WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2012

WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH

INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2012

	PAGE
SECTION I – INTRODUCTORY	
Roster of County Officials	1
SECTION II – BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Assets – Agency Funds	21
Notes to Financial Statements	22
SECTION III – REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Budgetary Comparison Schedule	69
Highway Fund - Budgetary Comparison Schedule	73
Notes to Required Supplementary Information	75
Schedule of Funding Progress - Pension (Unaudited)	76
Schedule of Funding Progress - OPEB (Unaudited)	77

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2012

	PAGE
SECTION IV – SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds - Combining Balance Sheet	78
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	79
Solid Waste / Sanitation Fund - Budgetary Comparison Schedule	80
Drug Fines Fund - Budgetary Comparison Schedule	81
Debt Service Fund – Budgetary Comparison Schedule	83
Discretely Presented Component Unit	
Government-Wide Financial Statements	
Statement of Activities	84
Fund Financial Statements	
Balance Sheet – Governmental Funds	85
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	86
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	87
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	88
General Purpose School Fund – Budgetary Comparison Schedule	89
School Federal Projects Fund – Budgetary Comparison Schedule	91
School Food Service – Budgetary Comparison Schedule	93
Other Supplemental Schedules	
Schedule of Changes in General Long-Term Debt and Other Notes Payable	94
Schedule of Transfers - All Funds	96
Schedule of Salaries and Official Bonds of Principal Officials	97
Schedule of Detailed Revenues - All Governmental Fund Types and Discretely Presented Component Unit	98
Schedule of Detailed Revenues - Special Revenue Funds	103
Schedule of Detailed Revenues - Discretely Presented Component Unit	105
Schedule of Detailed Expenditures - All Governmental Fund Types and Discretely Presented Component Unit	107
Constitutional Officers	
Combined Schedule of Assets and Liabilities	143
Combined Schedule of Cash Receipts, Disbursements and Balances	145
Combining Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk	146

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2012

	PAGE
SECTION IV – SUPPLEMENTARY INFORMATION (CONTINUED)	
Other Supplemental Schedules (Continued)	
Constitutional Officers (Continued)	
Combining Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master	147
Schedule of Cash Receipts, Disbursements and Balances - County Clerk	148
Schedule of Cash Receipts, Disbursements and Balances - Circuit Court Clerk	149
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Jonesborough	150
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Civil Court - Johnson City	151
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - State Court - Johnson City	152
Schedule of Cash Receipts, Disbursements and Balances - General Sessions Court Clerk - Juvenile	153
Schedule of Cash Receipts, Disbursements and Balances - Law Court Clerk - Johnson City	154
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Jonesborough	155
Schedule of Cash Receipts, Disbursements and Balances - Clerk and Master - Johnson City	156
Schedule of Cash Receipts, Disbursements and Balances - Register	157
Schedule of Cash Receipts, Disbursements and Balances - Sheriff	158
Combined Schedule of Changes in Fee and Commission Accounts	159
Schedule of Expenditures of Federal Awards	161
Notes to Schedule of Expenditures of Federal Awards	163
Schedule of Expenditures of State Awards	164
SECTION V – STATISTICAL SECTION (UNAUDITED)	
Net Assets by Component	165
Changes in Net Assets	166
Fund Balances, Governmental Funds	168
Changes in Fund Balances of Governmental Funds	179
Assessed Value and Actual Value of Taxable Property	170

WASHINGTON COUNTY, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2012

	PAGE
SECTION V – STATISTICAL SECTION (UNAUDITED) (CONTINUED)	
Direct and Overlapping Property Tax Rates	171
Principal Property Taxpayers	172
Property Tax Levies and Collections	173
Ratios of Outstanding Debt by Type	174
Ratios of General Bonded Debt Outstanding	175
Legal Debt Margin Information	176
Demographic and Economic Statistics	177
Principal Employers	178
Full-Time Equivalent County Government Employees by Function	179
Operating Indicators by Function	180
Capital Asset Statistics by Function	181
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*	182
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	184
Schedule of Findings and Questioned Costs	186

SECTION I

INTRODUCTORY

WASHINGTON COUNTY, TENNESSEE
ROSTER OF COUNTY OFFICIALS
June 30, 2012

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

Board of Education

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

SECTION II

BASIC FINANCIAL STATEMENTS

Blackburn, Childers & Steagall, PLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Tennessee, as of and for the fiscal year ended June 30, 2012, 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, 2012, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated December 14, 2012, 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.

