,200	33,400	29,934	3,466
Other Public Safety	39,416	71,916	19,074	52,842
County Health Center	880,879	1,016,879	965,081	51,798
Local Health Center Grant	876,170	1,091,170	1,033,036	58,134
Rabies and Animal Control	157,919	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	112,000	112,000	101,857	10,143
Aid to Dependent Children	20,000	20,000	20,000	-
Sanitation Education	53,300	62,300	54,609	7,691
Senior Citizen's Assistance	139,977	139,977	139,977	-
Libraries	603,913	758,965	696,618	62,347
Social, Cultural and Recreational	20,000	71,000	71,000	-
National Storytelling	50,000	50,000	50,000	-
Agriculture Extension Service	230,931	230,931	208,846	22,085
Forest Service	1,500	1,500	1,500	-
Soil Conservation	73,956	87,956	85,456	2,500
Storm Water Management	88,843	88,843	77,815	11,028
Agriculture and Natural Resources	12,840	12,840	10,433	2,407
Tourism	6,971	6,971	6,971	-
Industrial Development	146,206	146,206	139,244	6,962
Economic and Community Development	46,250	770,310	482,192	288,118
Transportation	13,000	13,000	13,000	-
Contributions to Other Agencies	264,200	264,200	254,450	9,750
Employee Benefits	4,700,000	447,000	375,789	71,211
Judgments	25,000	25,000	-	25,000
Emergency Communications District	546,246	546,246	546,246	-
Disaster Relief	-	5,000	2,461	2,539
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>34,236,251</b>	<b>36,567,306</b>	<b>33,838,262</b>	<b>2,729,044</b>
OTHER FINANCING SOURCES (USES)				
Transfer from Constitutional Officers - Fees Fund	4,675,000	4,675,000	5,192,079	517,079
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,675,000</b>	<b>4,675,000</b>	<b>5,192,079</b>	<b>517,079</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(2,950,391)	(3,497,888)	279,118	3,777,006
Fund Balance, July 1, 2010	13,796,906	13,796,906	13,796,906	-
Fund Balance, June 30, 2011	<u>\$ 10,846,515</u>	<u>10,299,018</u>	<u>14,076,024</u>	<u>3,777,006</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 28,925,301	-	-	28,925,301
EXPENDITURES				
County Commission	303,067	-	-	303,067
Board of Equalization	5,758	-	-	5,758
County Mayor	202,366	25	-	202,341
County Attorney	54,688	-	-	54,688
Election Commission	738,232	300	-	737,932
Register of Deeds	501,170	17,380	-	483,790
Planning and Zoning	27,000	-	-	27,000
Codes Compliance	284,119	-	1,510	285,629
County Building	70,228	4,577	-	65,651
Other General Administration	2,684,939	113,550	130,664	2,702,053
Accounting and Budgeting	263,392	485	623	263,530
Purchasing	162,972	-	-	162,972
Property Assessor	502,321	-	-	502,321
Reappraisal Program	335,719	-	-	335,719
County Trustee	432,052	562	-	431,490
County Clerk	850,396	1,562	-	848,834
General Sessions Judge	398,325	-	-	398,325
Drug Court	13,388	-	-	13,388
Circuit Court	1,657,391	13,492	109	1,644,008
Chancery Court	703,640	-	505	704,145
District Attorney General	78,333	-	-	78,333
Judicial Court	125,137	-	-	125,137
Courtroom Security	535,233	-	-	535,233
Sheriff's Department	6,337,717	6,324	61,816	6,393,209
Substance Abuse Grant	133,312	-	-	133,312
Jail	7,047,867	19,008	83,975	7,112,834
Juvenile Services	503,767	-	-	503,767
Work Release Program	10,959	-	-	10,959
Federal Asset Forfeiture	139,998	129,228	8,264	19,034
ARRA JAG Grant	12,351	12,351	42,802	42,802
JAG Grant (Firearms)	24,790	-	-	24,790
Fire Protection and Control	835,000	-	-	835,000
Civil Defense	109,058	-	-	109,058
Hazardous Materials	13,095	-	600	13,695
Rescue Squad	74,300	-	-	74,300
Other Emergency Management	621,482	1,618	14,436	634,300
County Coroner	144,670	-	-	144,670
School Resource Officer	29,934	-	-	29,934
Other Public Safety	19,074	-	-	19,074
County Health Center	965,081	-	-	965,081

(Continued)

WASHINGTON COUNTY, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
EXPENDITURES (CONTINUED)				
Local Health Center Grant	1,033,036	-	-	1,033,036
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	101,857	-	-	101,857
Aid to Dependent Children	20,000	-	-	20,000
Sanitation Education	54,609	-	-	54,609
Senior Citizen's Assistance	139,977	-	-	139,977
Libraries	696,618	210	-	696,408
Social, Cultural and Recreational	71,000	-	-	71,000
National Storytelling	50,000	-	-	50,000
Agriculture Extension Service	208,846	-	-	208,846
Forest Service	1,500	-	-	1,500
Soil Conservation	85,456	-	-	85,456
Storm Water Management	77,815	-	-	77,815
Agriculture and Natural Resources	10,433	-	-	10,433
Tourism	6,971	-	-	6,971
Industrial Development	139,244	-	-	139,244
Economic and Community Development	482,192	-	-	482,192
Transportation	13,000	-	-	13,000
Contributions to Other Agencies	254,450	-	-	254,450
Employee Benefits	375,789	-	-	375,789
Emergency Communications District	546,246	-	-	546,246
Disaster Relief	2,461	-	-	2,461
<b>TOTAL EXPENDITURES</b>	<b>33,838,262</b>	<b>320,672</b>	<b>345,304</b>	<b>33,862,894</b>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>5,192,079</b>	<b>0</b>	<b>0</b>	<b>5,192,079</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	279,118	320,672	(345,304)	254,486
Fund Balance, July 1, 2010	13,796,906	-	345,304	14,142,210
Fund Balance, June 30, 2011	<u>\$ 14,076,024</u>	<u>320,672</u>	<u>0</u>	<u>14,396,696</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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,524,549	4,524,549	4,597,201	72,652
Licenses and Permits	500	500	572	72
Charges for Current Services	270,000	270,000	212,103	(57,897)
Other Local Revenues	130,000	130,000	284,422	154,422
Revenue from State of Tennessee	2,535,308	2,535,308	2,353,260	(182,048)
<b>TOTAL REVENUES</b>	<b>7,460,357</b>	<b>7,460,357</b>	<b>7,447,558</b>	<b>(12,799)</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
Administration	619,508	610,478	556,446	54,032
Traffic Control	151,300	139,560	100,972	38,588
Highway and Bridge Maintenance	2,398,269	2,466,269	2,040,025	426,244
Operation and Maintenance of				
Equipment	780,340	842,940	761,256	81,684
Asphalt Plant Operations	2,870,170	2,977,890	2,318,485	659,405
Other Charges	195,000	202,000	115,195	86,805
Employee Benefits	1,198,000	1,199,000	1,051,519	147,481
Capital Outlay	251,225	243,325	87,869	155,456
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>8,463,812</b>	<b>8,681,462</b>	<b>7,031,767</b>	<b>1,649,695</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Other Funds	-	-	(75,500)	(75,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(75,500)</b>	<b>(75,500)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(1,003,455)	(1,221,105)	340,291	1,561,396
Fund Balance, July 1, 2010	3,828,397	3,828,397	3,828,397	-
Fund Balance, June 30, 2011	\$ 2,824,942	2,607,292	4,168,688	1,561,396

(Continued)

WASHINGTON COUNTY, TENNESSEE  
HIGHWAY FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 7,447,558	-	-	7,447,558
EXPENDITURES				
Administration	556,446	-	-	556,446
Traffic Control	100,972	-	-	100,972
Highway and Bridge Maintenance	2,040,025	27,412	285	2,012,898
Operation and Maintenance of Equipment	761,256	-	-	761,256
Asphalt Plant Operations	2,318,485	400	-	2,318,085
Other Charges	115,195	-	-	115,195
Employee Benefits	1,051,519	-	-	1,051,519
Capital Outlay	87,869	4,581	64,200	147,488
TOTAL EXPENDITURES	7,031,767	32,393	64,485	7,063,859
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	340,291	32,393	(64,485)	308,199
Fund Balance, July 1, 2010	3,828,397	-	64,485	3,892,882
Fund Balance, June 30, 2011	\$ 4,168,688	32,393	0	4,201,081

(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, 2011

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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 a commitment of fund balance 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, 2011

(Dollar Amounts in Thousands)

**Washington County**

	(a)	(b)	(b) - (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability -Entry Age	(UAAL) Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
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)
Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability -Entry Age	(UAAL) Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
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 the 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, 2011

(Dollar Amounts in Thousands)

**Washington County, TN**

<u>Actuarial Valuation Date</u>	(a)	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a)  (UAAL) Unfunded AAL	(a/b)  Funded Ratio	(c)  Covered Payroll	((b-a)/c)  UAAL as a % of Covered Payroll
July 1, 2010	\$ -	\$ 2,235	\$ 2,235	0.00%	\$ 15,256	14.70%

**Washington County Department of Education**

<u>Actuarial Valuation Date</u>	<u>Plan</u>	(a)	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a)  (UAAL) Unfunded AAL	(a/b)  Funded Ratio	(c)  Covered Payroll	((b-a)/c)  UAAL as a % of Covered Payroll
July 1, 2010	LEA / Local Government	\$ -	\$ 11,890	\$ 11,890	0.00%	\$ 71,929	16.53%

**Washington County Emergency Communications District**

<u>Actuarial Valuation Date</u>	(a)	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a)  (UAAL) Unfunded AAL	(a/b)  Funded Ratio	(c)  Covered Payroll	((b-a)/c)  UAAL as a % of Covered Payroll
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, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	Capital Projects	
<b>ASSETS</b>						
Equity in Pooled Cash and Deposits	\$ 822,196	317,845	70,718	159,977	829,704	2,200,440
Cash	-	-	-	332,608	-	332,608
Cash with Paying Agent	-	-	-	-	4,339	4,339
Due from State of Tennessee	21,256	-	-	-	-	21,256
Due from Other Local Governments	39,685	-	140	-	-	39,825
Due from Others	40,197	122	-	-	35	40,354
Taxes Receivable	1,222,479	-	-	-	-	1,222,479
Allowance for Uncollectibles	(1,363)	-	-	-	-	(1,363)
<b>TOTAL ASSETS</b>	<b>\$ 2,144,450</b>	<b>317,967</b>	<b>70,858</b>	<b>492,585</b>	<b>834,078</b>	<b>3,859,938</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 3,011	5,328	-	-	3,665	12,004
Accrued Expenses	17,838	-	-	-	-	17,838
Retainage Payable	-	-	-	-	282,080	282,080
Due to Other Funds	11,611	-	6,091	492,585	-	510,287
Deferred Revenues	1,217,609	-	-	-	-	1,217,609
<b>TOTAL LIABILITIES</b>	<b>1,250,069</b>	<b>5,328</b>	<b>6,091</b>	<b>492,585</b>	<b>285,745</b>	<b>2,039,818</b>
<b>FUND BALANCE</b>						
Committed For:						
Public Health and Welfare	894,381	-	-	-	-	894,381
Assigned For:						
Public Safety	-	312,639	64,767	-	-	377,406
Capital Projects	-	-	-	-	548,333	548,333
<b>TOTAL FUND BALANCE</b>	<b>894,381</b>	<b>312,639</b>	<b>64,767</b>	<b>0</b>	<b>548,333</b>	<b>1,820,120</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,144,450</b>	<b>317,967</b>	<b>70,858</b>	<b>492,585</b>	<b>834,078</b>	<b>3,859,938</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund		
REVENUES						
Taxes	\$ 1,206,711	-	-	-	-	1,206,711
Licenses and Permits	151	-	-	-	-	151
Fines, Forfeitures and Penalties	-	21,388	55,671	-	-	77,059
Charges for Current Services	143,629	-	-	-	-	143,629
Other Local Revenues	281,274	43,011	-	36,432	360	361,077
Revenue from State of Tennessee	128,060	-	-	-	50,000	178,060
Revenue from Other Governments and Citizens Groups	-	-	-	5,203,354	-	5,203,354
<b>TOTAL REVENUES</b>	<b>1,759,825</b>	<b>64,399</b>	<b>55,671</b>	<b>5,239,786</b>	<b>50,360</b>	<b>7,170,041</b>
EXPENDITURES						
General Government	-	90,911	32,433	47,707	71,055	242,106
Education	-	-	-	-	270,000	270,000
Public Health and Welfare	1,622,134	-	-	-	-	1,622,134
<b>TOTAL EXPENDITURES</b>	<b>1,622,134</b>	<b>90,911</b>	<b>32,433</b>	<b>47,707</b>	<b>341,055</b>	<b>2,134,240</b>
OTHER FINANCING SOURCES (USES)						
Note Proceeds	-	-	-	-	270,000	270,000
Transfers to Other Funds	-	-	-	(5,192,079)	-	(5,192,079)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,192,079)</b>	<b>270,000</b>	<b>(4,922,079)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	137,691	(26,512)	23,238	-	(20,695)	113,722
Fund Balance, July 1, 2010	756,690	339,151	41,529	-	569,028	1,706,398
Fund Balance, June 30, 2011	\$ 894,381	312,639	64,767	0	548,333	1,820,120

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,186,107	1,186,107	1,206,711	20,604
Licenses and Permits	100	100	151	51
Charges for Current Services	112,000	112,000	143,629	31,629
Other Local Revenues	153,500	153,500	281,274	127,774
Revenue from State of Tennessee	141,000	141,000	128,060	(12,940)
TOTAL REVENUES	1,592,707	1,592,707	1,759,825	167,118
EXPENDITURES				
Sanitation	1,426,044	1,441,044	1,328,055	112,989
Tire Center Operations	397,694	382,694	292,079	90,615
TOTAL EXPENDITURES	1,823,738	1,823,738	1,620,134	203,604
Excess of Revenues Over (Under) Expenditures	(231,031)	(231,031)	139,691	370,722
Fund Balance, July 1, 2010	754,690	754,690	754,690	-
Fund Balance, June 30, 2011	\$ 523,659	523,659	894,381	370,722

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE/SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 1,759,825	-	-	1,759,825
EXPENDITURES				
Sanitation Operations	1,328,055	-	2,000	1,330,055
Tire Center Operations	292,079	-	-	292,079
TOTAL EXPENDITURES	1,620,134	-	2,000	1,622,134
Excess of Revenues Over (Under) Expenditures	139,691	-	(2,000)	137,691
Fund Balance, July 1, 2010	754,690	-	2,000	756,690
Fund Balance, June 30, 2011	<u>\$ 894,381</u>	<u>0</u>	<u>0</u>	<u>894,381</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  
 DRUG FINES FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 28,250	28,250	21,388	(6,862)
Other Local Revenues	11,400	11,400	43,011	31,611
TOTAL REVENUES	<u>39,650</u>	<u>39,650</u>	<u>64,399</u>	<u>24,749</u>
EXPENDITURES				
General Government	39,650	110,923	93,911	17,012
TOTAL EXPENDITURES	<u>39,650</u>	<u>110,923</u>	<u>93,911</u>	<u>17,012</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(71,273)	(29,512)	41,761
Fund Balance, July 1, 2010	<u>339,151</u>	<u>339,151</u>	<u>339,151</u>	<u>-</u>
Fund Balance, June 30, 2011	<u>\$ 339,151</u>	<u>267,878</u>	<u>309,639</u>	<u>41,761</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 DRUG FINES FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 64,399	-	-	64,399
EXPENDITURES				
General Government	93,911	3,000	-	90,911
TOTAL EXPENDITURES	93,911	3,000	0	90,911
Excess of Revenues Over (Under) Expenditures	(29,512)	3,000	-	(26,512)
Fund Balance, July 1, 2010	339,151	-	-	339,151
Fund Balance, June 30, 2011	<u>\$ 309,639</u>	<u>3,000</u>	<u>0</u>	<u>312,639</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  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 12,015,469	12,015,469	12,328,772	313,303
Licenses and Permits	1,000	1,000	3,160	2,160
Other Local Revenues	25,000	25,000	30,326	5,326
TOTAL REVENUES	<u>12,041,469</u>	<u>12,041,469</u>	<u>12,362,258</u>	<u>320,789</u>
EXPENDITURES				
Principal on Bonds	2,530,000	5,110,000	5,110,000	-
Principal on Notes	1,910,743	12,093,908	12,091,767	2,141
Interest on Bonds	6,920,650	7,190,650	7,164,916	25,734
Interest on Notes	430,576	619,436	547,020	72,416
Trustee Commission and Debt Issuance Costs	300,000	812,351	378,786	433,565
Fees	25,000	25,000	250	24,750
TOTAL EXPENDITURES	<u>12,116,969</u>	<u>25,851,345</u>	<u>25,292,739</u>	<u>558,606</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Bonds	-	10,344,376	10,179,755	(164,621)
Transfers from Other Funds	75,500	75,500	75,500	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>75,500</u>	<u>10,419,876</u>	<u>10,255,255</u>	<u>(164,621)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	-	(3,390,000)	(2,675,226)	714,774
Fund Balance, July 1, 2010	<u>7,219,431</u>	<u>7,219,431</u>	<u>7,219,431</u>	<u>-</u>
Fund Balance, June 30, 2011	<u>\$ 7,219,431</u>	<u>3,829,431</u>	<u>4,544,205</u>	<u>714,774</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2011

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
<b>COMPONENT UNIT</b>					
<b>GOVERNMENTAL ACTIVITIES</b>					
Regular Instruction	\$ 38,424,094	-	4,780,521	149,364	(33,494,209)
Special Education	5,786,273	-	1,929,148	-	(3,857,125)
Vocational Education	2,189,845	-	128,345	-	(2,061,500)
Adult Education	4,862	3,570	-	-	(1,292)
Attendance	118,486	-	-	-	(118,486)
Health Services	747,283	-	100,000	-	(647,283)
Other Student Support	1,170,290	-	-	-	(1,170,290)
Board of Education	1,103,473	-	-	-	(1,103,473)
Office of the Director	607,946	-	-	-	(607,946)
Office of the Principal	3,270,915	-	-	-	(3,270,915)
Fiscal Services	191,875	-	-	-	(191,875)
Operation of Plant	4,460,930	113,416	-	-	(4,347,514)
Maintenance of Plant	1,843,095	-	-	-	(1,843,095)
Transportation	3,076,007	-	-	-	(3,076,007)
Central and Other	124,124	-	-	-	(124,124)
Food Service	4,203,178	1,495,688	2,364,906	-	(342,584)
Community Service	537,310	595,132	-	-	57,822
Early Childhood Development	140,862	-	-	-	(140,862)
Depreciation - All Unallocated	4,320,951	-	-	-	(4,320,951)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 72,321,799</b>	<b>2,207,806</b>	<b>9,302,920</b>	<b>149,364</b>	<b>(60,661,709)</b>
<b>GENERAL REVENUES</b>					
Taxes					
Property Taxes					11,292,363
In Lieu of Taxes					191,324
Sales Taxes					13,267,490
Business Taxes					368,931
Miscellaneous					33,315
Other Local Governments					71,043
State Aid					31,974,791
Loss on Sale and Disposal of Assets					(12,866)
Unrestricted Investment Earnings					42,674
<b>TOTAL GENERAL REVENUES</b>					<b>57,229,065</b>
<b>CHANGE IN NET ASSETS</b>					
					(3,432,644)
Net Assets - Beginning					106,285,159
Net Assets - Ending					<b>\$ 102,852,515</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 June 30, 2011