Johnson City 801B Sunset Drive, Johnson City, TN 37604 (423) 282-4511 Fax (423) 283-4532
Kingsport 440 E. Sullivan Street, Kingsport, TN 37660 (423) 246-1725 Fax (423) 247-6800
Greeneville 550 Tusculum Boulevard, Greeneville, TN 37745 (423) 638-8516 Fax (423) 638-3361

website: http://www.BCScpa.com e-mail: BCS@BCScpa.com

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 77 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, PLC
BLACKBURN, CHILDERS & STEAGALL, PLC

December 14, 2012

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, 2012. We encourage readers to consider 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 $52,255,826 (net assets). 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 $3,162,206.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of $29,524,156, an increase of $4,562,054 in comparison with the prior year. Approximately 54 percent of this total amount, $15,988,550, *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 $15,988,550, or 47 percent of the total general fund expenditures.
- 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 make 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 $97,829,706. Of this amount, $2,924,989 (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 $5,022,809.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Washington County's basic financial statements. Washington County's basic financial statements 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 and 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 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 69 - 77- 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 78 - 79 of this report.

Financial statements for the Washington County School Board of Education are presented immediately following the nonmajor funds on pages 84 - 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 $45,573,880 at the close of the most recent fiscal year.

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

Washington County Net Assets

	Primary		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2011	2012	2011	2012
Current and Other Assets	$ 64,642,825	$ 69,316,438	$ 20,002,862	$ 18,598,516
Capital Assets	76,471,405	72,592,827	96,820,910	93,534,395
Total Assets	141,114,230	141,909,265	116,823,772	112,132,911
Long-Term Liabilities Outstanding	155,625,532	153,400,247	1,675,800	2,234,100
Other Liabilities	40,906,730	40,764,844	12,295,457	12,069,105
Total Liabilities	196,532,262	194,165,091	13,971,257	14,303,205
Net Assets				
Invested in Capital Assets, Net of Related Debt	54,382,423	50,759,715	96,820,910	93,534,395
Restricted	185,073	192,689	-	-
Unrestricted	(109,985,528)	(103,208,230)	6,031,605	4,295,311
Total Net Assets	$ (55,418,032)	$ (52,255,826)	$ 102,852,515	$ 97,829,706

In fiscal year 2011-2012, $192,689 is subject to external restrictions on Washington County's net assets.

The primary government's net assets increased by $3,162,206 during the current fiscal year. The Board of Education's net assets decreased by $5,022,809.

Key elements of these changes are as follows:

Washington County Government's Changes in Net Assets

	Primary Government		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2011	2012	2011	2012
Revenues				
Program Revenues:				
Charges for services	8,931,946	9,576,636	2,207,806	2,123,240
Operating grants and contributions	4,091,955	4,584,898	9,302,920	8,911,953
Capital grants and contributions	1,717,060	833,707	149,364	66,761
General Revenues:				
Property taxes	35,961,432	35,853,234	11,292,363	11,320,181
Other taxes	1,658,144	1,647,866	13,827,745	134,916
Grants and contributions not restricted to specific programs	3,530,463	3,782,389	32,079,149	46,548,379
Other	85,853	46,654	42,674	27,053
Total Revenues	55,976,853	56,325,384	68,902,021	69,132,483
Expenses				
General government	5,849,052	4,846,589	-	-
Finance	2,544,864	2,580,133	-	-
Administration of Justice	3,497,335	3,621,848	-	-
Public safety	17,363,717	18,033,226	-	-
Highway / streets	8,273,843	9,473,714	-	-
Public Health and Welfare	5,390,784	5,541,574	-	-
Social, Cultural and Recreation	983,279	935,650	-	-
Agriculture and Natural Resources	384,050	403,045	-	-
Other Operations	1,314,448	875,695	-	-
Debt Service	7,402,705	6,729,327	-	-
Education	270,000	66,761	72,321,799	74,176,937
Total Expenses	53,274,077	53,107,562	72,321,799	74,176,937
Increase in net assets before transfers & special items	2,702,776	3,217,822	(3,419,778)	(5,044,454)
Special Items	(26,642)	(55,616)	(12,866)	21,645
Transfers	-	-	-	-
Increase in net assets	2,676,134	3,162,206	(3,432,644)	(5,022,809)
Net assets, Beginning	(57,394,166)	(55,418,032)	106,285,159	102,852,515
Prior Period Adjustments	(700,000)	-	-	-
Net assets, Ending	(55,418,032)	(52,255,826)	102,852,515	97,829,706

- 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 rated 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 $883,353, mostly as a result of decreases in Homeland Security grants. The grants awarded furnish sources to support five of Washington County's functions: general government, public safety, highways, public health and welfare and social, culture and recreational.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of $29,524,156, an increase of $4,562,054 in comparison with the prior year. Approximately 54 percent of this total amount, or $15,988,550 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) Unemployment and General Liabilities $1,521,594 (2) Debt Service $5,077,558, (3) a variety of other restricted purposes $6,580,389 and (4) to liquidate contracts and purchase orders of the prior period $356,065.

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 $15,988,550, while total fund balance reached $17,955,459. 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 47 percent of total general fund expenditures, while total fund balance represents 53 percent of that same amount.

The fund balance of Washington County's general fund increased by $3,558,763 during the current fiscal year.

The debt service fund has a total fund balance of $5,077,558, all of which is assigned for the payment of debt service. The fund balance increased during the current year in the debt service fund in the amount of $533,353. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of $8,944,454 in the current fiscal year.

General Fund Budgetary Highlights

During the year there were various increases in appropriations in the amount of $1,760,025 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:

- $307,955 - Homeland Security Grants
- $94,754 - Public Safety (Grants)
- $2,000 – Various Reserves for specific expenses
- $1,089,617 – Appropriated for various operational expenses
- $244,899 – Community Development Block Grant
- $20,800 – JAG Grant (Computer Upgrade)

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

Capital Asset and Debt Administration

Capital Assets. Washington County's investment in capital assets as of June 30, 2012, amounts to $71,351,253 (net of accumulated depreciation), and $93,534,395 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 Activities		Washington County Board of Education	
	2011	2012	2011	2012
Land	3,026,957	3,026,957	1,888,432	1,888,432
Library Infrastructure	739,324	733,590	-	-
Buildings and Improvements	47,484,814	45,326,524	123,336,342	123,919,853
Furniture and Fixture	85,184	85,184	1,020,249	983,769
Office Machinery and Equipment	1,838,159	1,468,232	571,739	682,442
Machinery and Equipment	17,090,932	16,150,382	14,168,008	14,384,304
Infrastructure	49,069,960	49,377,059	-	-
Construction in Progress	70,389	55,804	237,709	15,193
Less: Accumulated Depreciation	(44,246,409)	(44,872,479)	(44,401,569)	(48,339,598)
Total	75,159,310	71,351,253	96,820,910	93,534,395

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

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of $153,299,863. Of this amount, $153,119,864 comprises debt backed by the full faith and credit of the government. The remaining $180,000 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		
	2011	2012	Increase (Decrease)
General Obligation Bonds	156,153,577	153,119,864	(3,033,713)
Capital Outlay Notes	270,000	180,000	(90,000)
Total	156,423,577	153,299,864	(3,123,713)

- Washington County's total bonded debt and notes payable decreased $3,123,713 during the current fiscal year.
- The principal on the general bonded debt increased $3,033,713 and notes payable decreased $90,000.

Washington County received an Aa2 rating from Moody Investors Service with a stable outlook to 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 a 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. TENN. CODE ANN. § 9-21-103. However, when a county's debt ratio of outstanding debt to property values exceeds the state average or a national standard recognized by firms who trade municipal bonds, the county will pay a higher interest rate or be unable to issue additional bonds.

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

Economic Factors and Next Year's Budgets and Rates

Washington County's economy continues to experience modest growth. Sales tax revenue has fully recovered from the economic recession, with record collections in fiscal year 2012. 2012 receipts increased 8.5% over fiscal year 2011. Total collections for fiscal year 2011 increased 3.5% over 2010.

The unemployment rate declined to 7.5% in June 2012, from 8.9% in June 2011 and a high of 9.8% in January 2010. Washington County unemployment compares favorably with state and national rates of 8.7% and 8.4% respectively for the same period. The civilian labor force continues to expand, reaching 65,020 in June 2012 compared to 64,660 in June 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 sale 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:

- The Washington County Economic Development Council completed its first full fiscal year in operation during the July 1, 2011 to June 30, 2012 period. Established in 2010, the Washington County Economic Development Council is a private-public partnership providing unified economic development for Washington County, Tennessee. It incorporates the missions and objectives of the Economic Development Board, Johnson City Development Authority and Johnson City Public Building Authority into a cohesive approach. The addition of private sector funding and membership has helped shape an organization that is both better funded and more accountable and attuned to the needs of the business community, without sacrificing the influence of local governments. Staff members provide support to the governing boards of the EDB, JCDA and PBA so as to foster a consistent, proactive approach to successful economic development in Washington County, Johnson City and Jonesborough. The WCEDC strives to enhance and facilitate existing employer's opportunities to expand as well as working to attract new employers. The objective is growth and diversification of the employer base in Washington County through a comprehensive and collaborative effort to effectively compete for economic development opportunities. The Washington County mayor or his designee maintains a seat on the WCEDC Board of Directors.

- In November of 2011, Washington County closed on the sale of the County's Downtown Center property located in Johnson City, to the Johnson City Development Authority. The facility had housed several courts and other offices until the opening of the George P. Jaynes Justice Center in Jonesborough in 2009. At that time the property was declared surplus by the County Commission. The sale price was $1,000,000. The JCDA has signed a lease with the State of Tennessee for establishment of a Northeast State Community College teaching site in Johnson City, which is expected to open for classes fall of 2013. In addition to the purchase price, the JCDA has agreed to provide another $1,000,000 in funding for improvements to the facility.

Healthy reserves, a diverse stable tax base, conservative management and budgeting and a stable local economy allows' Washington County to maintain its strong financial position and continue the current level of services for the near-term.