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 3,896,015	(173,076)	491,163	4,214,102
Inventory - Food Service	-	-	189,263	189,263
Accounts Receivable				
Due from State of Tennessee	806,212	-	-	806,212
Due from Federal Government	239,178	214,740	69,009	522,927
Due from Other Funds	35,112	-	-	35,112
Sales Tax Receivable	2,287,018	-	-	2,287,018
Taxes Receivable	11,961,580	-	-	11,961,580
Allowance for Uncollectibles	(13,352)	-	-	(13,352)
<b>TOTAL ASSETS</b>	<b>\$ 19,211,763</b>	<b>41,664</b>	<b>749,435</b>	<b>20,002,862</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 822,927	267	-	823,194
Accrued Expenses	13,300	-	745	14,045
Due from Other Funds	-	35,112	-	35,112
Deferred Revenues	11,948,228	-	-	11,948,228
<b>TOTAL LIABILITIES</b>	<b>12,784,455</b>	<b>35,379</b>	<b>745</b>	<b>12,820,579</b>
<b>FUND BALANCE</b>				
Non Spendable	-	-	189,263	189,263
Restricted				
Restricted for Education	679,823	6,285	559,427	1,245,535
Assigned				
Assigned for Education	1,170,326	-	-	1,170,326
Assigned for Capital Outlay	263,325	-	-	263,325
Unassigned	4,313,834	-	-	4,313,834
<b>TOTAL FUND BALANCE</b>	<b>6,427,308</b>	<b>6,285</b>	<b>748,690</b>	<b>7,182,283</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 19,211,763</b>	<b>41,664</b>	<b>749,435</b>	<b>20,002,862</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
COMPONENT UNIT - BOARD OF EDUCATION  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2011

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TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 7,182,283
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 \$141,222,479 and the accumulated depreciation is \$44,401,569.	96,820,910
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.	654,226
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 other post-employment benefits.	<u>(1,804,904)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$102,852,515</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2011

	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	\$ 25,129,294	-	-	25,129,294
Licenses and Permits	1,469	-	-	1,469
Fines, Forfeitures and Penalties	68,429	-	-	68,429
Charges for Current Services	598,702	-	1,495,688	2,094,390
Other Local Revenues	263,924	-	-	263,924
Other Local - Investment Income	42,426	-	248	42,674
Revenue from State of Tennessee	32,983,025	-	38,531	33,021,556
Revenue from Federal Government	177,917	5,790,875	2,326,375	8,295,167
<b>TOTAL REVENUES</b>	<b>59,265,186</b>	<b>5,790,875</b>	<b>3,860,842</b>	<b>68,916,903</b>
EXPENDITURES				
Regular Instruction	34,977,833	3,057,410	-	38,035,243
Special Education	4,185,063	1,574,572	-	5,759,635
Vocational Education	2,073,203	95,076	-	2,168,279
Adult Education	4,862	-	-	4,862
Attendance	117,292	-	-	117,292
Health Services	736,487	-	-	736,487
Other Student Support	451,400	715,301	-	1,166,701
Board of Education	1,101,291	-	-	1,101,291
Office of the Director	604,140	-	-	604,140
Office of the Principal	3,237,324	-	-	3,237,324
Fiscal Services	190,248	-	-	190,248
Operation of Plant	4,447,976	-	-	4,447,976
Maintenance of Plant	1,826,291	-	-	1,826,291
Transportation	2,695,432	343,301	-	3,038,733
Central and Other	122,535	-	-	122,535
Food Service	282,627	-	3,899,022	4,181,649
Community Service	536,349	-	-	536,349
Early Childhood Education	139,712	-	-	139,712
Capital Outlay	2,079,268	-	-	2,079,268
<b>TOTAL EXPENDITURES</b>	<b>59,809,333</b>	<b>5,785,660</b>	<b>3,899,022</b>	<b>69,494,015</b>
Excess of Revenues Over (Under) Expenditures	(544,147)	5,215	(38,180)	(577,112)
Fund Balance, July 1, 2010	6,971,455	1,070	786,870	7,759,395
Fund Balance, June 30, 2011	<u>\$ 6,427,308</u>	<u>6,285</u>	<u>748,690</u>	<u>7,182,283</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, 2011

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (577,112)

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 \$4,320,951 exceeds capital outlay of \$2,079,268. (2,241,683)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) is to decrease net assets. (12,866)

Because some property taxes will not be collected for several months after the school's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount for the current year. 20,895

In the statement of activities, Other Post-Employment Benefits (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. (633,500)

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. 11,622

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (3,432,644)

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 24,709,059	24,919,094	25,129,294	210,200
Licenses and Permits	1,600	1,600	1,469	(131)
Fines, Forfeitures and Penalties	209	-	68,429	68,429
Charges for Current Services	604,639	604,639	598,702	(5,937)
Other Local Revenues	412,891	437,815	306,350	(131,465)
State of Tennessee	34,679,219	33,968,497	32,983,025	(985,472)
Federal Government	141,964	141,964	177,917	35,953
<b>TOTAL REVENUES</b>	<b>60,549,581</b>	<b>60,073,609</b>	<b>59,265,186</b>	<b>(808,423)</b>
<b>EXPENDITURES</b>				
Regular Instruction	35,160,609	35,298,216	35,008,811	289,405
Special Education	4,297,641	4,249,842	4,185,063	64,779
Vocational Education	2,097,735	2,085,350	2,074,777	10,573
Adult Education	6,743	6,743	4,862	1,881
Attendance	122,492	117,998	117,292	706
Health Services	734,644	833,969	736,487	97,482
Other Student Services	1,033,910	467,345	451,440	15,905
Board of Education	1,038,629	1,113,747	1,101,291	12,456
Office of the Director	647,071	647,678	604,140	43,538
Office of the Principal	3,076,389	3,255,294	3,237,324	17,970
Fiscal Services	193,020	193,020	190,248	2,772
Operation of Plant	4,545,794	4,564,626	4,446,228	118,398
Maintenance of Plant	1,716,837	1,819,808	1,813,638	6,170
Transportation	2,605,981	2,914,723	2,695,432	219,291
Central and Other	155,048	126,195	122,545	3,650
Food Service	2,364,653	1,500,624	282,627	1,217,997
Community Service	597,896	597,896	536,349	61,547
Early Childhood Education	-	151,764	148,499	3,265
Capital Outlay	1,525,853	2,374,723	2,188,915	185,808
<b>TOTAL EXPENDITURES</b>	<b>61,920,945</b>	<b>62,319,561</b>	<b>59,945,968</b>	<b>2,373,593</b>
Excess of Revenues Over (Under) Expenditures	(1,371,364)	(2,245,952)	(680,782)	1,565,170
Fund Balance, July 1, 2010	6,840,147	6,840,147	6,840,147	-
Fund Balance, June 30, 2011	\$ 5,468,783	4,594,195	6,159,365	1,565,170

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 59,265,186	-	-	59,265,186
EXPENDITURES				
Regular Instruction	35,008,811	126,337	95,359	34,977,833
Special Education	4,185,063	-	-	4,185,063
Vocational Education	2,074,777	1,574	-	2,073,203
Adult Education	4,862	-	-	4,862
Attendance	117,292	-	-	117,292
Health Services	736,487	-	-	736,487
Other Student Services	451,440	40	-	451,400
Board of Education	1,101,291	-	-	1,101,291
Office of the Director	604,140	-	-	604,140
Office of the Principal	3,237,324	-	-	3,237,324
Fiscal Services	190,248	-	-	190,248
Operation of Plant	4,446,228	793	2,541	4,447,976
Maintenance of Plant	1,813,638	-	12,653	1,826,291
Transportation	2,695,432	-	-	2,695,432
Central and Other	122,545	40	30	122,535
Food Service	282,627	-	-	282,627
Community Service	536,349	-	-	536,349
Early Childhood Education	148,499	8,787	-	139,712
Capital Outlay	2,188,915	130,372	20,725	2,079,268
TOTAL EXPENDITURES	59,945,968	267,943	131,308	59,809,333
Excess of Revenues Over (Under) Expenditures	(680,782)	267,943	(131,308)	(544,147)
Fund Balance, July 1, 2010	6,840,147	-	131,308	6,971,455
Fund Balance, June 30, 2011	\$ 6,159,365	267,943	0	6,427,308

(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  
 COMPONENT UNIT - BOARD OF EDUCATION  
 SCHOOL FEDERAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Revenue From Federal Government	\$ 6,375,968	6,943,504	5,790,875	(1,736,277)
<b>TOTAL REVENUES</b>	<u>6,375,968</u>	<u>6,943,504</u>	<u>5,790,875</u>	<u>(1,736,277)</u>
<b>EXPENDITURES</b>				
Regular Instruction	3,974,670	3,861,419	3,057,410	804,009
Special Education	1,925,750	1,925,750	1,577,712	348,038
Vocational Education	97,733	97,733	97,151	582
Other Student Support	72,073	715,301	715,301	-
Transportation	305,742	343,301	343,301	-
<b>TOTAL EXPENDITURES</b>	<u>6,375,968</u>	<u>6,943,504</u>	<u>5,790,875</u>	<u>1,152,629</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance, July 1, 2010	1,070	1,070	-	(1,070)
Fund Balance, June 30, 2011	<u>\$ 1,070</u>	<u>1,070</u>	<u>0</u>	<u>(1,070)</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 SCHOOL FEDERAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2011	Add: Encumbrances 6/30/2010	
TOTAL REVENUES	\$ 5,790,875	-	-	5,790,875
EXPENDITURES				
Regular Instruction	3,057,410	-	-	3,057,410
Special Education	1,577,712	3,142	2	1,574,572
Vocational Education	97,151	3,143	1,068	95,076
Other Student Support	715,301	-	-	715,301
Transportation	343,301	-	-	343,301
TOTAL EXPENDITURES	5,790,875	6,285	1,070	5,785,660
Excess of Revenues Over (Under) Expenditures	-	(6,285)	(1,070)	5,215
Fund Balance, July 1, 2010	-	-	1,070	1,070
Fund Balance, June 30, 2011	\$ 0	(6,285)	0	6,285

(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  
 COMPONENT UNIT - BOARD OF EDUCATION  
 SCHOOL FOOD SERVICE  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for Current Services	\$ 1,642,100	1,642,100	1,495,688	(146,412)
State of Tennessee	-	-	38,531	38,531
USDA Lunch	1,563,000	1,563,000	1,590,596	27,596
USDA Breakfast	575,982	575,982	519,093	(56,889)
Other USDA	-	-	216,686	216,686
Other Local Revenues	-	-	248	248
<b>TOTAL REVENUES</b>	<b>3,781,082</b>	<b>3,781,082</b>	<b>3,860,842</b>	<b>79,760</b>
<b>EXPENDITURES</b>				
Supplies and Materials	152,000	152,000	263,350	(111,350)
Food Purchases	1,623,882	1,664,882	1,835,554	(170,672)
Salaries and Payroll Expenses	1,761,710	1,761,710	1,730,041	31,669
Utilities	6,160	6,160	5,463	697
Other Contracted Services	76,800	67,800	55,494	12,306
Miscellaneous Expenses and Repairs	124,000	120,533	9,120	111,413
Equipment	36,530	7,997	-	7,997
<b>TOTAL EXPENDITURES</b>	<b>3,781,082</b>	<b>3,781,082</b>	<b>3,899,022</b>	<b>(117,940)</b>
Excess of Revenues Over (Under) Expenditures	-	-	(38,180)	(38,180)
Fund Balance, July 1, 2010	786,870	786,870	786,870	-
Fund Balance, June 30, 2011	<u>\$ 786,870</u>	<u>786,870</u>	<u>748,690</u>	<u>(38,180)</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE  
 For the Fiscal Year Ended June 30, 2011

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2010	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2011	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	\$ 99,333	-	99,333	-	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	1,977,000	-	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	3,336,000	-	3,336,000	-	Ad Valorem
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	1,483,333	-	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
Board of Education Capital Outlay	First TN Bank	Sections 5-10-501 to 5-10-509, T.C.A.	270,000	2.25%	7/26/2010	7/26/2013	-	270,000	-	270,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES - PAYABLE THROUGH DEBT SERVICE FUND							\$ 12,091,766	270,000	12,091,766	270,000	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE  
 For the Fiscal Year Ended June 30, 2011

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2010	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2011	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	\$ 16,655,000	-	4,950,000	11,705,000	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	-	160,000	20,250,000	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
School Refunding (2011)	Section 9-21-901 to 9-21-909, T.C.A.	6,895,000	2.00% - 4.00%	6/27/2011	4/1/2022	-	6,895,000	-	6,895,000	Ad Valorem
School Bonds (2011)	Section 9-21-901 to 9-21-909, T.C.A.	2,870,000	1.70% - 4.00%	6/27/2011	4/1/2023	-	2,870,000	-	2,870,000	Ad Valorem
TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE						<u>\$ 147,015,000</u>	<u>9,765,000</u>	<u>5,110,000</u>	<u>151,670,000</u>	

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF TRANSFERS - ALL FUNDS  
 For the Fiscal Year Ended June 30, 2011

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
Constitutional Officers - Fees Fund	General	Excess fees and commissions	5,192,079
Highway	Debt Service	Quarry payment	<u>75,500</u>
TOTAL OPERATING TRANSFERS			<u>\$ 5,267,579</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS  
 For the Fiscal Year Ended June 30, 2011

	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	-	2,600,000	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, 2011

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)
<b>TAXES</b>							
Current Property Taxes	\$ 17,665,116	5,188,336	-	10,808,342	33,661,794	10,600,377	44,262,171
Taxes Prior Years							
Trustee	719,350	208,239	-	429,930	1,357,519	421,598	1,779,117
Clerk and Master	175,743	50,821	-	105,869	332,433	102,342	434,775
Interest and Penalty	199,166	57,718	-	119,662	376,546	116,802	493,348
Pick-Up Taxes	50,923	14,901	-	31,042	96,866	30,349	127,215
Tax Equivalent							
Federal	3,292	575	-	1,197	5,064	2,137	7,201
Local	287,166	104,886	-	175,501	567,553	172,123	739,676
Other	4,345	-	-	3,662	8,007	17,064	25,071
Excise Tax	42,207	12,396	-	25,824	80,427	25,327	105,754
Local Option Sales Tax	8,930	-	-	-	8,930	13,267,490	13,276,420
Interstate Telecommunications	3,287	-	-	-	3,287	4,754	8,041
Litigation Tax	518,703	-	-	281,845	800,548	-	800,548
Business Tax	565,582	166,040	-	345,898	1,077,520	368,931	1,446,451
Beer Tax	317,370	-	-	-	317,370	-	317,370
Other Statutory Local Tax	127,300	-	-	-	127,300	-	127,300
<b>TOTAL TAXES</b>	<b>20,688,480</b>	<b>5,803,912</b>	<b>0</b>	<b>12,328,772</b>	<b>38,821,164</b>	<b>25,129,294</b>	<b>63,950,458</b>
<b>LICENSES AND PERMITS</b>							
Marriage Licenses	3,585	723	-	3,160	7,468	1,469	8,937
Cable TV Franchise	392,007	-	-	-	392,007	-	392,007
Building Permits	54,825	-	-	-	54,825	-	54,825
Handgun Permits	16,675	-	-	-	16,675	-	16,675
<b>TOTAL LICENSES AND PERMITS</b>	<b>467,092</b>	<b>723</b>	<b>0</b>	<b>3,160</b>	<b>470,975</b>	<b>1,469</b>	<b>472,444</b>
<b>FINES, FORFEITURES AND PENALTIES</b>							
Circuit Court	12,158	63,365	-	-	75,523	-	75,523

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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)
FINES, FORFEITURES AND PENALTIES (CONTINUED)							
Criminal Court	110,770	-	-	-	110,770	-	110,770
General Sessions Court	718,806	13,694	-	-	732,500	-	732,500
Chancery Court	6,332	-	-	-	6,332	-	6,332
Other Courts	34,084	-	-	-	34,084	68,429	102,513
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>882,150</b>	<b>77,059</b>	<b>0</b>	<b>0</b>	<b>959,209</b>	<b>68,429</b>	<b>1,027,638</b>
CHARGES FOR CURRENT SERVICES							
Breakfast and Lunch Payments	-	-	-	-	-	1,212,065	1,212,065
A la Carte Sales	-	-	-	-	-	283,623	283,623
Tuition and Fees	-	-	-	-	-	598,702	598,702
Other Employee Benefits	409,684	-	-	-	409,684	-	409,684
Other Charges	182,009	355,732	-	-	537,741	-	537,741
Work Release	23,338	-	-	-	23,338	-	23,338
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>615,031</b>	<b>355,732</b>	<b>0</b>	<b>0</b>	<b>970,763</b>	<b>2,094,390</b>	<b>3,065,153</b>
OTHER LOCAL REVENUES							
Investment Income	40,321	14,846	360	30,326	85,853	42,673	128,526
Sale of Property	22,296	283,224	-	-	305,520	-	305,520
Refunds	56,826	-	-	-	56,826	-	56,826
Damages from Individuals	355	-	-	-	355	1,022	1,377
Employee Benefit Charges	-	112,613	-	-	112,613	-	112,613
Rentals	-	-	-	-	-	2,684	2,684
Contributions	7,723	-	-	-	7,723	-	7,723
Fingerprinting Services	2,052	6,000	-	-	8,052	-	8,052
Proceeds-Confiscated Property	-	30,503	-	-	30,503	-	30,503

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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	147,294	1,889	-	-	149,183	1,145	150,328
Note Proceeds	-	-	-	-	-	149,364	149,364
Forfeitures and Seizures	-	3,810	-	-	3,810	-	3,810
Commissary Sales	54,820	-	-	-	54,820	-	54,820
Insurance Recovery	-	17,026	-	-	17,026	50,039	67,065
Sale of Equipment	-	-	-	-	-	59,671	59,671
Lease	20	138,796	-	-	138,816	-	138,816
Special Commissioner Fees	-	36,432	-	-	36,432	-	36,432
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>331,707</b>	<b>645,139</b>	<b>360</b>	<b>30,326</b>	<b>1,007,532</b>	<b>306,598</b>	<b>1,314,130</b>
STATE OF TENNESSEE							
Income Tax	193,635	-	-	-	193,635	-	193,635
Alcoholic Beverage	136,032	-	-	-	136,032	3,234	139,266
State Preschool Funds	-	-	-	-	-	5,147	5,147
Litter Grant	34,036	-	-	-	34,036	-	34,036
Contracted Prisoner Board	1,419,705	-	-	-	1,419,705	-	1,419,705
Basic Education Program	-	-	-	-	-	30,359,000	30,359,000
Gasoline and Motor Fuel	-	2,223,867	-	-	2,223,867	-	2,223,867
Gasoline Inspection Fee	-	86,312	-	-	86,312	-	86,312
Mineral Severance Tax	-	21,351	-	-	21,351	-	21,351
Health Department Programs	1,024,175	-	50,000	-	1,074,175	-	1,074,175
Driver Education	-	-	-	-	-	35,221	35,221
Law Enforcement Training	46,200	-	-	-	46,200	-	46,200
Career Ladder/Extended Contract	-	-	-	-	-	472,178	472,178
Juvenile Services	21,000	-	-	-	21,000	-	21,000