Subsequent Events

On November 9, 2012 Washington County issued $1,760,000 in General Obligation School Bonds for the purchase of school buses. Consistent with the County's adopted Debt management Policy and the provisions of TCA 49-3-1006, the buses were financed over a period not to exceed eight (8) years. The County Commission approved a formal resolution on September 24, 2012 authorizing the sale and issuance of the bonds. The adjusted true interest cost for the transaction was 1.036 percent.

Following formal authorization to sell the bonds, numerous documents and financial data were provided to Moody's Investor Services for the purpose of obtaining a credit rating for the issuance.

Following their standard analytical process, Moody's affirmed the credit rating of Washington County and assigned the bonds a rating of "Aa2". In the rating summary Moody's referenced the County's diverse and stable $10.3 billion tax-base, strong reserve levels and manageable debt burden as strengths reflected in the rating. They also referenced the sizable debt service costs as a challenge.

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, 2012

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
ASSETS			
Equity in Pooled Cash and Deposits	$ 27,809,078	3,572,999	-
Cash and Cash Equivalents	308,419	-	1,140,866
Certificates of Deposit	-	-	499,500
Due from Federal Government	324,614	616,370	-
Due from State of Tennessee	1,189,853	18,646	-
Due from Other Local Governments	143,266	-	-
Due from Others	125,320	-	216,974
Sales Tax Receivable	-	2,291,129	-
Taxes Receivable	39,073,417	11,961,580	-
Allowance for Uncollectibles	(41,449)	(13,046)	-
Inventories	-	150,838	-
Prepaid Expenses	383,920	-	29,895
Bond Issue Costs, Net	1,241,574	-	-
Capital Assets not Being Depreciated:			
Land	3,026,957	1,888,432	-
Construction in Progress	55,804	15,193	-
Library Infrastructure	733,590	-	-
Capital Assets, Net	67,534,902	91,630,770	653,884
TOTAL ASSETS	141,909,265	112,132,911	2,541,119
LIABILITIES			
Accounts Payable	244,950	382,424	100
Accrued Expenses	1,382,240	1,276	47,002
Retainages Payable	112,054	-	-
Due to Other Governments	4,530	-	-
Due to Others	44,483	-	-
Unearned Revenues	36,250,111	11,378,522	-
Long-Term Liabilities			
Due Within One Year	2,726,476	306,883	298,083
Due Within More Than One Year	153,400,247	2,234,100	130,018
TOTAL LIABILITIES	194,165,091	14,303,205	475,203
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	50,759,715	-	-
Invested in Capital Assets	-	93,534,395	653,884
Restricted for Public Safety	116,975	-	-
Restricted for Social, Cultural and Recreational	75,714	-	-
Restricted for Education	-	1,370,322	-
Unrestricted	(103,208,230)	2,924,989	1,412,032
TOTAL NET ASSETS	$ (52,255,826)	97,829,706	2,065,916

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

FUNCTONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
					Primary Government	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Washington County School Board	Emergency Communications District
PRIMARY GOVERNMENT							
GOVERNMENT ACTIVITIES							
General Government	$ 4,846,589	235,856	256,892	529,243	(3,824,598)	-	-
Finance	2,580,133	-	-	-	(2,580,133)	-	-
Administration of Justice	3,621,848	4,557,262	35,164	-	970,578	-	-
Public Safety	18,033,226	3,383,614	200,836	14,720	(14,434,056)	-	-
Highways	9,473,714	731,490	2,926,714	261,312	(5,554,198)	-	-
Public Health and Welfare	5,541,574	426,175	1,165,292	3,087	(3,947,020)	-	-
Social, Cultural and Recreational	935,650	242,239	-	25,345	(668,066)	-	-
Agriculture and Natural Resources	403,045	-	-	-	(403,045)	-	-
Other Operations	875,695	-	-	-	(875,695)	-	-
Education	66,761	-	-	-	(66,761)	-	-
Interest on Long-Term Debt	6,729,327	-	-	-	(6,729,327)	-	-
TOTAL PRIMARY GOVERNMENT	53,107,562	9,576,636	4,584,898	833,707	(38,112,321)	0	0
COMPONENT UNITS							
Board of Education	74,176,937	2,123,240	8,911,953	66,761	-	(63,074,983)	-
Emergency Communications	2,965,954	1,859,215	1,096,334	-	-	-	(10,405)
TOTAL COMPONENT UNITS	77,142,891	3,982,455	10,008,287	66,761	0	(63,074,983)	(10,405)
GENERAL REVENUES							
Taxes							
Property Taxes					35,853,234	11,320,181	-
In Lieu of Taxes					625,719	202,712	-
Sales Taxes					-	13,812,284	-
Business Taxes					1,100,085	340,407	-
Miscellaneous					1,861,929	32,908	-
Other Local Governments					1,647,866	134,916	-
State Aid					194,656	32,160,068	-
Unrestricted Investment Earnings					46,654	27,053	17,434
Gain(Loss) on Sale and Disposal of Assets					(55,616)	21,645	(1,717)
TOTAL GENERAL REVENUES					41,274,527	58,052,174	15,717
CHANGE IN NET ASSETS					3,162,206	(5,022,809)	5,312
NET ASSETS - BEGINNING					(55,418,032)	102,852,515	2,060,604
NET ASSETS - ENDING					$ (52,255,826)	97,829,706	2,065,916

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

WASHINGTON COUNTY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Deposits	$ 16,611,712	4,126,606	5,044,046	2,026,714	27,809,078
Cash with Paying Agent	-	-	-	1,180	1,180
Cash	100	-	-	307,139	307,239
Due from Federal Government	324,614	-	-	-	324,614
Due from State of Tennessee	990,273	160,623	-	38,957	1,189,853
Due from Other Local Governments	97,946	-	-	45,319	143,265
Due from Others	215,577	31,241	356	32,723	279,897
Taxes Receivable	22,572,494	5,089,975	10,178,395	1,232,553	39,073,417
Allowance for Uncollectibles	(24,059)	(5,056)	(11,002)	(1,332)	(41,449)
Due from Other Funds	550,908	131,711	-	18,948	701,567
TOTAL ASSETS	$ 41,339,565	9,535,100	15,211,795	3,702,201	69,788,661
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	$ 187,396	33,707	623	23,224	244,950
Retainage Payable	-	-	-	112,054	112,054
Accrued Expenses	543,984	111,887	-	21,980	677,851
Deferred Revenues	22,460,875	4,657,450	10,133,614	1,227,131	38,479,070
Due to Others	44,483	-	-	-	44,483
Due to Other Governments	4,130	400	-	-	4,530
Due to Other Funds	143,238	69,617	-	488,712	701,567
TOTAL LIABILITIES	23,384,106	4,873,061	10,134,237	1,873,101	40,264,505
FUND BALANCE					
Restricted for:					
Restricted for Public Safety	116,975	-	-	-	116,975
Restricted for Social, Cultural and Recreational	75,714	-	-	-	75,714
Committed for:					
Committed for General Government	1,521,594	-	-	-	1,521,594
Committed for Highway	-	8,111	-	-	8,111
Committed for Public Health and Welfare	-	-	-	1,093,416	1,093,416
Assigned for:					
Assigned for Public Safety	71,374	-	-	254,721	326,095
Assigned for Capital Projects	-	-	-	480,963	480,963
Assigned for Highway	-	4,653,928	-	-	4,653,928
Assigned for Debt Service	-	-	5,077,558	-	5,077,558
Assigned for General Government	170,485	-	-	-	170,485
Assigned for Finance	163	-	-	-	163
Assigned for Public Health and Welfare	6,800	-	-	-	6,800
Assigned for Agriculture and Natural Resources	1,535	-	-	-	1,535
Assigned for Other Operations	2,269	-	-	-	2,269
Unassigned	15,988,550	-	-	-	15,988,550
TOTAL FUND BALANCE	17,955,459	4,662,039	5,077,558	1,829,100	29,524,156
TOTAL LIABILITIES AND FUND BALANCE	$ 41,339,565	9,535,100	15,211,795	3,702,201	69,788,661

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, 2012

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	$ 29,524,156
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 $116,223,732 and the accumulated depreciation is $44,872,479.	71,351,253
Revenue for amounts not received during the period of availability and, therefore, not considered "available" has been deferred in the funds.	2,228,959
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 $491,038.	1,241,574
Prepaids are expended and disbursed but are not recognized based upon economic benefit or recorded as assets in the governmental funds.	229,345
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(704,390)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(156,126,723)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	$ (52,255,826)

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, 2012

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 22,775,492	4,628,643	10,420,620	1,215,209	39,039,964
Licenses and Permits	493,318	583	1,423	163	495,487
Fines, Forfeitures and Penalties	903,457	-	-	70,002	973,459
Charges for Current Services	893,401	507,948	-	148,622	1,549,971
Other Local Revenues	211,229	243,956	-	356,106	811,291
Investment Income	-	-	13,623	-	13,623
Revenue from State of Tennessee	3,521,817	3,027,728	-	159,778	6,709,323
Revenue from Federal Government	952,052	181,624	-	-	1,133,676
Revenue from Other Governments and Citizens Groups	2,530,894	-	-	5,238,654	7,769,548
TOTAL REVENUES	32,281,660	8,590,482	10,435,666	7,188,534	58,496,342
EXPENDITURES					
General Government	4,665,126	-	-	263,833	4,928,959
Finance	2,573,410	-	-	-	2,573,410
Administration of Justice	3,545,146	-	-	-	3,545,146
Public Safety	17,058,392	-	-	-	17,058,392
Highways	-	8,054,024	-	-	8,054,024
Public Health and Welfare	3,957,831	-	-	1,621,540	5,579,371
Social, Cultural and Recreational	876,769	-	-	-	876,769
Agriculture and Natural Resources	397,948	-	-	-	397,948
Other Operations	875,695	-	-	-	875,695
Debt Service	-	-	9,977,813	-	9,977,813
Education	-	-	-	66,761	66,761
TOTAL EXPENDITURES	33,950,317	8,054,024	9,977,813	1,952,134	53,934,288
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	-	(75,500)	-	(5,227,420)	(5,302,920)
Transfers from Other Funds	5,227,420	-	75,500	-	5,302,920
TOTAL OTHER FINANCING SOURCES (USES)	5,227,420	(75,500)	75,500	(5,227,420)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,558,763	460,958	533,353	8,980	4,562,054
Fund Balance, July 1, 2011	14,396,696	4,201,081	4,544,205	1,820,120	24,962,102
Fund Balance, June 30, 2012	$ 17,955,459	4,662,039	5,077,558	1,829,100	29,524,156