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

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)
FROM STATE OF TENNESSEE (CONTINUED)							
Board of Jurors	1,143	-	-	-	1,143	-	1,143
Tires/Solid Waste Grant	-	128,060	-	-	128,060	-	128,060
State Aid Program (Rural Roads)	-	21,730	-	-	21,730	-	21,730
Library Computers	33,428	-	-	-	33,428	-	33,428
Energy Efficient Schools	-	-	-	-	-	193,329	193,329
Early Childhood Education	-	-	-	-	-	80,000	80,000
TVA Replacement	-	-	-	-	-	1,063,613	1,063,613
Safe Schools	-	-	-	-	-	37,800	37,800
Consolidated School Health	-	-	-	-	-	100,000	100,000
Internet Connectivity	-	-	-	-	-	27,517	27,517
Family Resource Center	-	-	-	-	-	33,300	33,300
Other State Revenues	274,590	-	-	-	274,590	611,217	885,807
<b>TOTAL STATE OF TENNESSEE</b>	<b>3,183,944</b>	<b>2,481,320</b>	<b>50,000</b>	<b>0</b>	<b>5,715,264</b>	<b>33,021,556</b>	<b>38,736,820</b>
FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,590,596	1,590,596
School Breakfast Funds	-	-	-	-	-	519,093	519,093
School Snack Funds	-	-	-	-	-	931	931
USDA Commodities	-	-	-	-	-	215,755	215,755
R.O.T.C.	-	-	-	-	-	142,140	142,140
Title I Funds	-	-	-	-	-	2,377,039	2,377,039
Title II Funds	-	-	-	-	-	372,698	372,698
Title X Funds	-	-	-	-	-	3,121	3,121
Preschool and IDEA	-	-	-	-	-	1,883,409	1,883,409
First to the Top	-	-	-	-	-	369,681	369,681
Education Jobs Program	-	-	-	-	-	637,213	637,213
Program Improvement	-	-	-	-	-	129,707	129,707
State Discretionary	-	-	-	-	-	53,784	53,784
Prisoner Board	19,792	-	-	-	19,792	-	19,792

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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)
<b>FEDERAL GOVERNMENT (CONTINUED)</b>							
Homeland Security Grants	621,482	-	-	-	621,482	-	621,482
Law Enforcement Grants	21,365	-	-	-	21,365	-	21,365
Justice Assistance Grant - Firearms	23,900	-	-	-	23,900	-	23,900
Federal Incentive	15,200	-	-	-	15,200	-	15,200
Disaster Relief	2,540	-	-	-	2,540	-	2,540
Community Development Block Grant	233,132	-	-	-	233,132	-	233,132
Other Federal Revenues	190,301	-	-	-	190,301	-	190,301
<b>FEDERAL GOVERNMENT</b>	<b>1,127,712</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,127,712</b>	<b>8,295,167</b>	<b>9,422,879</b>
<b>OTHER GOVERNMENTS AND CITIZEN GROUPS</b>							
District Attorney - Johnson City	52,164	-	-	-	52,164	-	52,164
Reappraisal Program - Johnson City	82,633	-	-	-	82,633	-	82,633
Donations from the Town of Jonesborough	10,601	-	-	-	10,601	-	10,601
Reimbursement - Local Governments	1,483,787	-	-	-	1,483,787	-	1,483,787
<b>TOTAL OTHER GOVERNMENTS AND CITIZENS GROUPS</b>	<b>1,629,185</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,629,185</b>	<b>0</b>	<b>1,629,185</b>
<b>EXCESS FEES AND COMMISSIONS</b>							
Commissions	-	2,275,597	-	-	2,275,597	-	2,275,597
Fees	-	2,927,757	-	-	2,927,757	-	2,927,757
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<b>0</b>	<b>5,203,354</b>	<b>0</b>	<b>0</b>	<b>5,203,354</b>	<b>0</b>	<b>5,203,354</b>
<b>TOTAL REVENUES</b>	<b>\$ 28,925,301</b>	<b>14,567,239</b>	<b>50,360</b>	<b>12,362,258</b>	<b>55,905,158</b>	<b>68,916,903</b>	<b>124,822,061</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2011

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
<b>TAXES</b>						
Current Property Taxes	\$ 4,106,395	1,081,941	-	-	-	5,188,336
Taxes Prior Years						
Trustee	164,519	43,720	-	-	-	208,239
Clerk and Master	40,223	10,598	-	-	-	50,821
Interest and Penalty	45,638	12,080	-	-	-	57,718
Pick-Up Taxes	11,794	3,107	-	-	-	14,901
Tax Equivalent						
Federal	455	120	-	-	-	575
Local and Other	86,951	17,935	-	-	-	104,886
Excise Tax	9,811	2,585	-	-	-	12,396
Business Tax	131,415	34,625	-	-	-	166,040
<b>TOTAL TAXES</b>	<b>4,597,201</b>	<b>1,206,711</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,803,912</b>
<b>LICENSES AND PERMITS</b>						
Marriage Licenses	572	151	-	-	-	723
<b>TOTAL LICENSES AND PERMITS</b>	<b>572</b>	<b>151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>723</b>
<b>FINES, FORFEITURES AND PENALTIES</b>						
Circuit	-	-	7,694	55,671	-	63,365
General Sessions Court	-	-	13,694	-	-	13,694
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>0</b>	<b>0</b>	<b>21,388</b>	<b>55,671</b>	<b>0</b>	<b>77,059</b>
<b>CHARGES FOR CURRENT SERVICES</b>						
Other Charges	212,103	143,629	-	-	-	355,732
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>212,103</b>	<b>143,629</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>355,732</b>
<b>OTHER LOCAL REVENUES</b>						
Investment Income	11,305	1,663	1,878	-	-	14,846
Sale of Property	18,752	264,472	-	-	-	283,224
Fingerprinting Services	-	-	6,000	-	-	6,000
Proceeds-Confiscated Property	-	-	30,503	-	-	30,503
Forfeitures and Seizures	-	-	3,810	-	-	3,810
Other Local Revenue	1,069	-	820	-	-	1,889
Employee Benefit Charges	97,474	15,139	-	-	-	112,613
Insurance Recovery	17,026	-	-	-	-	17,026
Lease	138,796	-	-	-	-	138,796
Special Commissioner Fees	-	-	-	-	36,432	36,432
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>284,422</b>	<b>281,274</b>	<b>43,011</b>	<b>-</b>	<b>36,432</b>	<b>645,139</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2011

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
STATE OF TENNESSEE						
Gasoline and Motor Fuel	2,223,867	-	-	-	-	2,223,867
Gasoline Inspection Fee	86,312	-	-	-	-	86,312
Mineral Severance Tax	21,351	-	-	-	-	21,351
State Aid Program (Rural Roads)	21,730	-	-	-	-	21,730
Tires/Solid Waste Grant	-	128,060	-	-	-	128,060
TOTAL STATE OF TENNESSEE	<u>2,353,260</u>	<u>128,060</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,481,320</u>
EXCESS FEES AND COMMISSIONS						
Commissions	-	-	-	-	2,275,597	2,275,597
Fees	-	-	-	-	2,927,757	2,927,757
TOTAL EXCESS FEES AND COMMISSIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,203,354</u>	<u>5,203,354</u>
 TOTAL REVENUES	 <u>\$ 7,447,558</u>	 <u>1,759,825</u>	 <u>64,399</u>	 <u>55,671</u>	 <u>5,239,786</u>	 <u>14,567,239</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

Source	Special Revenue Funds Washington County Board of Education			Total Component Unit
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>TAXES</b>				
Current Property Taxes	\$ 10,600,377	-	-	10,600,377
Property Taxes Prior Years				
Trustee	421,598	-	-	421,598
Clerk and Master	102,342	-	-	102,342
Interest and Penalty	116,802	-	-	116,802
Pick-Up Taxes	30,349	-	-	30,349
Tax Equivalent				
Federal	2,137	-	-	2,137
Local	172,123	-	-	172,123
Other	17,064	-	-	17,064
Excise Tax	25,327	-	-	25,327
Local Option Sales Tax	13,267,490	-	-	13,267,490
Interstate Telecommunications	4,754	-	-	4,754
Business Tax	368,931	-	-	368,931
<b>TOTAL TAXES</b>	<b>25,129,294</b>	<b>0</b>	<b>0</b>	<b>25,129,294</b>
<b>LICENSES AND PERMITS</b>				
Marriage Licenses	1,469	-	-	1,469
<b>TOTAL LICENSES AND PERMITS</b>	<b>1,469</b>	<b>0</b>	<b>0</b>	<b>1,469</b>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court Fines	68,429	-	-	68,429
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>68,429</b>	<b>0</b>	<b>0</b>	<b>68,429</b>
<b>CHARGES FOR CURRENT SERVICES</b>				
Breakfast and Lunch Payments	-	-	1,212,065	1,212,065
A la Carte Sales	-	-	283,623	283,623
Tuition and Fees	598,702	-	-	598,702
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>598,702</b>	<b>0</b>	<b>1,495,688</b>	<b>2,094,390</b>
<b>OTHER LOCAL REVENUES</b>				
Investment Income	42,425	-	248	42,673
Damages from Individuals	1,022	-	-	1,022
Rentals	2,684	-	-	2,684
Note Proceeds	149,364	-	-	149,364
Insurance Recovery	50,039	-	-	50,039
Sale of Equipment	59,671	-	-	59,671
Other Local Revenue	1,145	-	-	1,145
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>306,350</b>	<b>0</b>	<b>248</b>	<b>306,598</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

Source	Special Revenue Funds			
	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Component Unit
<b>STATE OF TENNESSEE</b>				
Basic Education Program	27,649,366	-	-	27,649,366
Basic Education Program - ARRA	2,709,634	-	-	2,709,634
Early Childhood Education	80,000	-	-	80,000
Driver Education	35,221	-	-	35,221
Alcoholic Beverage	3,234	-	-	3,234
State Preschool Funds	5,147	-	-	5,147
TVA Replacement	1,063,613	-	-	1,063,613
Career Ladder	327,911	-	-	327,911
Extended Contract - ARRA	144,267	-	-	144,267
Safe Schools - ARRA	37,800	-	-	37,800
Consolidated School Health - ARRA	100,000	-	-	100,000
Internet Connectivity - ARRA	27,517	-	-	27,517
Family Resource Center - ARRA	33,300	-	-	33,300
Energy Efficient Schools	193,329	-	-	193,329
Other Federal Through State	104,858	-	-	104,858
Other State Revenues	467,828	-	38,531	506,359
<b>TOTAL STATE OF TENNESSEE</b>	<u>32,983,025</u>	<u>0</u>	<u>38,531</u>	<u>33,021,556</u>
<b>FEDERAL GOVERNMENT</b>				
School Lunch Funds	-	-	1,590,596	1,590,596
School Breakfast Funds	-	-	519,093	519,093
School Snack Funds	-	-	931	931
USDA Commodities	-	-	215,755	215,755
R.O.T.C.	142,140	-	-	142,140
Title I Funds	12,417	1,702,832	-	1,715,249
Title I Funds - ARRA	5,403	656,387	-	661,790
Title II-A	2,655	332,402	-	335,057
Title II-D	-	17,665	-	17,665
Title II-D - ARRA	-	19,975	-	19,975
Title X - ARRA	-	3,121	-	3,121
Preschool and IDEA	13,940	1,691,561	-	1,705,501
Preschool and IDEA - ARRA	-	177,909	-	177,909
Race to the Top	-	369,681	-	369,681
Education Jobs Program	-	637,213	-	637,213
Program Improvement	1,362	128,345	-	129,707
State Discretionary	-	53,784	-	53,784
<b>TOTAL FEDERAL GOVERNMENT</b>	<u>177,917</u>	<u>5,790,875</u>	<u>2,326,375</u>	<u>8,295,167</u>
<b>TOTAL REVENUES</b>	<u>\$ 59,265,186</u>	<u>5,790,875</u>	<u>3,860,842</u>	<u>68,916,903</u>

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, 2011

COUNTY GENERAL FUND

COUNTY COMMISSION

Compensation	\$ 112,275	
Per Diem Allowance	1,200	
Social Security	5,415	
State Retirement	10,133	
Employee and Dependent Insurance	143,785	
Employer Medicare	1,408	
Contracts with Other Public Agencies	8,576	
Dues and Memberships	9,414	
Travel	10,861	
TOTAL COUNTY COMMISSION		303,067

BOARDS AND COMMITTEES

Fees	5,470	
Social Security	209	
Employer Medicare	79	
TOTAL BOARDS AND COMMITTEES		5,758

COUNTY MAYOR

Administrative Salaries	136,315	
Social Security	8,387	
State Retirement	20,730	
Employee and Dependent Insurance	22,543	
Employer Medicare	1,961	
Communication	5,677	
Dues and Memberships	2,350	
Freight	13	
Postage and Box Rent	1,000	
Travel	1,455	
Gasoline	726	
Office Supplies	938	
Periodicals	50	
Premiums on Corporate Surety Bonds	196	
TOTAL COUNTY MAYOR		202,341

COUNTY ATTORNEY

Compensation	33,000	
Social Security	2,009	
State Retirement	4,841	
Employee and Dependent Insurance	6,358	
Employer Medicare	470	
Dues and Memberships	635	
Travel	1,000	
Office Supplies	272	
Periodical	6,103	
TOTAL COUNTY ATTORNEY		54,688

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

ELECTION COMMISSION

Personnel Salaries	318,373	
Election Commission	18,300	
Election Workers	96,302	
In-Service Training	4,525	
Social Security	19,361	
State Retirement	33,038	
Employee and Dependent Insurance	75,430	
Employer Medicare	4,736	
Communication	13,235	
Data Processing Services	12,526	
Dues and Memberships	475	
Freight Expenses	261	
Legal Notices	41,574	
Maintenance and Repair	11,135	
Postal Charges	5,276	
Printing, Stationery and Forms	19,337	
Rentals	13,319	
Travel	3,141	
Other Contracted Services	13,719	
Data Processing Supplies	6,499	
Equipment Parts	309	
Instruction Supplies	4,402	
Office Supplies	15,666	
Periodicals	130	
Other Supplies and Materials	5,600	
Other Charges	1,263	
TOTAL ELECTION COMMISSION	737,932	737,932

REGISTER OF DEEDS

Personnel Salaries	310,678
Social Security	18,235
State Retirement	40,297
Employee and Dependent Insurance	55,533
Employer Medicare	4,379
Communication	5,030
Dues and Memberships	722
Freight	764
Maintenance and Repair	24,778
Rentals	2,068
Travel	263

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

REGISTER OF DEEDS (CONTINUED)

Other Contracted Services	650	
Data Processing Supplies	7,630	
Office Supplies	12,121	
Periodicals	37	
Surety Bond	605	
TOTAL REGISTER OF DEEDS		483,790

PLANNING AND ZONING

Board and Committee Members Fees	7,980	
Social Security	495	
Employer Medicare	115	
Contracts with Government Agencies	13,500	
Freight	44	
Maintenance	360	
Postal Charges	500	
Rentals	1,079	
Office Supplies	2,927	
TOTAL PLANNING AND ZONING		27,000

CODES COMPLIANCE

Salaries and Wages	169,752	
Social Security	10,173	
State Retirement	24,936	
Employee and Dependent Insurance	49,667	
Employer Medicare	2,379	
Communication	7,293	
Freight	170	
Maintenance and Repair	320	
Postal Charges	1,000	
Rentals	7,300	
Gasoline	1,580	
Office Supplies	8,338	
Periodicals	2,000	
Uniforms	721	
TOTAL CODES COMPLIANCE		285,629

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

COUNTY BUILDING

Maintenance and Repair	54,929	
Electricity	9,573	
Water and Sewer	549	
Other Changes	600	
TOTAL COUNTY BUILDING	65,651	65,651

OTHER GENERAL ADMINISTRATION

Personnel	188,437	
Social Security	11,753	
State Retirement	20,370	
Employee and Dependent Insurance	65,323	
Employer Medicare	2,635	
Professional Services	138,850	
Consultants	12,058	
Data Processing Services	1,000	
Freight Expense	250	
Legal Notices	40,045	
Legal Fees	261,430	
Maintenance and Repair	128,211	
Medical and Dental Services	10,038	
Pest Control	2,700	
Printing	3,800	
Rentals	28,243	
Travel	624	
Contracts with Public Agencies	29,988	
Other Contracted Services	4,015	
Custodial Supplies	18,156	
Duplicating Supplies	15,497	
Utilities	298,845	
Gasoline	120	
Other Supplies and Materials	14,505	
Boiler Insurance	3,873	
Building and Contents Insurance	284,187	
Liability Insurance	156,665	
Trustee's Commission	449,761	
Workman's Compensation Insurance	171,993	
Tax Relief Program	247,526	
Other Charges	36,155	
Land	55,000	
TOTAL OTHER GENERAL ADMINISTRATION	2,702,053	2,702,053

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING

Salaries	175,887	
Social Security	10,623	
State Retirement	25,867	
Employee and Dependent Insurance	31,900	
Employer Medicare	2,484	
Communications	4,748	
Data Processing Services	1,000	
Freight	149	
Postal Charges	5,400	
Travel	155	
Data Processing Supplies	2,912	
Office Supplies	1,962	
Premiums on Corporate Surety Bonds	443	
TOTAL ACCOUNTING AND BUDGETING	263,530	263,530

PURCHASING

Administrative Salaries	111,008	
Social Security	6,703	
State Retirement	16,318	
Employee and Dependent Insurance	18,126	
Employer Medicare	1,568	
Communications	2,033	
Freight	26	
Legal Notices	4,872	
Maintenance Agreements	216	
Postal Charges	500	
Data Processing Supplies	509	
Office Supplies	993	
Premiums on Corporate Surety Bonds	100	
TOTAL PURCHASING	162,972	162,972

PROPERTY ASSESSOR

Salaries	296,199	
Social Security	17,488	
State Retirement	41,444	
Employee and Dependent Insurance	85,279	
Employer Medicare	4,121	
Communications	6,222	
Data Processing Services	33,178	
Dues and Memberships	1,537	
Freight	8	
Legal Notices	422	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Maintenance and Repair	4,863	
Postal Charges	2,000	
Rentals	881	
Travel	1,714	
Gasoline	1,884	
Office Supplies	4,478	
Publications and Books	230	
Surety Bonds	373	
TOTAL PROPERTY ASSESSOR	502,321	502,321

REAPPRAISAL PROGRAM

Salaries	124,273	
In-Service Training	568	
Social Security	7,237	
State Retirement	18,004	
Employee and Dependent Insurance	44,837	
Employer Medicare	1,719	
Audit Service - Property	110,500	
Communication	2,819	
Data Processing Services	11,068	
Maintenance and Repair	928	
Postal Charges	5,000	
Other Contracted Services	135	
Data Processing Supplies	4,933	
Electricity	2,668	
Office Supplies	1,030	
TOTAL REAPPRAISAL PROGRAM	335,719	335,719

COUNTY TRUSTEE

Salaries	251,137	
Social Security	13,476	
State Retirement	33,458	
Employer and Dependent Insurance	51,195	
Employer Medicare	3,488	
Communication	6,687	
Data Processing Services	5,500	
Dues and Memberships	737	
Freight	31	
Legal Notices	1,625	
Maintenance and Repair	957	
Postal Charges	23,519	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

COUNTY TRUSTEE (CONTINUED)

Rentals	3,684	
Travel	387	
Other Contracted Services	11,928	
Data Processing Supplies	5,383	
Office Supplies	6,816	
Premiums on Corporate Surety Bonds	11,272	
Other Charges	210	
	<u>          </u>	
TOTAL COUNTY TRUSTEE		431,490

COUNTY CLERK

Salaries	503,710	
Social Security	28,488	
State Retirement	68,830	
Employee and Dependent Insurance	150,935	
Employer Medicare	7,028	
Communications	9,693	
Dues and Memberships	762	
Freight	37	
Maintenance and Repair	20,993	
Postal Charges	23,000	
Printing	1,391	
Rentals	5,249	
Travel	1,506	
Data Processing Supplies	18,851	
Gasoline	215	
Office Supplies	7,009	
Premium on Corporate Surety Bonds	1,051	
Other Charges	86	
	<u>          </u>	
TOTAL COUNTY CLERK		848,834