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, 2012

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ 4,562,054
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 ($3,589,821) in the period.	(2,714,151)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets.	(1,093,906)
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.	(414,004)
In the statement of activities, certain operating expenses, compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences increased by this amount for the current year.	(134,535)
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.	(368,830)
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.	171,233
Prepaid expenses that do require the use of current financial resources are reported as expenditures in the governmental funds.	229,345
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.	2,925,000
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 3,162,206

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2012

	Agency Funds				
	Johnson City School Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	Total Agency Funds
ASSETS					
Cash on Hand and in Bank	$ -	-	5,276,487	-	5,276,487
Equity in Pooled Cash and Deposits	-	-	-	164,965	164,965
Accounts Receivable	-	-	22,167	12,713	34,880
Taxes Receivable	9,879,509	-	-	-	9,879,509
Allowance for Uncollectibles	(10,716)	-	-	-	(10,716)
Sales Tax Receivable	1,881,464	3,634,604	-	-	5,516,068
TOTAL ASSETS	$ 11,750,257	3,634,604	5,298,654	177,678	20,861,193
LIABILITIES					
Due to Other Governments	$ 11,750,257	3,634,604	-	174,555	15,559,416
Due to State	-	-	768,179	-	768,179
Due to Litigants, Heirs and Others	-	-	4,530,475	3,123	4,533,598
TOTAL LIABILITES	$ 11,750,257	3,634,604	5,298,654	177,678	20,861,193

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

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 government-wide 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.*

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.*

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, when applicable, are accounted for in the Capital Projects Fund (non-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 the 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.

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.

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 type.

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.

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, 2012. Property taxes are levied on October 1 on property values assessed as of January 1. After March 1, the tax bill becomes delinquent and penalty and interest are assessed. Property taxes are declared to be a lien on the property after the 1st of January of the assessment year. The allowance for uncollectible taxes represents the estimated amount of the receivable, which will be filed in court for collection, based on historical rates. Delinquent taxes filed in court for collection are included in taxes receivable and the offsetting account, deferred revenue.

3. Inventories and Prepaid Items

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

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

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:

Assets	Years
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.

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 a 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 their 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.

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, 2012, the County had $128,980,000 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9.Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance-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:

	Primary Government	Component Unit
Bonds Payable	$ (148,885,000)	-
Less: Deferred Charge on Refunding (net of accumulated amortization of $607,865 recorded as interest expense)	570,681	-
Add: Bond Premium (net accumulated of amortization of $2,774,210 recorded as interest expense)	(4,805,545)	-
Capital Outlay Notes	(180,000)	-
Other Post-Employment Benefits	(1,417,272)	(2,401,100)
Compensated Absences	(1,409,587)	(139,883)
Net adjustment to reduce *fund balance governmental funds* to arrive at *net assets-governmental activities*	$ (156,126,723)	(2,540,983)

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

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

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:

	Primary Government	Component Unit
Property Taxes	$ 2,031,013	639,272
Federal Prisoner Board	100,000	-
Local Tax Revenue	97,946	-
Net adjustment to increase *fund balance-governmental funds* to arrive at *net assets-governmental activities*	$ 2,228,959	639,272

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net 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 decrease net assets." The details of this $(1,093,906) 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.	$ 25,345
The statement of activities reports *losses* arising from the disposal of capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets.	(1,119,251)
Net adjustment to decrease *net change in fund balances - governmental funds* to arrive at *change in net assets of governmental activities*	$ (1,093,906)

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 "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 $2,925,000 difference are as follows:

Principal Repayments:	
General Obligation Debt	$2,785,000
Contingent Liability	50,000
Capital Outlay Notes	90,000
Net adjustment to increase *net change in fund balances - governmental funds* to arrive at *changes in net assets of governmental activities*	$ 2,925,000

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 $171,233 difference are as follows:

Prior Year Accrued Interest	$ 697,431
Current Year Accrued Interest	(704,390)
Amortization of Bond Issuance Costs	(70,521)
Amortization of Bond Premiums	330,854
Amortization of Deferred Charge on Refunding	(82,141)
Net adjustment to increase *net change in fund balances - governmental funds* to arrive at *change in net assets of governmental activities*	$ 171,233

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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, 2012, the County reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General Fund	Other General Administration	$ 119,300

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following appropriation category in the following fund:

Fund / Major Category	Amount Overspent
General Fund:	
Drug Court	$ 2,003

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

	Washington County	Washington County Board of Education	Washington County Emergency Communications
Equity in Pooled Cash and Deposits	$ 27,809,078	3,572,999	-
Cash and Cash Equivalents	308,419	-	1,140,866
	$ 28,117,496	3,572,999	1,140,866

Agency Funds

Equity in Pooled Cash and Deposits	$ 164,965
Cash on Hand and in Bank	5,276,487
	$ 5,441,452

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.