CIRCUIT COURT

Salaries	976,006	
Overtime	4,674	
Social Security	57,984	
State Retirement	126,966	
Employee and Dependent Insurance	359,585	
Employer Medicare	13,561	
Communication	17,149	
Dues and Memberships	682	
Freight	631	
Maintenance and Repair	6,667	
Postal Charges	20,000	
Printing, Stationery and Forms	6,530	
Rentals	8,241	
Travel	222	
Office Supplies	21,366	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

Premiums on Corporate Surety Bonds	2,145	
Periodicals	372	
Other Charges	16	
Data Processing Supplies	21,211	
TOTAL CIRCUIT COURT		1,644,008

GENERAL SESSIONS JUDGE

Salaries	297,024	
Social Security	13,243	
State Retirement	42,842	
Employer and Dependent Insurance	30,593	
Employer Medicare	4,240	
Communication	994	
Dues and Memberships	1,510	
Freight	15	
Travel	6,182	
Office Supplies	542	
Other Charges	1,140	
TOTAL GENERAL SESSIONS JUDGE		398,325

DRUG COURT

Remittance of Revenue	13,388	
TOTAL DRUG COURT		13,388

CHANCERY COURT

Salaries	418,164	
Social Security	24,816	
State Retirement	61,127	
Employee and Dependent Insurance	153,130	
Employer Medicare	5,804	
Communication	6,119	
Dues and Memberships	1,102	
Freight	582	
Maintenance and Repair	3,468	
Postal Charges	6,000	
Rentals	5,494	
Travel	1,360	
Data Processing Services	1,498	
Office Supplies	13,495	
Periodicals	845	
Premiums on Corporate Surety Bonds	931	
Other Charges	210	
TOTAL CHANCERY COURT		704,145

DISTRICT ATTORNEY

Other Contracted Services	78,333	
TOTAL DISTRICT ATTORNEY		78,333

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

JUDICIAL COURT

Other Salaries	19,924
Jury and Witness Fees	23,510
Other Per Diem and Fees	5,886
Social Security	1,079
Employee and Dependent Insurance	17,767
Employer Medicare	252
Evaluation	2,400
Legal Notices	53,998
Printing, Stationery and Forms	168
Travel	153

TOTAL JUDICIAL COURT

125,137

SHERIFF'S DEPARTMENT

Salaries	3,393,991
State Salary Supplement	46,200
Employee Training	20,480
Social Security	204,434
State Retirement	496,611
Employee and Dependent Insurance	1,173,662
Employer Medicare	47,815
Communication	23,822
Dues and Memberships	4,470
Freight	1,136
Licenses	332
Maintenance and Repair	37,245
Postal Charges	4,696
Printing, Stationery and Forms	3,537
Rentals	40,870
Travel	14,283
Veterinary Services	1,208
Other Contracted Services	73,158
Animal Food and Supplies	773
Data Processing Supplies	15,156
Garage Supplies	8,795
Gasoline	276,093
Instructional Supplies and Materials	2,133
Law Enforcement Supplies	50,301
Lubricants	7,234
Office Supplies	8,066
Periodicals	780
Tires and Tubes	19,179
Uniforms	48,347
Vehicle Parts	28,449
Other Supplies and Materials	32,076

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)  
SHERIFF'S DEPARTMENT (CONTINUED)

Other Charges	10,125	
Capital Outlay	<u>297,752</u>	
TOTAL SHERIFF'S DEPARTMENT		6,393,209

SUBSTANCE ABUSE GRANT

Other Contracted Services	<u>133,312</u>	
TOTAL SUBSTANCE ABUSE GRANT		133,312

JAIL

Salaries	3,002,022	
In-Service Training	580	
Social Security	178,303	
Employer Medicare	41,700	
State Retirement	386,979	
Employee and Dependent Insurance	938,734	
Communication	51,106	
Contracts with Private Agencies	987,589	
Dues and Memberships	300	
Freight	3,613	
Maintenance and Repair	239,449	
Medical and Dental Services	(2,384)	
Pest Control	6,000	
Postal Charges	450	
Professional Services	3,500	
Printing, Stationery and Forms	3,140	
Rentals	9,967	
Transportation - Prisoners	9,521	
Travel	6,763	
Other Contracted Services	1,645	
Custodial Supplies	50,137	
Data Processing Supplies	27,191	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

JAIL (CONTINUED)

Food Preparation Supplies	8,175	
Utilities	483,798	
Food Supplies	502,530	
Uniforms	5,388	
Law Enforcement Supplies	3,253	
Office Supplies	9,450	
Prisoners Clothing	9,904	
Chemicals	1,051	
Other Supplies and Materials	19,140	
Other Charges	2,932	
Capital Outlay	<u>120,908</u>	
TOTAL JAIL		7,112,834

JUVENILE SERVICES

Salaries	179,902	
Social Security	10,821	
Employer Medicare	2,531	
State Retirement	26,448	
Employee and Dependent Insurance	52,837	
Communication	5,993	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	200,828	
Dues and Memberships	545	
Freight	286	
Rentals	2,118	
Travel	5,564	
Office Supplies	8,689	
Postal Charges	1,700	
Maintenance and Repairs	<u>1,005</u>	
TOTAL JUVENILE SERVICES		503,767

WORK RELEASE PROGRAM

Board and Committee Member Fees	9,540	
Social Security	390	
Employer Medicare	130	
State Retirement	<u>899</u>	
TOTAL WORK RELEASE PROGRAM		10,959

FEDERAL ASSET FORFEITURE

Capital Outlay	<u>19,034</u>	
TOTAL FEDERAL ASSET FORFEITURE		19,034

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

OTHER PUBLIC SAFETY

Salaries	13,608
Social Security	825
Employer Medicare	193
State Retirement	2,006
Employee and Dependent Insurance	2,135
Travel	182
Other Charges	125

TOTAL OTHER PUBLIC SAFETY 19,074

FIRE PROTECTION AND CONTROL

Contributions	835,000
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TOTAL FIRE PROTECTION AND CONTROL 835,000

CIVIL DEFENSE

Matching Grant	109,058
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TOTAL CIVIL DEFENSE 109,058

HAZARDOUS MATERIALS

Communication	1,534
Freight	224
Travel	205
Other Charges	11,732

TOTAL HAZARDOUS MATERIALS 13,695

RESCUE SQUAD

Local Squads	74,300
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TOTAL RESCUE SQUAD 74,300

OTHER EMERGENCY MANAGEMENT

Freight Expense	592
Contributions to Other Governments	595,303
Other Supplies and Materials	38,405

TOTAL OTHER EMERGENCY MANAGEMENT 634,300

COUNTY CORONER

Contracts with Private Agencies	30,000
Other Contracted Services	249
Other Charges	114,421

TOTAL COUNTY CORONER 144,670

SCHOOL RESOURCE OFFICER GRANT

Communication	8,128
Capital Outlay	21,806

TOTAL SCHOOL RESOURCE OFFICER GRANT 29,934

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

COUNTY HEALTH CENTER

Salaries	402,526	
Social Security	24,022	
State Retirement	55,896	
Employee and Dependent Insurance	131,903	
Employee Medicare	5,618	
Communication	21,113	
Contract with Governmental Agencies	16,401	
Freight	876	
Maintenance and Repair	35,395	
Pest Control	168	
Postal Charges	6,000	
Printing, Stationery and Forms	189	
Rentals	7,972	
Travel	508	
Other Contracted Services	35,842	
Custodial Supplies	11,734	
Drugs and Medical Supplies	88,906	
Utilities	68,658	
Office Supplies	12,310	
Periodicals	114	
Other Supplies and Materials	10,290	
Other Charges	28,640	
	<u>          </u>	
TOTAL COUNTY HEALTH CENTER		965,081

LOCAL HEALTH CENTER STATE GRANT

Salaries	686,939	
Social Security	40,960	
State Retirement	70,460	
Employee and Dependent Insurance	207,870	
Medicare	9,580	
Travel	9,935	
Liability Insurance	7,292	
	<u>          </u>	
TOTAL LOCAL HEALTH CENTER STATE GRANT		1,033,036

RABIES AND ANIMAL CONTROL

Contributions	157,919	
	<u>          </u>	
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, 2011

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COUNTY GENERAL FUND (CONTINUED)		
AMBULANCE SERVICE		
Contributions	1,291,272	
TOTAL AMBULANCE SERVICE		1,291,272
REGIONAL MENTAL HEALTH CENTER		
Contributions	65,250	
TOTAL REGIONAL MENTAL HEALTH CENTER		65,250
PUBLIC WELFARE		
Contributions	76,000	
Pauper Burials	25,857	
TOTAL PUBLIC WELFARE		101,857
AID TO DEPENDENT CHILDREN		
Contributions	20,000	
TOTAL AID TO DEPENDENT CHILDREN		20,000
EMERGENCY COMMUNICATIONS DISTRICT		
Contributions	546,246	
TOTAL EMERGENCY COMMUNICATIONS DISTRICT		546,246
SANITATION EDUCATION		
Personnel Salaries	27,622	
Social Security	1,616	
Employee Medicare	378	
Employee and Dependent Insurance	6,358	
State Retirement	4,060	
Freight Expenses	150	
Maintenance and Repair	1,750	
Other Contracted Services	11,828	
Other Supplies and Materials	847	
TOTAL SANITATION EDUCATION		54,609

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

SENIOR CITIZEN'S ASSISTANCE

Contributions	139,977	
TOTAL SENIOR CITIZEN'S ASSISTANCE		139,977

LIBRARIES

Salaries	279,883	
Social Security	16,658	
State Retirement	30,708	
Employee and Dependent Insurance	68,763	
Employer Medicare	3,896	
Communication	14,019	
Contracts with Private Agencies	11,807	
Freight	762	
Maintenance and Repairs	5,417	
Pest Control	480	
Postal Charges	1,500	
Rentals	1,259	
Travel	968	
Custodial Supplies	1,699	
Data Processing Supplies	57,014	
Utilities	22,329	
Instructional Supplies and Materials	765	
Office Supplies	5,004	
Periodicals	2,440	
Other Supplies and Materials	6,305	
Other Charges	7,155	
Contributions	100,000	
Library Books	57,577	
TOTAL LIBRARIES		696,408

SOCIAL, CULTURAL AND RECREATIONAL

Contributions - Museum	71,000	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		71,000

INTERNATIONAL STORYTELLING CENTER

Contributions	50,000	
TOTAL INTERNATIONAL STORYTELLING CENTER		50,000

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

AGRICULTURE EXTENSION SERVICE

Salaries	147,197	
Social Security	10,388	
State Retirement	17,446	
Employer Medicare	913	
Communication	5,628	
Dues and Memberships	300	
Freight	34	
Maintenance and Repair	1,646	
Pest Control	600	
Rentals	4,075	
Travel	7,447	
Custodial Supplies	320	
Utilities	5,051	
Office Supplies	485	
Other Supplies and Materials	6,686	
Other Charges	630	
TOTAL AGRICULTURE EXTENSION SERVICE	208,846	208,846

FOREST SERVICE

Forest Resource Services	1,500	
TOTAL FOREST SERVICE	1,500	1,500

SOIL CONSERVATION

Secretary	29,016	
Other Salary and Wages	20,651	
Social Security	3,005	
Employer Medicare	703	
Employee and Dependent Insurance	12,716	
State Retirement	7,300	
Contributions	12,065	
TOTAL SOIL CONSERVATION	85,456	85,456

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)

STORM WATER MANAGEMENT

Consultants	36,000	
Licenses	3,460	
Maintenance and Repairs	3,000	
Rentals	1,802	
Other Contracted Services	21,010	
Salaries	5,000	
Social Security	304	
Employer Medicare	71	
State Retirement	733	
Freight Expenses	10	
Office Supplies	1,710	
Data Processing Supplies	4,715	
	<u>4,715</u>	
TOTAL STORM WATER MANAGEMENT		77,815

AGRICULTURE AND NATURAL RESOURCES

Salaries	7,908	
Social Security	490	
Employer Medicare	115	
Maintenance and Repair	335	
Utilities	769	
Custodial Supplies	70	
Other Supplies and Materials	746	
	<u>746</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		10,433

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

ECONOMIC AND COMMUNITY DEVELOPMENT

Contributions	258,132	
Other Charges	224,060	
	<u>224,060</u>	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		482,192

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COUNTY GENERAL FUND (CONTINUED)		
TRANSPORTATION		
Contributions	13,000	
TOTAL TRANSPORTATION		13,000
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	254,450	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		254,450
EMPLOYEE BENEFITS		
Dental and Vision Insurance	271,752	
Life Insurance	53,440	
Unemployment	50,597	
TOTAL EMPLOYEE BENEFITS		375,789
COURTROOM SECURITY		
Salaries	365,607	
Social Security	22,058	
Employer Medicare	5,158	
	108,238	
State Retirement	34,172	
TOTAL COURTROOM SECURITY		535,233
ARRA JAG Grant		
Law Enforcement Supplies	29,702	
Data Processing Supplies	13,100	
TOTAL ARRA JAG GRANT		42,802
JAG GRANT		
Law Enforcement Supplies	23,900	
Travel	809	
Other Charges	81	
TOTAL JAG GRANT		24,790
DISASTER RELIEF		
Utilities	182	
Other Supplies and Materials	780	
Other Charges	1,499	
TOTAL DISASTER RELIEF		2,461
 TOTAL COUNTY GENERAL FUND		 <u>\$ 33,862,894</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUNDS

HIGHWAY FUND

ADMINISTRATION

Salaries	\$ 254,105
Employee Benefits	56,527
Communication	12,532
Dues and Memberships	3,950
Freight	289
Operating Lease Payments	1,725
Licenses	88
Maintenance and Repair	5,451
Other Contracted Services	9,699
Postal Charges	440
Travel	1,572
Office Supplies	8,768
Other Supplies	1,831
Liability Insurance	66,900
Utilities	9,081
Premiums on Corporate Surety Bonds	200
Workman's Compensation	120,098
Other Charges	3,190

TOTAL ADMINISTRATION

556,446

TRAFFIC CONTROL

Salaries	54,780
Employee Benefits	12,018
Freight	199
Road Signs	27,799
Chemicals	5,263
Other Supplies and Materials	913

TOTAL TRAFFIC CONTROL

100,972

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUND (CONTINUED)

HIGHWAY FUND (CONTINUED)

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,232,521	
Employee Benefits	266,311	
Freight	536	
Maintenance and Repair	625	
Rentals	1,228	
Other Contracted Services	79,175	
Permits	480	
Travel	124	
Concrete and Crushed Stone	103,945	
Diesel Fuel	123,157	
Gasoline	78,192	
Equipment Parts	1,177	
Fertilizer, Lime and Seed	787	
General Construction Material	582	
Ice	226	
Metal Pipe	18,243	
Road Signs	285	
Salt	50,943	
Small Tools	14,091	
Other Supplies and Materials	20,383	
Other Charges	19,887	
TOTAL HIGHWAY AND BRIDGE MAINTENANCE	2,012,898	2,012,898

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	267,135
Employee Benefits	58,939
Overtime	141
Communication	2,272
Freight	8,790
Maintenance and Repair	35,071
Rentals	5,274
Other Contracted Services	160
Electricity	18,467
Equipment Parts	250,817
Garage Supplies	18,073

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Lubricants	18,413	
Office Supplies	136	
Propane Gas	11,462	
Small Tools	4,470	
Tires and Tubes	39,460	
Vehicle Parts	1,121	
Other Supplies and Materials	20,858	
Other Charges	197	
	<hr/>	
TOTAL OPERATION AND MAINTENANCE OF EQUIPMENT		761,256

ASPHALT PLANT OPERATIONS

Salaries	729,364	
Employee Benefits	160,658	
Overtime	2,116	
Freight	812	
Maintenance and Repair - Equipment	1,743	
Rentals	557	
Other Contracted Services	24,459	
Asphalt	900,766	
Crushed Stone	202,420	
Diesel Fuel	107,994	
Electricity	34,396	
Equipment and Machinery Parts	15,938	
Fuel Oil	69,769	
Lubricants	5,502	
Natural Gas	913	
Sand	34,823	
Water and Sewer	648	
Other Supplies and Materials	8,306	
State Aid Projects (Rural Road)	16,901	
	<hr/>	
TOTAL ASPHALT PLANT OPERATIONS		2,318,085

OTHER CHARGES

Trustee's Commission	115,195	
	<hr/>	
TOTAL OTHER CHARGES		115,195

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	973,030	
Life Insurance	5,846	
Dental and Vision Insurance	68,991	
Unemployment Compensation	3,652	
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>1,051,519</b>	<b>1,051,519</b>

CAPITAL OUTLAY

Motor Vehicles	41,500	
Bridge Construction	27,818	
Other Equipment	78,170	
<b>TOTAL CAPITAL OUTLAY</b>	<b>147,488</b>	<b>147,488</b>

TOTAL HIGHWAY FUND

7,063,859

SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Salaries	372,613	
Employee Benefits	69,182	
Employee and Dependent Insurance	139,068	
Life Insurance	395	
Dental Insurance	7,362	
Disposal Fees	498,806	
Trustee Commission	24,767	
Communication	6,403	
Freight	673	
Maintenance and Repair	49,011	
Rentals	5,222	
Travel	927	
Gasoline	6,691	
Lubricants	1,867	
Tires	14,624	
Gravel and Chert	17,141	
Diesel Fuel	65,464	
Utilities	10,514	
Supplies and Materials	1,369	
Postal Charges	488	
Dues and Memberships	100	
Workman's Compensation Insurance	24,010	
Other Charges	1,106	
Other Contracted Services	505	
Liability Insurance	11,747	
<b>TOTAL SANITATION OPERATIONS</b>	<b>1,330,055</b>	<b>1,330,055</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUNDS (CONTINUED)

SOLID WASTE / SANITATION FUND (CONTINUED)

TIRE CENTER OPERATIONS

Salaries	65,675	
Employee Benefits	4,850	
Retirement	7,729	
Employee and Dependent Insurance	17,767	
Life Insurance	56	
Dental Insurance	491	
Communication	2,741	
Freight	26	
Repairs and Maintenance	1,795	
Permits	147	
Travel	764	
Other Contracted Services	798	
Utilities	2,149	
Supplies and Materials	2,286	
Postal Charges	500	
Worker's Compensation Insurance	1,340	
Contracts with Private Agency	182,965	
TOTAL TIRE CENTER OPERATIONS		292,079

TOTAL SOLID WASTE / SANITATION FUND 1,622,134

DRUG FINES FUND

Contributions	1,000	
Dues and Memberships	50	
Freight	1,570	
Uniforms	1,400	
Supplies	16,642	
Maintenance and Repairs	3,833	
Trustee's Commission	537	
Travel	2,003	
Training	4,625	
Motor Vehicles	51,751	
Other Charges	7,500	
TOTAL DRUG FINES FUND		90,911

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

SPECIAL REVENUE FUNDS (CONTINUED)		
CONSTITUTIONAL OFFICERS - FEES FUNDS		
Special Commissioner Fees	36,432	
Bank Charges	11,209	
Postage	66	
TOTAL CONSTITUTIONAL OFFICERS -FEES FUNDS		47,707
DISTRICT ATTORNEY GENERAL		
Salaries	20,579	
Employee Benefits	1,488	
Dues and Memberships	3,095	
Office Supplies	1,527	
Trustee's Commission	555	
Travel	5,189	
TOTAL DISTRICT ATTORNEY GENERAL FUND		32,433
TOTAL SPECIAL REVENUE FUNDS		\$ 8,857,044
CAPITAL PROJECTS FUND		
Capital Outlay - Buildings	\$ 25,916	
Capital Outlay - Other	38,184	
Education	270,000	
Other Charges	6,955	
TOTAL CAPITAL PROJECTS FUND		\$ 341,055
DEBT SERVICE FUND		
Bond Principal	\$ 5,110,000	
Note Principal	12,091,767	
Interest on Bonds	7,164,916	
Interest on Notes	547,020	
Trustee's Commission	378,786	
Fees	250	
TOTAL DEBT SERVICE FUND		\$ 25,292,739

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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

CLASSROOM

Teachers	\$ 19,180,307	
Career Ladder Program	206,500	
Career Ladder Extended Contract	98,446	
Homebound Teachers	13,170	
Educational Assistants	1,075,944	
Substitute Teachers	108,611	
Non-Certified Substitute Teachers	239,267	
Social Security	1,247,715	
State Retirement	1,931,355	
Life Insurance	14,500	
Medical Insurance	4,440,312	
Unemployment Compensation	43,898	
Employer Medicare	293,379	
Other Fringe Benefits	69,822	
Maintenance and Repair	228,222	
Other Contracted Services	2,901,087	
Instructional Supplies and Materials	197,125	
Textbooks	490,079	
Other Supplies and Materials	207,367	
Other Charges	251,586	
TOTAL CLASSROOM		33,238,692

ADMINISTRATION

Supervisors	217,338	
Career Ladder Program	8,000	
Career Ladder Extended Contract	10,000	
Librarians	681,417	
Instructional Computer Personnel	116,056	
Secretary and Clerical	135,068	
Other Salaries and Wages	44,120	
Social Security	65,382	
State Retirement	110,820	
Life Insurance	826	
Medical Insurance	141,251	
Employer Medicare	16,947	
Other Fringe Benefits	374	
Maintenance and Repair	19,011	
Travel	44,980	
Library Books	92,479	
In-Service Workshops	25,892	
Other Supplies and Materials	9,180	
TOTAL ADMINISTRATION		1,739,141

TOTAL REGULAR INSTRUCTION

34,977,833

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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

SPECIAL EDUCATION

CLASSROOM

Teachers	2,007,942	
Career Ladder Program	21,000	
Career Ladder Extended Contract	180	
Homebound Teachers	22,220	
Educational Assistants	217,611	
Speech Pathologist	175,833	
Other Salaries and Wages	123,133	
Substitute Teachers	10,000	
Non Certified Substitute Teachers	40,000	
Social Security	152,035	
State Retirement	245,307	
Life Insurance	1,734	
Medical Insurance	412,294	
Employer Medicare	35,556	
Other Fringe Benefits	1,076	
Instructional Supplies and Materials	21,241	
Other Charges	914	
	<u>          </u>	
TOTAL CLASSROOM		3,488,076

ADMINISTRATION

Supervisor/Director	77,444	
Career Ladder Program	3,000	
Psychological Personnel	44,070	
Career Ladder Extended Contract	4,000	
Assessment Personnel	185,074	
Secretary	23,263	
Speech Pathologist	172,797	
Other Salaries and Wages	26,630	
Social Security	32,557	
State Retirement	51,032	
Life Insurance	303	
Medical Insurance	30,859	
Employer Medicare	7,614	
Other Fringe Benefits	170	
Repairs and Maintenance	14,280	
Travel	16,757	
In-Service / Staff Development	2,306	
Other Supplies and Materials	4,831	
	<u>          </u>	
TOTAL ADMINISTRATION		<u>696,987</u>

TOTAL SPECIAL EDUCATION

4,185,063

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

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

VOCATIONAL EDUCATION

CLASSROOM

Teachers	1,334,433	
Career Ladder Program	7,000	
Career Ladder Extended Contracts	19,509	
Substitute Teachers	5,000	
Educational Assistants	20,000	
Social Security	80,295	
State Retirement	123,625	
Life Insurance	870	
Medical Insurance	241,493	
Employer Medicare	18,778	
Other Fringe Benefits	503	
Instructional Supplies and Materials	93,408	
TOTAL CLASSROOM		1,944,914

ADMINISTRATION

Supervisor and Director	38,840	
Career Ladder Program	3,000	
Career Ladder Extended Contract	4,000	
Secretary	24,852	
Social Security	4,112	
State Retirement	7,700	
Life Insurance	44	
Medical Insurance	10,800	
Employer Medicare	962	
Other Fringe Benefits	17	
Maintenance and Repair	7,380	
Travel	23,737	
Other Supplies and Materials	2,845	
TOTAL ADMINISTRATION		128,289

TOTAL VOCATIONAL EDUCATION

2,073,203

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION		
Teacher	2,720	
Social Security	100	
State Retirement	92	
Employer Medicare	24	
Instructional Supplies and Materials	1,926	
TOTAL ADULT EDUCATION	1,926	4,862
ATTENDANCE		
Supervisor and Director	61,791	
Career Ladder Program	1,000	
Secretary and Clerical	21,955	
Social Security	5,009	
State Retirement	8,769	
Life Insurance	44	
Medical Insurance	12,480	
Employer Medicare	1,172	
Other Fringe Benefits	17	
Travel	4,089	
Other Supplies and Materials	966	
TOTAL ATTENDANCE	9,667	117,292
HEALTH SERVICES		
Medical Personnel	178,187	
Other Salaries and Wages	246,486	
Social Security	24,427	
State Retirement	62,260	
Life Insurance	362	
Medical Insurance	112,825	
Employer Medicare	5,712	
Other Fringe Benefits	81	
Travel	6,553	
Other Contracted Services	80,411	
Drugs and Medical Supplies	47	
Other Supplies and Materials	12,776	
Other Charges	6,360	
TOTAL HEALTH SERVICES	636,360	736,487
OTHER STUDENT SUPPORT		
Career Ladder Program	3,000	
Guidance Personnel	248,773	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SUPPORT (CONTINUED)		
Social Security	21,672	
State Retirement	32,825	
Life Insurance	486	
Medical Insurance	37,511	
Employer Medicare	5,068	
Other Fringe Benefits	293	
Contracts with Other Public Agencies	40,000	
Evaluation and Testing	58,651	
Other Supplies and Materials	3,121	
TOTAL OTHER STUDENT SUPPORT	451,400	451,400
BOARD OF EDUCATION		
Board and Committee Fees	29,147	
Social Security	1,807	
State Retirement	2,675	
Medical Insurance	22,800	
Employer Medicare	423	
Audit Services	41,500	
Dues and Memberships	11,394	
Legal Services	1,395	
Travel	19,594	
Other Contracted Services	3,000	
Liability Insurance	136,470	
Premiums on Corporate Surety Bonds	5,080	
Trustee Commission	469,443	
Workman's Compensation	342,203	
Other Charges	14,360	
TOTAL BOARD OF EDUCATION	1,101,291	1,101,291
OFFICE OF THE DIRECTOR		
Director of Schools	98,237	
Career Ladder Program	1,000	
Secretary and Clerical	192,361	
Other Salaries and Wages	30,701	
Social Security	19,269	
State Retirement	46,450	
Life Insurance	157	
Medical Insurance	39,780	
Employer Medicare	4,506	
Other Fringe Benefits	17	
Communications	71,542	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OFFICE OF THE DIRECTOR (CONTINUED)		
Postal Charges	15,428	
Travel	9,702	
Other Contracted Services	69,993	
Office Supplies	4,997	
TOTAL OFFICE OF THE DIRECTOR	4,997	604,140
OFFICE OF THE PRINCIPAL		
Principals	855,799	
Career Ladder	24,000	
Career Ladder Extended Contract	6,000	
Assistant Principals	822,994	
Secretary and Clerical	587,272	
Other Salaries and Wages	87,632	
Social Security	141,140	
State Retirement	251,051	
Life Insurance	1,302	
Medical Insurance	359,190	
Employer Medicare	33,008	
Other Fringe Benefits	493	
Communications	20,000	
Other Supplies and Materials	5,914	
Other Charges	41,529	
TOTAL OFFICE OF THE PRINCIPAL	41,529	3,237,324
FISCAL SERVICES		
Supervisor/Director	67,034	
Clerical Personnel	65,892	
Social Security	7,794	
State Retirement	19,450	
Life Insurance	60	
Medical Insurance	17,000	
Employer Medicare	1,823	
Travel	795	
Other Contracted Services	9,543	
Other Supplies and Materials	857	
TOTAL FISCAL SERVICES	857	190,248
OPERATION OF PLANT		
Custodial Personnel	612,241	
Other Salaries and Wages	103,702	
Social Security	41,609	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OPERATION OF PLANT (CONTINUED)		
State Retirement	99,056	
Life Insurance	695	
Medical Insurance	135,385	
Employer Medicare	9,730	
Other Contracted Services	91,941	
Custodial Supplies	74,775	
Janitorial Services	657,922	
Disposal Fees	108,804	
Electricity	2,124,724	
Natural Gas	92,098	
Water and Sewer	219,440	
Boiler Insurance	15,135	
Other Supplies and Materials	56,623	
Other Charges	4,096	
TOTAL OPERATION OF PLANT	4,447,976	4,447,976
MAINTENANCE OF PLANT		
Supervisor and Director	59,580	
Maintenance Personnel	854,160	
Social Security	54,184	
State Retirement	128,318	
Life Insurance	481	
Medical Insurance	175,623	
Employer Medicare	12,671	
Communication	2,422	
Maintenance and Repair	67,298	
Other Contracted Services	458	
Other Supplies and Materials	462,451	
Other Charges	8,645	
TOTAL MAINTENANCE OF PLANT	1,826,291	1,826,291
TRANSPORTATION		
Supervisor and Director	45,976	
Mechanics	186,476	
Bus Drivers	889,342	
Social Security	68,206	
State Retirement	161,053	
Life Insurance	1,517	
Medical Insurance	400,213	
Employer Medicare	15,953	
Communication	544	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	4,430	
Gasoline	148,904	
Diesel	435,446	
Garage Supplies	29,989	
Tires and Tubes	67,011	
Vehicle Parts	135,462	
Other Supplies and Materials	2,905	
Vehicle and Equipment Insurance	85,135	
Other Charges	16,870	
TOTAL TRANSPORTATION	2,695,432	2,695,432
CENTRAL AND OTHER		
Supervisor/Director	52,147	
Clerical Personnel	19,019	
Other Salaries and Wages	13,394	
Social Security	4,985	
State Retirement	9,474	
Life Insurance	75	
Medical Insurance	16,600	
Employer Medicare	1,166	
Office Supplies	2,349	
Other Charges	3,326	
TOTAL CENTRAL AND OTHER	122,535	122,535
FOOD SERVICE		
Supervisor/Director	45,976	
Social Security	2,642	
State Retirement	6,727	
Life Insurance	1,647	
Medical Insurance	225,000	
Employer Medicare	618	
Other Fringe Benefits	17	
TOTAL FOOD SERVICE	282,627	282,627
COMMUNITY SERVICE		
Supervisor	30,855	
Secretaries	24,989	
Other Salaries and Wages	379,609	
Social Security	26,520	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2011

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

COMMUNITY SERVICE (CONTINUED)

State Retirement	7,292	
Medical Insurance	10,040	
Employer Medicare	6,202	
Travel	1,608	
Food Supplies	27,392	
Other Supplies and Materials	16,183	
Other Charges	5,659	
TOTAL COMMUNITY SERVICE	536,349	

EARLY CHILDHOOD EDUCATION

Teachers	68,148	
Educational Assistants	25,560	
Social Security	5,655	
State Retirement	8,844	
Medical Insurance	12,040	
Employer Medicare	1,322	
Other Supplies and Materials	18,143	
TOTAL EARLY CHILDHOOD EDUCATION	139,712	

CAPITAL OUTLAY

Vocational Instruction	136,787	
Maintenance of Plant	1,205,995	
Transportation	213,986	
Other Capital Outlay	522,500	
TOTAL CAPITAL OUTLAY	2,079,268	

TOTAL GENERAL PURPOSE SCHOOL FUND \$ 59,809,333

SCHOOL FEDERAL PROJECTS FUND

REGULAR INSTRUCTION

CLASSROOM

Teachers	1,241,207	
Educational Assistants	191,085	
Substitute Teachers	39,647	
Social Security and Medicare	98,935	
State Retirement	131,428	
Medical Insurance	264,691	
Maintenance and Repair	760	
Instructional Supplies and Materials	56,890	
Other Charges	79,932	
Other Supplies and Materials	35,963	
TOTAL CLASSROOM	2,140,538	

ADMINISTRATION

Supervisor / Director	62,844
Secretary and Clerical	19,157

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

SCHOOL FEDERAL PROJECTS FUND (CONTINUED)

REGULAR INSTRUCTION (CONTINUED)

ADMINISTRATION (CONTINUED)

Other Salaries and Wages	486,795	
Certified Substitute Teachers	20,600	
Social Security and Medicare	37,506	
Medical Insurance	72,555	
State Retirement	46,851	
Travel	25,313	
In-Service Workshops	92,695	
Other Supplies and Materials	28,960	
Other Charges	3,121	
Indirect Cost	20,475	
TOTAL ADMINISTRATION	916,872	

TOTAL REGULAR INSTRUCTION 3,057,410

SPECIAL EDUCATION

CLASSROOM

Teachers	80,376	
Educational Assistants	644,502	
Speech Pathologist	37,030	
Other Salaries and Wages	194,066	
Instructional Supplies and Materials	58,777	
Other Supplies and Materials	1,066	
Social Security and Medicare	66,928	
State Retirement	122,695	
Medical Insurance	294,810	
TOTAL CLASSROOM	1,500,250	

ADMINISTRATION

Other Contracted Services	249	
In-Service Workshops	19,234	
Other Supplies and Materials	40,899	
Indirect Cost	13,940	
TOTAL ADMINISTRATION	74,322	

TOTAL SPECIAL EDUCATION 1,574,572

VOCATIONAL EDUCATION

Teachers	34,501
Social Security and Medicare	2,639
State Retirement	3,122
Medical Insurance	4,659
Instructional Supplies and Materials	5,797

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2011

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS (CONTINUED)		
VOCATIONAL EDUCATION (CONTINUED)		
Other Supplies and Materials	40,856	
Other Charges	2,141	
Indirect Cost	1,361	
TOTAL VOCATIONAL EDUCATION		95,076
OTHER STUDENT SUPPORT		
Other Salaries and Wages	525,229	
Social Security and Medicare	30,108	
State Retirement	38,403	
Medical Insurance	63,239	
Contracts with Other School Systems	2,650	
Travel	30,613	
In-Service Workshops	582	
Other Supplies and Materials	24,477	
TOTAL OTHER STUDENT SUPPORT		715,301
TRANSPORTATION		
Bus Drivers	231,257	
Social Security and Medicare	16,863	
State Retirement	32,472	
Medical Insurance	62,709	
TOTAL TRANSPORTATION		343,301
TOTAL SCHOOL FEDERAL PROJECTS FUND		\$ 5,785,660
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	\$ 1,730,041	
Food Purchases	1,835,554	
Supplies and Materials	263,350	
Utilities	5,463	
Other Contracted Services	55,494	
Miscellaneous Expenses and Repairs	9,120	
TOTAL SCHOOL FOOD SERVICE FUND		\$ 3,899,022
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION		\$ 69,494,015

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2011

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>ASSETS</b>									
Equity in Pooled Cash	\$27,549,730	-	-	-	-	-	-	-	27,549,730
Cash on Hand	400	1,100	1,050	1,350	-	150	100	5,697	9,847
Cash in Bank	-	704,666	178,142	33,759	201,848	459,676	298,837	21,674	1,898,602
Investments	9,952,450	-	703,421	64,619	841,536	2,674,210	-	-	14,236,236
Receivables	2,215	-	-	-	-	-	768	21,970	24,953
Due from State	7,786,336	-	-	-	-	-	-	-	7,786,336
<b>TOTAL ASSETS</b>	<b>\$45,291,131</b>	<b>705,766</b>	<b>882,613</b>	<b>99,728</b>	<b>1,043,384</b>	<b>3,134,036</b>	<b>299,705</b>	<b>49,341</b>	<b>51,505,704</b>
<b>LIABILITIES</b>									
Due State of Tennessee									
Business and Gross Receipts Tax	\$ -	1,246	-	-	-	-	-	-	1,246
Marriage Licenses	-	4,802	-	-	-	-	-	-	4,802
Motor Vehicle Registration	-	214,213	-	-	-	-	-	-	214,213
Sales and Use Tax	-	310,276	-	-	-	-	-	-	310,276
Building Permits - State	-	10,010	-	-	-	-	-	-	10,010
Manufactured Home Installation Permit	-	37	-	-	-	-	-	-	37
Realty Transfer and Mortgage									
Transfer Tax	-	-	-	-	-	-	240,917	-	240,917
County Officials Retirement Tax	-	-	-	-	-	-	6,074	-	6,074
Due to Litigants, Heirs and Others									
Donor Awareness	-	416	-	-	-	-	-	-	416
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	55	-	-	-	-	-	-	55
Helping Schools	-	93	-	-	-	-	-	-	93
Data Processing Fee	-	1,588	-	-	-	-	-	-	1,588
Archive Fee	-	5	-	-	-	-	-	-	5
Court Funds and Costs	-	-	30,715	2,247	194,307	334,834	-	-	562,103
Deposits	-	-	703,421	64,619	841,536	2,674,210	-	-	4,283,786

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2011

LIABILITIES (CONTINUED)	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Due to Litigants, Heirs and Others (Continued)									
Delinquent Property Taxes	-	-	-	-	-	124,272	-	-	124,272
Publications	-	-	-	-	-	720	-	-	720
Cash Bonds	-	-	25,850	35,150	7,615	-	-	-	68,615
Escrow and Refunds	-	-	-	-	-	-	2,696	-	2,696
Due to Inmates	-	-	-	-	-	-	-	18,163	18,163
Drug Program	-	-	-	-	-	-	-	5,597	5,597
Swanson and Others	-	-	-	-	-	-	-	25,581	25,581
Due to Johnson City Schools	1,876,647	-	-	-	-	-	-	-	1,876,647
Due to Sales Tax Fund	3,544,808	-	-	-	-	-	-	-	3,544,808
Due to General Purpose School Fund	2,287,018	-	-	-	-	-	-	-	2,287,018
FUNDS									
General	13,923,873	-	-	-	-	-	-	-	13,923,873
Solid Waste / Sanitation	901,522	-	-	-	-	-	-	-	901,522
Highway	4,236,990	-	-	-	-	-	-	-	4,236,990
General Purpose School	10,632,506	-	-	-	-	-	-	-	10,632,506
School Federal Projects	456,541	-	-	-	-	-	-	-	456,541
School Food Service	384,864	-	-	-	-	-	-	-	384,864
Debt Service	5,532,438	-	-	-	-	-	-	-	5,532,438
Capital Projects	829,704	-	-	-	-	-	-	-	829,704
Drug Fines	319,848	-	-	-	-	-	-	-	319,848
District Attorney	70,718	-	-	-	-	-	-	-	70,718
Judicial District Drug	133,277	-	-	-	-	-	-	-	133,277
Commission Account	160,377	161,925	122,627	(2,288)	(74)	-	50,018	-	492,585
<b>TOTAL LIABILITIES</b>	<b>\$ 45,291,131</b>	<b>705,766</b>	<b>882,613</b>	<b>99,728</b>	<b>1,043,384</b>	<b>3,134,036</b>	<b>299,705</b>	<b>49,341</b>	<b>51,505,704</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 For the Fiscal Year Ended June 30, 2011