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 Federal Deposit Insurance Corporation (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 $31,547,041 and the bank balance was $34,088,077. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2012.

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:

	Carrying Amount	Bank Balance
Primary Government:		
Cash in Bank - Others (Elected Officials Accounts)	$5,575,509	6,471,472
Cash with Paying Agent - Bond Proceeds	$ 1,180	1,180
Component Unit:		
Washington County Emergency Communications District	$ 1,140,866	1,150,934

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.

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	$ -	-	-	-	-	2,291,129	2,291,129
Property Tax	22,572,494	5,089,975	10,178,395	1,232,553	39,073,417	11,961,580	51,034,997
Due from Others	215,577	12,741	356	32,723	261,397	216,974	478,371
Intergovernmental	1,412,833	160,624	-	84,276	1,657,733	635,016	2,292,749
Gross Receivables	24,200,904	5,263,340	10,178,751	1,349,552	40,992,547	15,104,699	56,097,246
Less: Allowance for Uncollectibles	(24,059)	(5,056)	(11,002)	(1,332)	(41,449)	(13,046)	(54,495)
Net Total Receivables	$ 24,176,845	5,258,284	10,167,749	1,348,220	40,951,098	15,091,653	56,042,751

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 $51,034,997 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	$ 1,178,872	20,980,998	-	-
Highway Fund	247,762	4,409,689	-	-
Debt Service Fund	539,099	9,594,515	-	-
Solid Waste Fund	65,280	1,161,851	-	-
General Purpose School Fund	-	-	639,272	11,378,522
Beer Tax (General Fund)	16,625	-	-	-
Income Tax Receivable (General Fund)	86,435	-	-	-
Federal Prisoner Board (General Fund)	100,000	-	-	-
Local Tax Revenue (General Fund)	97,946	-	-	-
	$ 2,332,019	36,147,053	639,272	11,378,522

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2012 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	739,324	58,165	(63,899)	-	733,590
Construction in Progress	70,389	342,882	-	(357,467)	55,804
Total, Capital Assets, Not Being Depreciated	3,836,670	401,047	(63,899)	(357,467)	3,816,351
Capital Assets, Being Depreciated					
Buildings and Improvements	47,484,814	312,859	(2,454,756)	(16,393)	45,326,524
Furniture and Fixtures	85,184	-	-	-	85,184
Office Machinery and Equipment	1,838,159	-	(369,927)	-	1,468,232
Machinery and Equipment	17,090,932	286,690	(1,227,240)	-	16,150,382
Roads and Bridges	49,069,960	-	-	307,099	49,377,059
Total, Capital Assets, Being Depreciated	115,569,049	599,549	(4,051,923)	290,706	112,407,381
Less Accumulated Depreciation for					
Buildings and Improvements	(9,715,550)	(1,213,028)	1,367,952	-	(9,560,626)
Furniture and Fixtures	(79,562)	(964)	-	-	(80,526)
Office Machinery and Equipment	(1,712,188)	(45,089)	368,558	-	(1,388,719)
Machinery and Equipment	(12,779,746)	(1,109,730)	1,227,241	-	(12,662,235)
Roads and Bridges	(19,959,363)	(1,221,010)	-	-	(21,180,373)
Total Accumulated Depreciation	(44,246,409)	(3,589,821)	2,963,751	0	(44,872,479)
Total Capital Assets, Being Depreciated, Net	71,322,640	(2,990,272)	(1,088,172)	290,706	67,534,902
Governmental Activities Capital Assets, Net	$ 75,159,310	(2,589,225)	(1,152,071)	(66,761)	71,351,253

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.

Note 2: The $(66,761) adjustment from Building Improvements is due to the transfer of Building Improvements from the Primary Government to the Discretely Presented Component Unit - Washington County Board of Education. The remaining adjustment is due to the transfer of Construction in Progress to Building Improvements and Bridges. The $(16,393) adjustment from Building Improvements is the net of the $(66,761) transfer mentioned above and the $50,368 transfer from Construction in Progress.