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 176,199,398	-	-	-	-	-	-	-	176,199,398
State of Tennessee	-	6,129,446	119,355	757,588	21,060	20,329	2,169,829	-	9,217,607
Litigants, Heirs and Others	-	7,774	618,487	2,611,668	603,934	2,245,134	6,279	837,555	6,930,831
County Revenue Clearing Account	-	409,520	79,625	1,225,431	62,599	1,031,499	-	29,531	2,838,205
Fee and Commission Account	1,825,386	1,076,915	231,386	884,139	200,918	428,013	593,029	-	5,239,786
<b>TOTAL RECEIPTS</b>	<b>178,024,784</b>	<b>7,623,655</b>	<b>1,048,853</b>	<b>5,478,826</b>	<b>888,511</b>	<b>3,724,975</b>	<b>2,769,137</b>	<b>867,086</b>	<b>200,425,827</b>
<b>DISBURSEMENTS</b>	<b>179,178,486</b>	<b>7,575,842</b>	<b>2,011,866</b>	<b>4,624,414</b>	<b>1,929,181</b>	<b>3,811,955</b>	<b>2,790,811</b>	<b>907,034</b>	<b>202,829,589</b>
Excess of Receipts Over (Under)									
Disbursements	(1,153,702)	47,813	(963,013)	854,412	(1,040,670)	(86,980)	(21,674)	(39,948)	(2,403,762)
Transfers from Sessions and Law to Circuit Court	-	-	1,084,574	(883,656)	(200,918)	-	-	-	-
Cash Balance, July 1, 2010	38,656,282	657,953	761,052	128,972	2,284,972	3,221,016	320,611	67,319	46,098,177
Cash Balance, June 30, 2011	<u>\$ 37,502,580</u>	<u>705,766</u>	<u>882,613</u>	<u>99,728</u>	<u>1,043,384</u>	<u>3,134,036</u>	<u>298,937</u>	<u>27,371</u>	<u>43,694,415</u>

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, 2011

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	\$ 26,009	72,665	658,589	325	757,588
County Revenue Clearing Account	55,959	361,201	803,583	4,688	1,225,431
Litigants, Heirs and Others	331,565	1,827,908	427,653	24,542	2,611,668
Fee and Commission Account	44,180	281,470	536,107	22,382	884,139
<b>TOTAL RECEIPTS</b>	<b>457,713</b>	<b>2,543,244</b>	<b>2,425,932</b>	<b>51,937</b>	<b>5,478,826</b>
<b>DISBURSEMENTS</b>	<b>413,213</b>	<b>2,264,110</b>	<b>1,897,634</b>	<b>49,457</b>	<b>4,624,414</b>
Excess of Receipts Over (Under) Disbursements	44,500	279,134	528,298	2,480	854,412
Transfers from Sessions to Circuit Court	(44,000)	(281,470)	(535,804)	(22,382)	(883,656)
Cash Balance, July 1, 2010	50	4,144	40,256	84,522	128,972
Cash Balance, June 30, 2011	<u>\$ 550</u>	<u>1,808</u>	<u>32,750</u>	<u>64,620</u>	<u>99,728</u>

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, 2011

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 8,213	12,116	20,329
Washington County	303,311	728,188	1,031,499
Litigants, Heirs and Others	543,152	1,701,982	2,245,134
Fee and Commission Account	135,019	292,994	428,013
<b>TOTAL RECEIPTS</b>	<b>989,695</b>	<b>2,735,280</b>	<b>3,724,975</b>
<b>DISBURSEMENTS</b>	<b>1,033,944</b>	<b>2,778,011</b>	<b>3,811,955</b>
Excess of Receipts Over (Under) Disbursements	(44,249)	(42,731)	(86,980)
Transfers from Jonesborough to Johnson City	(128,587)	128,587	-
Balance, July 1, 2010	1,432,802	1,788,214	3,221,016
Balance, June 30, 2011	\$ 1,259,966	1,874,070	3,134,036

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, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
<b>STATE OF TENNESSEE</b>						
Business and Gross Receipts Tax	\$ 4,757	94,843	-	-	98,354	1,246
Marriage Licenses	4,858	46,576	-	655	45,977	4,802
Motor Vehicle Registration	243,077	2,497,600	-	-	2,526,464	214,213
Manufactured Home Installation Permits	-	11,455	-	-	11,418	37
Sales and Use Tax	266,433	3,238,670	-	161,934	3,032,893	310,276
Building Permits - State	-	44,905	-	1,320	33,575	10,010
Motor Vehicle Titles	-	195,397	-	-	195,397	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>519,125</b>	<b>6,129,446</b>	<b>0</b>	<b>163,909</b>	<b>5,944,078</b>	<b>540,584</b>
<b>WASHINGTON COUNTY</b>						
Business Tax and Marriage Licenses	-	8,730	-	437	8,293	-
Beer Tax	-	329,771	-	15,703	314,068	-
Building Permits	-	60,921	-	2,901	58,020	-
Data Processing Fee	152	10,098	-	-	8,662	1,588
<b>TOTAL WASHINGTON COUNTY</b>	<b>152</b>	<b>409,520</b>	<b>0</b>	<b>19,041</b>	<b>389,043</b>	<b>1,588</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Notary Seals and Commissions	10	2,300	-	-	2,255	55
Donor Awareness	419	4,542	-	-	4,545	416
Helping Schools	93	922	-	-	922	93
Due to County Clerk	1,100	-	-	-	-	1,100
Archive Fees	-	10	-	-	5	5
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,622</b>	<b>7,774</b>	<b>0</b>	<b>0</b>	<b>7,727</b>	<b>1,669</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	137,054	893,965	182,950	-	1,052,044	161,925
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>137,054</b>	<b>893,965</b>	<b>182,950</b>	<b>0</b>	<b>1,052,044</b>	<b>161,925</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 657,953</b>	<b>7,440,705</b>	<b>182,950</b>	<b>182,950</b>	<b>7,392,892</b>	<b>705,766</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CIRCUIT COURT CLERK  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	82,813	-	3,576	79,237	-
Department of Safety	-	2,476	-	124	2,352	-
Tennessee Bureau of Investigations	-	1,586	-	79	1,507	-
Public Defender	-	20,772	-	1,039	19,733	-
Attorney General	-	11,708	-	585	11,123	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>119,355</b>	<b>0</b>	<b>5,403</b>	<b>113,952</b>	<b>0</b>
WASHINGTON COUNTY						
County Litigation Tax	-	8,797	-	594	8,203	-
Special Litigation Tax	-	588	-	40	548	-
Litigation Tax / Jail	-	6,751	-	456	6,295	-
Litigation Tax / Court House Security	-	5,605	-	378	5,227	-
County Fines	-	8,409	-	420	7,989	-
Drug Fines	-	7,807	-	390	7,417	-
Drug Court Fund	-	3,138	-	157	2,981	-
County Officer's Cost	-	13,164	-	658	12,506	-
Jail Fees	-	9,330	-	467	8,863	-
Other Collections	-	12,375	-	17	12,358	-
Data Processing Fee	-	1,413	-	-	1,413	-
Court Security Fee	-	2,248	-	113	2,135	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>79,625</b>	<b>0</b>	<b>3,690</b>	<b>75,935</b>	<b>0</b>
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	42,700	414,831	-	-	426,816	30,715
Deposits	573,049	135,815	-	-	5,443	703,421
Alimony/Child Support	-	4,025	-	-	4,025	-
Cash Bonds	33,500	21,350	-	-	29,000	25,850
Constable's Cost	-	60	-	3	57	-
Witness Fess	-	7,213	-	361	6,852	-
Fines and Arrest Fees - Jonesborough	-	3,438	-	172	3,266	-
Fines and Arrest Fees - Johnson City	-	17,131	-	856	16,275	-
Drug Fines - Johnson City	-	14,624	-	731	13,893	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>649,249</b>	<b>618,487</b>	<b>0</b>	<b>2,123</b>	<b>505,627</b>	<b>759,986</b>
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	111,803	1,304,744	11,216	-	1,305,136	122,627
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>111,803</b>	<b>1,304,744</b>	<b>11,216</b>	<b>0</b>	<b>1,305,136</b>	<b>122,627</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 761,052</b>	<b>2,122,211</b>	<b>11,216</b>	<b>11,216</b>	<b>2,000,650</b>	<b>882,613</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - JONESBOROUGH  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	16,425	-	559	15,866	-
Department of Safety	-	3,907	-	195	3,712	-
Tennessee Bureau of Investigations	-	1,707	-	85	1,622	-
Public Defender	-	3,278	-	164	3,114	-
Attorney General	-	692	-	35	657	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>26,009</b>	<b>0</b>	<b>1,038</b>	<b>24,971</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	4,584	-	309	4,275	-
Special Litigation Tax	-	3,935	-	203	3,732	-
Litigation Tax / Jail	-	3,409	-	230	3,179	-
Litigation Tax / Security	-	2,772	-	187	2,585	-
Booking Fees	-	1,241	-	62	1,179	-
County Fines	-	7,901	-	395	7,506	-
Drug Fines	-	2,014	-	101	1,913	-
Drug Court Fund	-	848	-	42	806	-
County Officer's Cost	-	11,435	-	572	10,863	-
Jail Fees	-	15,906	-	795	15,111	-
Other Collections	-	309	-	15	294	-
Data Processing Fee	-	574	-	-	574	-
Court Security Fee	-	1,031	-	52	979	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>55,959</b>	<b>0</b>	<b>2,963</b>	<b>52,996</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	180	324,501	-	-	324,681	-
Cash Bonds	-	957	-	-	457	500
Alimony/Child Support	-	340	-	-	340	-
Constable's Cost	-	709	-	35	674	-
Fines and Arrest Fees - Jonesborough	-	5,058	-	253	4,805	-
Fines and Arrest Fees - Johnson City	-	-	-	-	-	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>180</b>	<b>331,565</b>	<b>0</b>	<b>288</b>	<b>330,957</b>	<b>500</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(130)	39,891	4,289	-	44,000	50
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(130)</b>	<b>39,891</b>	<b>4,289</b>	<b>0</b>	<b>44,000</b>	<b>50</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 50</b>	<b>453,424</b>	<b>4,289</b>	<b>4,289</b>	<b>452,924</b>	<b>550</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - CIVIL COURT - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	72,665	-	4,905	67,760	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>72,665</b>	<b>0</b>	<b>4,905</b>	<b>67,760</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	52,193	-	3,523	48,670	-
Special Litigation Tax	-	57,294	-	3,008	54,286	-
Litigation Tax / Jail	-	102,248	-	6,902	95,346	-
Litigation Tax / Security	-	102,148	-	6,895	95,253	-
County Officer's Cost	-	38,008	-	1,900	36,108	-
Data Processing Fee	-	8,187	-	-	8,187	-
Court Security Fee	-	1,123	-	56	1,067	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>361,201</b>	<b>0</b>	<b>22,284</b>	<b>338,917</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	4,064	1,788,415	-	-	1,790,751	1,728
Alimony/Child Support	-	12,271	-	-	12,271	-
Constable's Cost	-	27,222	-	1,361	25,861	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>4,064</b>	<b>1,827,908</b>	<b>0</b>	<b>1,361</b>	<b>1,828,883</b>	<b>1,728</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	80	252,920	28,550	-	281,470	80
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>80</b>	<b>252,920</b>	<b>28,550</b>	<b>0</b>	<b>281,470</b>	<b>80</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 4,144</b>	<b>2,514,694</b>	<b>28,550</b>	<b>28,550</b>	<b>2,517,030</b>	<b>1,808</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - STATE COURT - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	363,129	-	19,722	343,407	-
Wildlife Resources	-	6,125	-	403	5,722	-
Department of Safety	-	150,857	-	7,543	143,314	-
Tennessee Bureau of Investigation	-	26,863	-	1,343	25,520	-
Public Defender	-	78,070	-	3,904	74,166	-
Public Service Commission	-	50	-	3	47	-
Attorney General	-	31,790	-	1,589	30,201	-
Alcohol	-	325	-	16	309	-
AOC Private Attorney Fee	-	1,380	-	69	1,311	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>658,589</b>	<b>0</b>	<b>34,592</b>	<b>623,997</b>	<b>0</b>
WASHINGTON COUNTY						
County Litigation Tax	-	158,879	-	10,724	148,155	-
Special Litigation Tax	-	88,554	-	4,623	83,931	-
Litigation Tax / Jail	-	139,833	-	9,439	130,394	-
Litigation Tax / Courthouse Security	-	133,933	-	9,040	124,893	-
Booking Fees	-	51,165	-	2,558	48,607	-
County Fines	-	40,557	-	2,028	38,529	-
Drug Fines	-	13,043	-	652	12,391	-
Drug Court Fund	-	10,735	-	537	10,198	-
County Officer's Cost	-	56,198	-	2,810	53,388	-
Jail Fees	-	89,028	-	4,451	84,577	-
Data Processing Fee	-	12,581	-	-	12,581	-
Criminal Littering Fine	-	25	-	1	24	-
Court Security Fee	-	5,049	-	252	4,797	-
Other Collections	-	3,953	-	198	3,755	-
Contempt of Court Fee	-	50	-	3	47	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>803,583</b>	<b>0</b>	<b>47,316</b>	<b>756,267</b>	<b>0</b>
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	478	155,294	-	-	155,253	519
Cash Bonds	42,500	123,713	-	-	131,563	34,650
Constable's Cost	-	800	-	40	760	-
Fines and Arrest Fees - Jonesborough	-	9,994	-	500	9,494	-
Fines and Arrest Fees - Johnson City	-	137,852	-	6,893	130,959	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>42,978</b>	<b>427,653</b>	<b>0</b>	<b>7,433</b>	<b>428,029</b>	<b>35,169</b>
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(2,722)	446,766	89,341	-	535,804	(2,419)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(2,722)</b>	<b>446,766</b>	<b>89,341</b>	<b>0</b>	<b>535,804</b>	<b>(2,419)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 40,256</b>	<b>2,336,591</b>	<b>89,341</b>	<b>89,341</b>	<b>2,344,097</b>	<b>32,750</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - JUVENILE  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	100	-	5	95	-
Wildlife Resources	-	75	-	3	72	-
Department of Safety	-	150	-	8	142	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>325</b>	<b>0</b>	<b>16</b>	<b>309</b>	<b>0</b>
WASHINGTON COUNTY						
County Fines	-	1,125	-	56	1,069	-
Courtroom Security Fee	-	-	-	-	-	-
County Officer's Cost	-	3,563	-	178	3,385	-
Data Processing Fee	-	-	-	-	-	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>4,688</b>	<b>0</b>	<b>234</b>	<b>4,454</b>	<b>0</b>
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	20	22,077	-	-	22,097	-
Deposits	84,501	1,567	-	-	21,449	64,619
Alimony/Child Support	-	200	-	-	200	-
Fines and Arrest Fees - Jonesborough	-	698	-	35	663	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>84,521</b>	<b>24,542</b>	<b>0</b>	<b>35</b>	<b>44,409</b>	<b>64,619</b>
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	1	22,097	285	0	22,382	1
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>1</b>	<b>22,097</b>	<b>285</b>	<b>0</b>	<b>22,382</b>	<b>1</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 84,522</b>	<b>51,652</b>	<b>285</b>	<b>285</b>	<b>71,554</b>	<b>64,620</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 LAW COURT CLERK - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	21,060	-	1,422	19,638	-
TOTAL STATE OF TENNESSEE	0	21,060	0	1,422	19,638	0
WASHINGTON COUNTY						
County Litigation Tax	-	10,357	-	699	9,658	-
Special Litigation Tax	-	1,762	-	119	1,643	-
Litigation Tax / Jail	-	21,825	-	1,473	20,352	-
Litigation Court House	-	21,750	-	1,468	20,282	-
Court Security	-	323	-	16	307	-
County Officer's Cost	-	3,859	-	193	3,666	-
Other Collections	-	400	-	-	400	-
Contempt Fine	-	100	-	5	95	-
Data Processing Fee	-	2,223	-	-	2,223	-
TOTAL WASHINGTON COUNTY	0	62,599	0	3,973	58,626	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,555,201	355,605	-	-	1,716,499	194,307
Cash Bonds	-	7,615	-	-	-	7,615
Deposits	729,845	210,988	-	-	99,297	841,536
Alimony/Child Support	-	25,878	-	-	25,878	-
Constable's Cost	-	3,848	-	192	3,656	-
TOTAL LITIGANTS, HEIRS AND OTHERS	2,285,046	603,934	0	192	1,845,330	1,043,458
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(74)	195,331	5,587	-	200,918	(74)
TOTAL FEE AND COMMISSION ACCOUNT	(74)	195,331	5,587	0	200,918	(74)
TOTAL ALL ACCOUNTS	\$ 2,284,972	882,924	5,587	5,587	2,124,512	1,043,384

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, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
<b>STATE OF TENNESSEE</b>						
Litigation Tax	\$ -	8,213	-	554	7,659	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>8,213</b>	<b>0</b>	<b>554</b>	<b>7,659</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	4,057	-	274	3,783	-
Special Litigation Tax	-	696	-	47	649	-
Litigation Tax Jail	-	8,655	-	584	8,071	-
Litigation Tax Court Security	-	8,625	-	582	8,043	-
County Officer's Cost	-	989	-	49	940	-
Delinquent Taxes	-	194,532	-	9,727	184,805	-
Delinquent Taxes - Penalty and Interest	-	78,178	-	3,909	74,269	-
Delinquent Taxes - Court Costs	-	6,623	-	-	6,623	-
Data Processing Fee	-	880	-	-	880	-
Court Security Fee	-	76	-	-	76	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>303,311</b>	<b>0</b>	<b>15,172</b>	<b>288,139</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	291,074	248,749	-	-	412,450	127,373
Deposits	1,141,548	34,027	-	-	43,702	1,131,873
Publications	180	17,733	-	-	17,193	720
State of TN Treasury Department	-	7,418	-	-	7,418	-
Alimony/ Child Support	-	35,955	-	-	35,955	-
Constables, Legal Process	-	15,872	-	-	15,872	-
Attorney's Fees and Commissions -						
Delinquent Tax	-	53,499	-	-	53,499	-
City Delinquent Taxes	-	80,371	-	4,018	76,353	-
City Delinquent Taxes - Penalty and Interest	-	41,154	-	2,058	39,096	-
City Delinquent Tax - Court Costs	-	1,065	-	-	1,065	-
Jonesborough Delinquent Taxes	-	4,136	-	207	3,929	-
Jonesborough Delinquent Taxes -						
Penalty and Interest	-	2,851	-	143	2,708	-
Jonesborough Delinquent Taxes -						
Court Costs	-	322	-	-	322	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,432,802</b>	<b>543,152</b>	<b>0</b>	<b>6,426</b>	<b>709,562</b>	<b>1,259,966</b>
<b>FEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	106,435	22,152	-	128,587	-
Special Commissioner Fees	-	6,432	-	-	6,432	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>0</b>	<b>112,867</b>	<b>22,152</b>	<b>0</b>	<b>135,019</b>	<b>0</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$1,432,802</b>	<b>967,543</b>	<b>22,152</b>	<b>22,152</b>	<b>1,140,379</b>	<b>1,259,966</b>

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, 2011

Account	Balance 7/1/2010	Receipts	Transfers		Disbursements	Balance 6/30/2011
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	12,116	-	818	11,298	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>12,116</b>	<b>0</b>	<b>818</b>	<b>11,298</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	5,994	-	405	5,589	-
Special Litigation Tax	-	1,022	-	69	953	-
Litigation Tax / Jail	-	12,688	-	856	11,832	-
Litigation Tax / Court Security	-	12,638	-	853	11,785	-
County Officer's Cost	-	3,137	-	157	2,980	-
Delinquent Taxes	145,937	453,108	-	22,655	454,550	121,840
Delinquent Taxes - Penalty and Interest	-	213,782	-	10,689	203,093	-
Delinquent Tax - Court Costs	-	24,223	-	-	24,223	-
Data Processing Fee	-	1,448	-	-	1,448	-
Court Security Fee	-	148	-	-	148	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>145,937</b>	<b>728,188</b>	<b>0</b>	<b>35,684</b>	<b>716,601</b>	<b>121,840</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	158,914	1,051,305	-	-	1,002,758	207,461
Deposits	1,483,363	81,963	-	-	22,989	1,542,337
Alimony/ Child Support	-	87,482	-	-	87,482	-
Constables, Legal Process	-	8,389	-	-	8,389	-
Attorney's Fees and Commissions - Delinquent Tax	-	125,692	-	-	125,692	-
City Delinquent Taxes	-	194,050	-	9,703	181,915	2,432
City Delinquent Taxes - Penalty and Interest	-	134,749	-	6,737	128,012	-
City Delinquent Taxes - Court Costs	-	508	-	-	508	-
Jonesborough Delinquent Taxes	-	11,765	-	588	11,177	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	4,854	-	243	4,611	-
Jonesborough Delinquent Taxes - Court Costs	-	525	-	-	525	-
Publications	-	700	-	-	700	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,642,277</b>	<b>1,701,982</b>	<b>0</b>	<b>17,271</b>	<b>1,574,758</b>	<b>1,752,230</b>
<b>FEEES AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	209,221	53,773	-	262,994	-
Special Commissioner Fees	-	30,000	-	-	30,000	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>0</b>	<b>239,221</b>	<b>53,773</b>	<b>0</b>	<b>292,994</b>	<b>0</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,788,214</b>	<b>2,681,507</b>	<b>53,773</b>	<b>53,773</b>	<b>2,595,651</b>	<b>1,874,070</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 REGISTER  
 For the Fiscal Year Ended June 30, 2011

Account	Balance 7/1/2010	Receipts	Transfer		Disbursements	Balance 6/30/2011
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 253,315	2,169,829	-	-	2,130,159	292,985
County Officials' Retirement Tax	6,386	-	-	52,068	312	(45,994)
TOTAL STATE OF TENNESSEE	259,701	2,169,829	-	52,068	2,130,471	246,991
DUE TO HEIRS AND OTHERS	2,586	5,646	-	-	5,536	2,696
FEEES AND COMMISSION ACCOUNT	59,725	540,961	52,068	-	602,736	50,018
TOTAL ALL ACCOUNTS	\$ 322,012	2,716,436	52,068	52,068	2,738,743	299,705

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 SHERIFF  
 For the Fiscal Year Ended June 30, 2011

Cash Balance, 7/1/2010 \$ 67,319

RECEIPTS

Officers Costs	29,531
Cash Bonds - Various Courts	87,945
Inmates Deposits	721,612
Fingerprinting	1,827
Handgun Permits	3,760
Sexual Offender Registry Fees	5,857
Reimbursement	2,554
Incentives	<u>14,000</u>

TOTAL RECEIPTS 867,086

DISBURSEMENTS

BY CHECK

Officers Costs Reported to County	29,513
Cash Bonds - Various Courts	87,964
Payments to Inmates	759,924
Handgun Permits	3,760
Incentives	14,000
Fingerprinting	1,827
Sexual Offender Registry	5,857

BY CASH

Drug Buy	<u>4,189</u>
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TOTAL DISBURSEMENTS 907,034

Receipts Over (Under) Disbursements (39,948)

Cash Balance, 6/30/2011 \$ 27,371

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, 2011

	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	\$ -	893,280	220,170	761,674	195,331	315,656	540,861	-	2,926,972
Special Commissioner Fees	-	-	-	-	-	36,432	-	-	36,432
Interest Earned	-	685	-	-	-	-	100	-	785
Commissions	1,825,386	182,950	11,216	122,465	5,587	75,925	52,068	-	2,275,597
<b>TOTAL REVENUE</b>	<b>1,825,386</b>	<b>1,076,915</b>	<b>231,386</b>	<b>884,139</b>	<b>200,918</b>	<b>428,013</b>	<b>593,029</b>	<b>0</b>	<b>5,239,786</b>
OTHER SOURCES									
OPERATING TRANSFERS									
General Sessions - Jonesborough	-	-	44,000	-	-	-	-	-	44,000
General Sessions - Civil Court - Johnson City	-	-	281,470	-	-	-	-	-	281,470
General Sessions - State Court - Johnson City	-	-	535,804	-	-	-	-	-	535,804
General Sessions - Juvenile Court	-	-	22,382	-	-	-	-	-	22,382
Law Court	-	-	200,918	-	-	-	-	-	200,918
<b>TOTAL REVENUE AND OTHER SOURCES</b>	<b>1,825,386</b>	<b>1,076,915</b>	<b>1,315,960</b>	<b>884,139</b>	<b>200,918</b>	<b>428,013</b>	<b>593,029</b>	<b>0</b>	<b>6,324,360</b>
EXPENDITURES AND OTHER USES									
EXPENDITURES									
Special Commissioner Fees	-	-	-	-	-	36,432	-	-	36,432
Bank Charges	-	-	11,209	-	-	-	-	-	11,209
Postage	-	-	-	-	-	-	66	-	66
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>11,209</b>	<b>0</b>	<b>0</b>	<b>36,432</b>	<b>66</b>	<b>0</b>	<b>47,707</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
 For the Fiscal Year Ended June 30, 2011

	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)	-	-	11,209	-	-	36,432	66	-	47,707
OTHER USES									
Fees & Commissions to County General Fund	1,825,386	1,076,915	1,304,751	483	-	391,581	592,963	-	5,192,079
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	883,656	200,918	-	-	-	1,084,574
TOTAL EXPENDITURES AND OTHER USES	<u>1,825,386</u>	<u>1,076,915</u>	<u>1,315,960</u>	<u>884,139</u>	<u>200,918</u>	<u>428,013</u>	<u>593,029</u>	<u>0</u>	<u>6,324,360</u>
Excess Fees, June 30, 2011									
Add: Due to County General Fund -									
Excess Fees	160,377	161,925	120,265	-	-	-	50,018	-	492,585
Due to General Sessions -									
State Court - Johnson City	-	-	2,419	-	-	-	-	-	2,419
Due to Law Court	-	-	74	-	-	-	-	-	74
Less: Due from General Sessions -									
Civil Court - Johnson City	-	-	(80)	-	-	-	-	-	(80)
Due from General Sessions -									
Juvenile	-	-	(1)	-	-	-	-	-	(1)
Due to General Sessions -									
Jonesborough	-	-	(50)	-	-	-	-	-	(50)
Less: Due from Circuit Court Clerk	-	-	-	(2,288)	(74)	-	-	-	(2,362)
Cash Balance, June 30, 2011	<u>\$ 160,377</u>	<u>161,925</u>	<u>122,627</u>	<u>(2,288)</u>	<u>(74)</u>	<u>0</u>	<u>50,018</u>	<u>0</u>	<u>492,585</u>

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See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2011

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2010	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2011
<b>PRIMARY GOVERNMENT</b>								
<b>GENERAL FUND</b>								
16.600	N/A	Federal Boarding of Prisoners	U.S. Marshalls	\$ 384,356	1,284,878	1,405,454	(136,741)	368,191
PASS-THROUGH STATE OF TENNESSEE								
16.005	GG-08-21509	Residence Substance Abuse	U.S. Department of Justice	33,328	133,314	133,314	-	33,328
TOTAL LAW ENFORCEMENT ASSISTANT GRANTS				33,328	133,314	133,314	0	33,328
16.710	Z-00-002567-00	Bullet Proof Vests	U.S. Department of Justice	(16,665)	-	7,325	16,665	7,325
16.738	**	ARRA Justice Assistance Grant	U.S. Department of Justice	(12,360)	-	-	12,350	(10)
16.738	**	Justice Assistance Grant - Computer Network Upgrade	U.S. Department of Justice	-	23,900	23,900	-	-
16.738	**	Justice Assistance Grant - Firearms	U.S. Department of Justice	(179)	-	-	179	-
TOTAL DEPARTMENT OF JUSTICE				(12,539)	23,900	23,900	12,529	(10)
97.067	Z-07-20661-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	4,385	1,258	-	108	3,235
97.067	GG-08-23886-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	445,329	435,169	2,191	-	12,351
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	34101-000-000-2527	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	1,598	1,598	-	-
97.067	34101-000-000-5845	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	57,284	57,284	-	-
97.067	4384-092-7493	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	48,182	48,182	-	-
97.067	**	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	490,118	767,123	512,227	-	235,222
TOTAL DEPARTMENT OF HOMELAND SECURITY				942,832	1,310,614	621,482	108	253,808
20.600	Z-10-220118-00	Network Law Enforcement Grant	Tennessee Department of Transportation	2,663	5,963	3,300	-	-
20.600	Z-11-GHS271	Network Law Enforcement Grant	Tennessee Department of Transportation	-	4,048	7,505	-	3,457
20.600	Z-11-GHS020	Making Rural Roads Safer	Tennessee Department of Transportation	-	18,723	54,958	-	36,235
20.600	Z-10-220430-00	RIP: Responsibility in Progress	Tennessee Department of Transportation	6,974	21,301	14,240	87	-
TOTAL DEPARTMENT OF TRANSPORTATION				9,637	50,035	80,003	87	39,692
14.228	GG-10-32769-00	2009 Washington County Waterline Extension	Tennessee Department of Economic and Community Development	-	85,991	233,132	-	147,141
TOTAL DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT				0	85,991	233,132	0	147,141
PASS-THROUGH OTHER AGENCIES								
16.738	**	Byrne Formula Grant Program	U.S. Department of Justice from City of Johnson City	(35)	-	-	35	-
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	4,018	11,831	10,559	-	2,746
TOTAL GENERAL FUND GRANTS				960,576	1,615,685	1,109,715	29,424	484,030
<b>AGENCY FUNDS</b>								
<b>JUDICIAL DISTRICT DRUG TASK FORCE</b>								
PASS-THROUGH STATE OF TENNESSEE								
16.738		Byrne Formula Grant Program	U.S. Department of Justice	41,578	75,960	72,000	-	37,618
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE				41,578	75,960	72,000	0	37,618

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2011

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2010	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2011
<b>COMPONENT UNITS</b>								
<b>BOARD OF EDUCATION</b>								
<b>PASS-THROUGH STATE OF TENNESSEE</b>								
84.394	N/A	ARRA BEP State Stabilization	U.S. Department of Education	-	2,709,634	2,709,634	-	-
84.397	N/A	ARRA Consolidated School Health	U.S. Department of Education	-	57,641	100,000	-	42,359
84.397	N/A	ARRA Internet Connectivity	U.S. Department of Education	-	27,517	27,517	-	-
84.397	N/A	ARRA Safe Schools	U.S. Department of Education	20,600	58,400	37,800	-	-
84.397	N/A	ARRA Extended Contract	U.S. Department of Education	143,100	144,241	144,267	1,141	144,267
84.397	N/A	ARRA Family Resource Center	U.S. Department of Education	-	33,300	33,300	-	-
				<u>163,700</u>	<u>3,030,733</u>	<u>3,052,518</u>	<u>1,141</u>	<u>186,626</u>
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	-	45,274	45,274	-	-
84.392	N/A	ARRA Preschool Incentive Funds	U.S. Department of Education	-	257	1,833	-	1,576
84.027	N/A	IDEA - Part B	U.S. Department of Education	14,213	1,633,327	1,646,287	-	27,173
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	45,305	95,105	53,784	-	3,984
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	-	5,895	5,895	-	-
84.391	N/A	ARRA IDEA - Part B	U.S. Department of Education	225	164,769	176,076	-	11,532
				<u>59,743</u>	<u>1,967,627</u>	<u>1,929,149</u>	<u>-</u>	<u>21,265</u>
84.010	N/A	Title I Funds	U.S. Department of Education	16,279	1,693,400	1,702,832	-	25,711
84.389	N/A	ARRA Title I Funds	U.S. Department of Education	5,883	571,967	656,387	-	90,303
				<u>22,162</u>	<u>2,265,367</u>	<u>2,359,219</u>	<u>-</u>	<u>116,014</u>
84.318	N/A	Title II-D	U.S. Department of Education	-	17,665	17,665	-	-
84.386	N/A	ARRA Title II-D	U.S. Department of Education	-	10,000	19,975	-	9,975
				<u>-</u>	<u>27,665</u>	<u>37,640</u>	<u>-</u>	<u>9,975</u>
84.395	N/A	Race to the Top	U.S. Department of Education	-	351,745	369,681	-	17,936
84.410	N/A	Education Jobs Program	U.S. Department of Education	-	637,213	637,213	-	-
84.048	**	Carl Perkins - Program Improvement	U.S. Department of Education	5,708	113,998	128,345	(55)	20,000
84.367	N/A	Title II-A	U.S. Department of Education	865	327,205	332,402	-	6,062
84.387	N/A	Title X	U.S. Department of Education	-	2,633	3,121	-	488
93.558	N/A	SNAP School Supplies	U.S. Department of Education	-	47,087	47,087	-	-
		<b>TOTAL BOARD OF EDUCATION GRANTS</b>		<u>252,178</u>	<u>8,771,273</u>	<u>8,896,375</u>	<u>1,086</u>	<u>378,366</u>
<b>SCHOOL FOOD SERVICE</b>								
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	215,755	215,755	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	77,145	572,785	519,093	-	23,453
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	203,160	1,748,200	1,590,596	-	45,556
		<b>TOTAL SCHOOL FOOD SERVICE GRANTS</b>		<u>280,305</u>	<u>2,536,740</u>	<u>2,325,444</u>	<u>0</u>	<u>69,009</u>
<b>TOTAL FEDERAL GRANTS</b>				<u>\$ 1,534,637</u>	<u>12,999,658</u>	<u>12,403,534</u>	<u>30,510</u>	<u>969,023</u>

See Independent Auditors' Report.

\* These amounts represent amendments or adjustments to prior year estimates.  
 \*\* Information not available.

WASHINGTON COUNTY, TENNESSEE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2011

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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.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 For the Fiscal Year Ended June 30, 2011

Grant Number	Program Name	Grantor Agency	Balance July 1, 2010	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2011
<b>PRIMARY GOVERNMENT</b>							
<u>GENERAL FUND</u>							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 277,795	1,574,510	1,419,705	111,370	234,360
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	2,523	17,477	34,036	-	19,082
**	Juvenile Grant	Tennessee Commission of Children & Youth	-	10,755	12,000	-	1,245
**	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	-	9,000	9,000	-	-
#Z-10-219833-00	Health Department	Tennessee Department of Health	194,873	193,073	-	(1,800)	-
#GG-11-31969-00	Health Department	Tennessee Department of Health	-	847,062	1,024,175	-	177,113
#GG-11-34102-00	Koyo Corporation	Department of Economic & Community Development	-	154,594	172,526	-	17,932
TOTAL GENERAL FUND			<u>475,191</u>	<u>2,806,471</u>	<u>2,671,442</u>	<u>109,570</u>	<u>449,732</u>
<u>HIGHWAY FUND</u>							
N/A	Rural Road Program	Tennessee Department of Transportation	398,700	420,430	21,730	-	-
TOTAL HIGHWAY FUND			<u>398,700</u>	<u>420,430</u>	<u>21,730</u>	<u>0</u>	<u>0</u>
<u>SANITATION FUND</u>							
#Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	40,957	145,589	128,061	34,692	58,121
TOTAL SANITATION FUND			<u>40,957</u>	<u>145,589</u>	<u>128,061</u>	<u>34,692</u>	<u>58,121</u>
TOTAL PRIMARY GOVERNMENT			<u>914,848</u>	<u>3,372,490</u>	<u>2,821,233</u>	<u>144,262</u>	<u>507,853</u>
<b>COMPONENT UNITS</b>							
<u>GENERAL PURPOSE SCHOOL FUND</u>							
GG-08-22128-00	Transition School to Work	Tennessee Department of Education	4,873	71,632	80,624	-	13,865
DG-08-22849-00	TN Agricultural Enhancement Program	Tennessee Department of Agriculture	-	148,533	148,533	-	-
TOTAL GENERAL PURPOSE SCHOOL FUND			<u>4,873</u>	<u>71,632</u>	<u>80,624</u>	<u>0</u>	<u>13,865</u>
<u>SCHOOL FOOD SERVICE</u>							
**	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	38,531	38,531	-	-
TOTAL SCHOOL FOOD SERVICE			<u>0</u>	<u>38,531</u>	<u>38,531</u>	<u>0</u>	<u>0</u>
TOTAL COMPONENT UNITS			<u>4,873</u>	<u>110,163</u>	<u>119,155</u>	<u>0</u>	<u>13,865</u>
TOTAL STATE GRANTS			<u>\$ 919,721</u>	<u>3,482,653</u>	<u>2,940,388</u>	<u>144,262</u>	<u>521,718</u>

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

\*\* Grant number was not available.

(Continued)

**SECTION V**

**STATISTICAL SECTION  
(UNAUDITED)**

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

	Schedule 1								
	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
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	54,382,423
Restricted	152,417	(137,908)	131,927	167,986	175,741	210,752	238,327	279,334	185,073
Unrestricted	<u>(22,541,477)</u>	<u>(14,105,989)</u>	<u>(13,980,108)</u>	<u>(16,908,701)</u>	<u>(23,106,763)</u>	<u>(78,526,872)</u>	<u>(106,349,776)</u>	<u>(112,293,538)</u>	<u>(109,985,528)</u>
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>	<u>(55,418,032)</u>

NOTE: Comparable information was not available for prior years. The County implemented Governmental Accounting Standards Board Statement 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 Nine Fiscal Years  
 (Accrual Basis of Accounting)

Schedule 2

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>EXPENSES</b>									
<b>Governmental Activities</b>									
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	5,849,052
Finance	-	-	-	-	-	-	-	-	2,544,864 *
Administration of Justice	-	-	-	-	-	-	-	-	3,497,335 *
Public Safety	8,192,022	8,263,500	8,701,776	8,911,291	9,289,512	9,842,642	10,147,418	11,182,742	17,363,717
Highways	6,391,155	6,800,823	7,197,616	7,261,231	8,092,168	8,687,288	8,228,881	8,482,146	8,273,843
Library	338,159	342,683	384,489	455,090	616,323	546,008	617,653	491,958	- **
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	983,279 *
Public Health and Welfare	1,295,172	1,372,151	1,480,623	1,553,258	1,729,629	1,763,928	1,714,284	1,598,683	5,390,784
Agricultural and Natural Resources	-	-	-	-	-	-	-	-	384,050 *
Other Operations	-	-	-	-	-	-	-	-	1,314,448 *
Education	-	-	-	-	-	-	-	-	270,000 *
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	7,402,705
<b>Total Governmental Activities Expenses</b>	<b>32,620,345</b>	<b>33,959,140</b>	<b>34,680,160</b>	<b>36,139,061</b>	<b>57,468,903</b>	<b>85,521,422</b>	<b>61,300,888</b>	<b>54,591,360</b>	<b>53,274,077</b>
<b>PROGRAM REVENUES</b>									
<b>Governmental Activities</b>									
<b>Charges for Services</b>									
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	417,850
Administration of Justice	-	-	-	-	-	-	-	-	4,452,695 *
Public Safety	2,734,131	2,406,171	2,686,445	2,423,658	2,560,743	2,558,250	2,855,716	2,787,148	3,184,023
Highways	324,943	295,082	329,490	353,773	660,051	309,895	405,397	836,028	448,373
Library	10,872	13,308	18,090	22,333	33,576	30,872	24,885	22,770	- **
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	8,375 *
Public Health and Welfare	201,578	197,398	238,762	309,965	327,289	365,413	301,626	415,749	420,630
<b>Operating Grants and Contributions</b>									
General Government	825,809	1,075,375	722,344	1,335,830	2,883,486	1,172,956	939,356	1,249,185	263,400
Public Safety	388,194	428,152	372,955	366,013	328,365	453,549	869,319	309,173	189,515
Administration of Justice	-	-	-	-	-	-	-	-	36,164 *
Highways	405,369	714,156	197,960	2,475,920	2,780,712	2,752,378	2,031,066	2,880,346	2,331,909
Library	7,000	7,000	7,000	7,000	21,037	15,985	36,729	30,408	- **
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	113,432 *
Public Health and Welfare	228,302	230,347	259,938	310,367	303,938	267,659	223,586	164,564	1,157,535
<b>Capital Grants and Contributions</b>									
General Government	370,045	250,000	439,233	1,323,847	445,285	1,008,787	589,451	1,464,807	904,614
Public Safety	-	-	-	-	-	-	-	108,100	10,559
Highways	-	-	1,384,221	1,532,077	1,639,002	450,474	1,189,000	939,857	780,480
Library	1,343,511	26,397	21,130	14,114	78,977	41,381	42,788	-	- **
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	21,407 *
Public Health and Welfare	-	-	-	-	-	-	-	27,806	-
<b>Total Governmental Activities Program Revenues</b>	<b>10,866,832</b>	<b>9,970,855</b>	<b>11,126,104</b>	<b>15,193,207</b>	<b>17,183,177</b>	<b>14,839,577</b>	<b>14,446,450</b>	<b>15,970,673</b>	<b>14,740,961</b>

\* Prior year's information is not readily available.

\*\* Library Fund is now considered a department of the General Fund due to GASB 54 implementation.

(Continued)

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

Schedule 2

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)	(38,533,116)
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	35961432
In Lieu of Taxes	361,000	369,987	354,468	382,971	407,086	505,020	506,007	543,610	580622
Sales Taxes	732,912	-	-	-	-	-	-	-	-
Business Taxes	2,233,136	757,562	730,434	762,766	865,347	989,286	978,029	1,049,064	1077522
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	1786512
Other Local Governments	-	879,388	960,470	1,070,591	1,160,653	1,077,839	1,789,321	1,459,939	1658603
State Aid	442,347	452,819	650,023	417,082	515,918	724,903	766,454	668,585	78043
Federal Aid	75,757	171,278	26,486	14,343	7,078	-	-	-	7,305
Sale of Property	-	10,800	62,668	80,820	12,570	18,859	25,840	1,491,702	(26,642)
Unrestricted Investment Earnings	247,007	204,154	398,069	719,272	3,535,084	4,578,378	696,149	234,165	85,853
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)	-	-	-	-	-	-
	<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>	<u>41,209,250</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>	<u>\$ 2,676,134</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.

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

	Fiscal Year								Schedule 3
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Restricted	\$ -	-	-	-	-	-	-	-	185,073
Committed	-	-	-	-	-	-	-	-	1,074,741
Assigned	-	-	-	-	-	-	-	-	320,672
Unassigned	-	-	-	-	-	-	-	-	12,816,210
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>	<u>14,396,696</u>
All Other Governmental Funds									
Committed	\$ -	-	-	-	-	-	-	-	902,492
Assigned									
Highway Fund	-	-	-	-	-	-	-	-	4,192,970
Public Safety	-	-	-	-	-	-	-	-	377,406
Debt Service Fund	-	-	-	-	-	-	-	-	4,544,205
Capital Projects	-	-	-	-	-	-	-	-	548,333
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>	<u>\$ 10,565,406</u>

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

NOTE: Due to change required by GASB No. 54, fund balance is presented differently in the current year. These changes were not retrospectively applied.

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES</b>										
Taxes	\$ 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	38,821,164
Licenses and Permits	324,813	338,989	364,663	402,569	438,950	457,549	479,878	461,441	468,330	470,975
Fines, Forfeitures and Penalties	396,867	413,610	432,207	421,533	479,370	554,028	704,110	870,337	881,800	959,209
Charges for Current Services	259,183	842,859	766,078	780,271	867,791	1,123,136	793,938	1,053,232	1,816,447	970,763
Other Local Revenues	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	977,206
Investment Income	-	-	-	-	-	-	-	-	142,586	30,326
Revenue from State of Tennessee	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	5,715,264
Revenue from Federal Government	1,501,434	493,456	1,217,147	766,455	1,607,853	682,143	1,146,897	759,267	1,547,527	1,127,712
Revenue from Other Governments and Citizens Groups	732,129	628,715	491,196	748,073	568,552	5,811,485	6,097,914	6,332,919	6,441,581	6,832,539
Excess Fees and Commissions	3,982,952	4,098,502	4,382,774	4,542,054	4,801,904	-	-	-	-	-
<b>Total Revenues</b>	<b>35,076,795</b>	<b>35,679,497</b>	<b>36,599,266</b>	<b>38,071,611</b>	<b>40,363,478</b>	<b>49,019,900</b>	<b>57,761,508</b>	<b>55,506,346</b>	<b>58,369,730</b>	<b>55,905,158</b>
<b>EXPENDITURES</b>										
General Government	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	5,110,016
Finance	-	-	-	-	-	-	-	-	-	2,544,864 *
Public Safety	-	-	7,809,677	8,290,528	8,490,630	8,885,500	9,555,519	9,734,886	10,782,561	16,606,647
Administration of Justice	-	-	-	-	-	-	-	-	-	3,498,568
Highways	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	7,063,859
Library	324,733	348,218	352,562	355,385	448,402	473,774	533,725	474,110	472,346	- **
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	-	957,385 *
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	384,050 *
Other Operations	-	-	-	-	-	-	-	-	-	1,314,448 *
Education	-	-	-	-	-	-	-	-	-	270,000 *
Public Health and Welfare	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	5,311,156
Debt Service	18,906,676	6,068,350	6,552,084	6,244,658	6,124,625	10,315,291	12,325,026	11,738,845	15,450,188	25,292,739
Capital Outlay	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	- ***
<b>Total Expenditures</b>	<b>48,618,704</b>	<b>36,320,390</b>	<b>37,209,240</b>	<b>38,816,828</b>	<b>40,549,676</b>	<b>65,254,532</b>	<b>99,883,181</b>	<b>75,704,210</b>	<b>62,711,778</b>	<b>68,353,732</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(13,541,909)	(640,893)	(609,974)	(745,217)	(186,198)	(16,234,632)	(42,121,673)	(20,197,864)	(4,342,048)	(12,448,574)
<b>OTHER FINANCING SOURCES (USES)</b>										
Bonds Issued	-	-	-	-	-	126,085,000	-	-	-	-
Note Proceeds	338,720	436,000	101,000	203,000	760,000	3,735,000	-	152,000	5,196,100	270,000
Refunding Bond Issued	8,880,000	-	-	19,700,000	-	4,275,000	-	-	-	9,765,000
Premium on Bonds Issued	3,680,000	-	-	2,106,596	-	4,262,687	-	-	-	414,755
Payment to Refund Bond Escrow Agent	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	(4,997,181)	(4,391,474)	(4,698,300)	(4,888,042)	(5,198,472)	(8,277,532)	(8,453,533)	(8,986,345)	(5,705,954)	(5,267,579)
Transfers from Other Funds	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	5,267,579
Transfers (to)/ from Component Unit	(214,395)	585,605	235,605	(255,968)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>13,831,434</b>	<b>1,021,605</b>	<b>336,605</b>	<b>200,028</b>	<b>760,000</b>	<b>2,086,717</b>	<b>(29,330,390)</b>	<b>(11,465,308)</b>	<b>(630,489)</b>	<b>10,449,755</b>
<b>Net Change in Fund Balances</b>	<b>\$ 289,525</b>	<b>380,712</b>	<b>(273,369)</b>	<b>(545,189)</b>	<b>573,802</b>	<b>(14,147,915)</b>	<b>(71,452,063)</b>	<b>(31,663,172)</b>	<b>(4,972,537)</b>	<b>(1,998,819)</b>
Debt Service as a Percentage of Noncapital Expenditures	40.06%	17.36%	17.84%	16.81%	15.88%	21.39%	23.94%	22.42%	26.68%	37.00%

\* Prior year's information is not readily available.

\*\* Library Fund is now considered a department of the General Fund due to GASB 54 implementation.

\*\*\* In the current year an adjustment was made to reclassify capital outlay into the area for which it was expended.

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

Fiscal Year Ended June 30	Real Property			Personal Property	Public Utility Property	Total Taxable Assessed Value	Schedule 5 Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Real Property				
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
2011	1,753,735,398	839,758,640	121,405,900	151,027,530	80,895,530	2,946,822,998	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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>County Direct Rates</b>										
General	\$0.66	0.68	0.63	0.63	0.63	0.82	0.83	0.65	0.65	0.65
Upkeep (Highway)	0.16	0.16	0.14	0.14	0.14	0.19	0.19	0.15	0.15	0.15
General Purpose School	0.76	0.76	0.82	0.82	0.82	0.82	0.88	0.68	0.68	0.68
Debt Service	0.30	0.27	0.23	0.23	0.36	0.47	0.50	0.39	0.39	0.39
Solid Waste/Sanitation	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04
<b>Total Direct Rate</b>	<b><u>\$1.93</u></b>	<b><u>1.93</u></b>	<b><u>1.87</u></b>	<b><u>1.87</u></b>	<b><u>2.00</u></b>	<b><u>2.35</u></b>	<b><u>2.45</u></b>	<b><u>1.91</u></b>	<b><u>1.91</u></b>	<b><u>1.91</u></b>
<b>City Rates</b>										
City of Johnson City	\$2.15	2.15	2.15	1.93	1.93	1.99	1.93	1.54	1.54	1.57
<b>Town Rates</b>										
Town of Jonesborough	\$1.53	1.53	1.75	1.54	1.54	1.89	1.54	1.18	1.18	1.28

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

Taxpayer	2011			2002			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	\$ 30,346,295	1	1.03%	36,471,898	1	2.28%	
Johnson City Venture	24,628,813	2	0.84%	17,461,057	2	1.09%	
Wal-Mart / Sam's Club	20,989,747	3	0.71%	5,293,966	8	0.33%	
Johnson City United, LP / JC Crossing, LLC	16,741,335	4	0.57%	6,752,030	6	0.42%	
Atmos Energy Corporation	10,843,903	5	0.37%	-		-	
The Haven at Knob Creek, LLC	10,761,899	6	0.37%	-		-	
American Water Heater	10,530,391	7	0.36%	9,542,440	4	0.60%	
SOFHA Real Estate Partners II, LLC	9,317,760	8	0.32%	-		-	
Lowes Home Center Inc.	7,904,733	9	0.27%	-		-	
Bank of Tennessee	5,462,260	10	0.19%	-		-	
Bosch Braking Systems	-		-	10,849,383	3	0.68%	
United Cities Gas Company	-		-	7,228,047	5	0.45%	
Harris Tarkett	-		-	5,413,729	7	0.34%	
Kennametal, Inc.	-		-	5,247,147	9	0.33%	
I Jobbers LLC	-		-	4,968,579	10	0.31%	
	<u>\$147,527,136</u>		<u>5.0%</u>	<u>109,228,276</u>		<u>6.8%</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		Collections in Subsequent Years	Schedule 8	
				Fiscal Year of the Levy			Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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	96.1%	2,146,144	55,128,646	98.1%
2011	56,420,417	44,041	56,464,458	53,129,359	100.0%	-	53,129,359	94.1%

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

Schedule 9						
Fiscal Year	General Obligation Bonds	Capital Outlay Notes	Capital Leases	Total	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
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
2011	151,670,000	270,000	-	151,940,000	3.87%	1,259.89

**Note:** 2009, 2008, and 2007 percentages calculated using 2007 personal income data, which was the most recent available. 2010 and 2011 percentages use 2010 personal income data.

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income <sup>2</sup>	Percentage of Actual Value <sup>1</sup> of Taxable Property	Schedule 10
						Per Capita <sup>2</sup>
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
2011	151,670,000	4,544,205	147,125,795	3.74%	4.99%	1,192.87

**Note:** 2009, 2008, and 2007 percentages calculated using 2007 personal income data, which was the most recent available. 2010 and 2011 percentages use 2010 personal income data.

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

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

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

WASHINGTON COUNTY  
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)  
June 30, 2011

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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 <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income	Schedule 12
				Unemployment Rate
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%
2011	123,338	3,929,730,000	31,861	9.0%

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

<sup>2</sup> 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. Personal income figures for 2011 were also not available. The fiscal year 2010 numbers were used for this year.

**Sources:** 1999 - 2007: First Tennessee Development District  
 2008 - 2011: Tennessee Department of Labor & Workforce Development

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

<u>EMPLOYER</u>	2011			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	5.62%	3,541	1	6.3%
East Tennessee State University	2,330	2	3.70%	2,012	2	3.6%
Citi Cards	1,950	3	3.09%	1,817	3	3.3%
James H. Quillen VA Medical Center	1,592	4	2.53%	1,259	4	2.3%
Advance Call Center Technologies	1,400	5	2.22%	-	-	-
Washington County School Systems	1,200	6	1.90%	1,150	6	2.1%
American Water Heater Company	1,170	7	1.86%	1,200	5	2.2%
City of Johnson City	853	8	1.35%	824	8	1.5%
Johnson City School System	832	9	1.32%	920	7	1.6%
AT & T Mobility	650	10	1.03%	805	10	1.4%
Siemens Industrial Automation, Inc	-	0	0.00%	730	9	1.3%
	<u>15,518</u>		<u>24.62%</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 2011 is based on the March 2011 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	167	162	177	165	170	160	166	143	143	155
Public Safety	186	186	182	193	195	183	176	202	203	211
Highway	99	99	96	93	96	96	94	89	91	82
Library	8	8	9	9	9	9	9	9	12	9
Sanitation	18	20	20	21	22	14	16	14	14	14
Total	<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>	<u>471</u>

Source: Washington County Payroll Records

See Independent Auditors' Report.

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

Schedule 15

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b><u>Sheriff's Department</u></b>										
Jail Bookings	5,823	6,200	6,609	8,094	8,736	8,495	8,191	8,357	8,736	8,919
Average Daily Population	409	413	432	449	465	488	521	528	510	562
Physical Arrests	3,030	2,628	3,444	3,603	3,558	3,552	3,270	3,335	3,740	3,920
Warrants Processed	7,685	8,745	9,420	9,845	9,913	18,550	18,013	18,432	17,676	15,888
Warrants Served	4,973	4,828	5,120	5,640	5,987	13,386	12,852	13,513	13,234	12,199
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	*	*	*	*	*
<b><u>Highway</u></b>										
Streets Maintained (miles)	749.61	751.64	754.03	757.07	762.50	766.02	767.69	769.13	769.82	769.82
Streets Resurfaced (miles)	43.922	38.356	38.70	50.80	*	21.63	12.50	10.03	32.13	34.17
<b><u>Library</u></b>										
Volumes in Circulation	112,167	107,033	113,149	105,650	113,042	98,200	136,472	158,686	166,009	146,255
<b><u>Sanitation</u></b>										
Refuse Collected (tons/day)	45.88	49.47	52.64	52.53	54.01	52.81	55.91	53.84	57.32	54.67
Recyclables Collected (tons/day)	10.22	11.31	12.95	11.37	11.46	12.01	12.85	13.23	17.25	15.34

\* 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Correction Facility Capacity	352	352	362	362	352	352	352	578	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	31	32	34	35	36	36
Substations	1	1	2	3	3	3	3	3	3	3
<b><u>Highway</u></b>										
Bridges under 20 feet	369	369	369	369	369	369	370	372	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
<b><u>Library</u></b>										
Volumes in Collection	67,535	70,236	75,693	76,946	80,876	75,167	88,541	99,561	87,467	88,856
<b><u>Sanitation</u></b>										
Collection Trucks	3	3	3	3	4	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, 2011, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 19, 2011, which contains an explanatory paragraph noting the County's implementation of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011. 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 (11-1, 07-5, 06-4, 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 11-1.

We noted certain matters that were reported to management of Washington County, Tennessee, in a separate letters dated December 19, 2011.

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, County Commissioners, others within the organization 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 19, 2011

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, 2011. 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, 2011.

To the Honorable County Mayor  
and Board of Commissioners  
Page 2

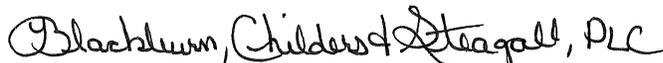
Internal Control over Compliance

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 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.

This report is intended solely for the information and use of management, County Commissioners, others within the organization, 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 19, 2011

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2011

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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. Four 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 that were disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the major federal award programs reported in the Schedule of Findings and Questioned Costs.
5. The auditors' report on compliance for the major federal award programs for Washington County, Tennessee expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were as follows:

<u>Program</u>	<u>CFDA Number</u>
Title I	84.010
ARRA Title I	84.389
ARRA State Fiscal Stabilization Fund - Education State Grant	84.394
ARRA State Fiscal Stabilization Fund - Government Services	84.397
ARRA State Fiscal Stabilization Fund- Race to the Top Incentive	84.395
Education Jobs Fund	84.410
National School Breakfast Program	10.553
National School Lunch Program	10.555

8. The threshold for distinguishing Types A and B programs was \$372,106.
9. Washington County, Tennessee was determined to be a low-risk auditee.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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Section II - Financial Statement Findings

Current Year Audit Findings – Significant Deficiencies

County Mayor

11-1 Proper Approval of County Annual Budget:

*Condition:* The annual budget for fiscal year 2011 was not timely adopted in accordance with Tennessee Code Annotated.

*Criteria:* Tennessee Code Annotated Section 5-12-106 (e) states the following:

*The director of accounts and budgets, on or before May 1 of each year, shall file a consolidated budget document with the budget committee showing an itemized statement of the amounts estimated by the various departments and officials to be required for the efficient operation of the county government from the county general fund, the debt service funds, highway funds, school funds and all other funds, together with an estimate of the revenues estimated to be received by each of the funds during the next fiscal year and an estimate of the unencumbered cash balance of each of the funds at the beginning of the fiscal year.*

Tennessee Code Annotated Section 5-12-107. (a.1) states the following:

*At least forty-five (45) days prior to the beginning of each fiscal year, the budget committee shall review and adopt the annual budget.*

Tennessee Code Annotated Section 5-12-109 states the following:

*The county governing body may alter or revise the proposed budget except as to provision for debt service requirements and for other expenditures required by law, but the county governing body shall finally adopt a budget not later than the third Monday in July.*

*Effect:* The County appears to be in violation of the Tennessee Code Annotated concerning the timely adoption of the annual budget.

*Recommendation:* We recommend that steps be taken to ensure the timely preparation and adoption of annual budget in accordance with Tennessee Code Annotated as listed above.

*Management's Comments:* Management acknowledges its requirement under TCA and will strive for the timely preparation and adoption of an annual budget.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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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:* Management continues to work toward internal preparation of a government-wide adjustments schedule by the Director of Accounts and Budgets. The 2011 schedule prepared by BCS will be used as a template.

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:* The County Purchasing Agent has completed an inventory of all fixed assets with exception of durable assets valued at less than \$10,000, which is in process. An I.D tag system is being acquired and implemented by the purchasing department in order to properly identify assets at the time of purchase and to facilitate an annual asset inventory. Guidelines of the Purchasing Act of 1957 will be followed in regard to the disposition of assets.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

Food Service

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. Management will continue to closely monitor expenditures.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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Prior Year Recommendations Implemented

<u>Significant Deficiencies</u>	<u>Page Number</u>	<u>Subject</u>
<u>Chancery Court</u>		
10-1	194	Trust Funds
<u>Food Service</u>		
08-2	197	USDA Receivables
06-2	198	Bank Accounts
<u>Board of Education</u>		
10-2	195	Fuel Man Controls
10-3	199	ARRA Reporting
10-4	199	ARRA Reporting