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	$ 936,622
Sheriff's Department	1,159,416
Highways and Streets, including Depreciation of General Infrastructure Assets	1,416,368
Sanitation	77,415
Total Depreciation Expense-Governmental Activities	$3,589,821

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Discretely Presented Component Units

Washington County Board of Education

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets,					
Not Being Depreciated					
Land	$ 1,888,432	-	-	-	1,888,432
Construction In Progress	237,709	147,057	-	(369,573)	15,193
Total Capital Assets, Not Being Depreciated	2,126,141	147,057	0	(369,573)	1,903,625
Capital Assets, Being Depreciated					
Buildings and Improvements	123,336,342	147,177	-	436,334	123,919,853
Furniture and Fixtures	1,020,249	-	(36,480)	-	983,769
Office Machinery and Equipment	571,739	110,703	-	-	682,442
Machinery and Equipment	14,168,008	681,687	(465,391)	-	14,384,304
Total Capital Assets					
Being Depreciated	139,096,338	939,567	(501,871)	436,334	139,970,368
Less Accumulated Depreciation for					
Buildings and Improvements	(31,011,482)	(3,800,191)	-	-	(34,811,673)
Furniture and Fixtures	(1,008,474)	(1,483)	36,480	-	(973,477)
Office Machinery and Equipment	(556,198)	(20,073)	-	-	(576,271)
Machinery and Equipment	(11,825,415)	(606,721)	453,959	-	(11,978,177)
Total Accumulated Depreciation	(44,401,569)	(4,428,468)	490,439	0	(48,339,598)
Total Capital Assets,					
Being Depreciated, Net	94,694,769	(3,488,901)	(11,432)	436,334	91,630,770
Washington County Board of Education					
Capital Assets, Net	$ 96,820,910	(3,341,844)	(11,432)	66,761	93,534,395

Note 1: The $66,761 adjustment to buidling improvements is due to the transfer of building improvements from the Primary Government. The remaining $369,573 adjustment is due the transfer of Construction in Progress to Building Improvements.

Note 2: The adjustment is due to transfer of construction in progress to buildings and improvements to capitalize assets.

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated				
Building Improvements	$ 532,841	-	-	532,841
Vehicles	51,618	-	-	51,618
Office Equipment	1,455,926	6,021	(109,547)	1,352,400
Furniture and Fixtures	56,821	-	(2,845)	53,976
Total, Capital Assets Being Depreciated	2,097,206	6,021	(112,392)	1,990,835
Less Accumulated Depreciation for				
Building Improvements	(305,241)	(20,774)	-	(326,015)
Vehicles	(33,495)	(7,640)	-	(41,135)
Office Equipment	(938,652)	(87,698)	107,830	(918,520)
Furniture and Fixtures	(52,981)	(1,145)	2,845	(51,281)
Total Accumulated Depreciation	(1,330,369)	(117,257)	110,675	(1,336,951)
Total, Capital Assets Being Depreciated, Net	$ 766,837	(111,236)	(1,717)	653,884

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Operating Leases

Washington County is committed under leases for several copiers, storage facilities and office spaces. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2012 amount to $112,709. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2013	$ 105,863
2014	83,959
2015	81,709
2016	61,659
2017	2,310
Total	$ 335,500

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, 2012 amount to $2,235. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2013	$ 2,235
2014	2,235
2015	2,048
Total	$ 6,518

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, 2012.

Governmental Activities

	Balance Beginning of Year	Additions	Retirements / Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
Primary Government					
General Obligation Bonds	$ 151,670,000	-	(2,785,000)	148,885,000	2,320,000
Less: Deferred Amounts on Refunding	(652,822)	-	82,141	(570,681)	-
Add: For Issuance of Premium	5,136,399	-	(330,854)	4,805,545	-
Total General Obligation Bonds	156,153,577	-	(3,033,713)	153,119,864	2,320,000
Capital Outlay Notes	270,000	-	(90,000)	180,000	90,000
Other Post-Employment Benefits	1,048,442	368,830	-	1,417,272	62,000
Compensated Absences	1,275,052	134,535	-	1,409,587	254,476
Contingent Liability	50,000	-	(50,000)	-	-
Primary Government Long-Term Liabilities	$ 158,797,071	503,365	(3,173,713)	156,126,723	2,726,476
Component Unit - WCSB					
Compensated Absences	$ 129,104	10,779	-	139,883	139,883
Other Post-Employment Benefits	1,675,800	725,300	-	2,401,100	167,000
Component Unit Long-Term Liabilities	$ 1,804,904	736,079	0	2,540,983	306,883
Component Unit - ECD					
Compensated Absences	$ 330,255	-	(32,172)	298,083	298,083
Other Post-Employment Benefits	77,261	52,757	-	130,018	-
Component Unit Long-Term Liabilities	$ 407,516	52,757	(32,172)	428,101	298,083

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

Bonds Payable	Date Issued	Date Matures	Amount Issued	Interest Rate	Outstanding June 30, 2012
School Construction Bonds	09/15/04	06/30/18	$ 19,700,000	2.70-5.00%	$ 9,985,000
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%	20,085,000
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%	5,995,000
Total					$ 148,885,000

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	1,920,000	192,000	2,112,000
2018	1,920,000	96,000	2,016,000
	$ 9,985,000	1,928,500	11,913,500

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	-	4,929,256	4,929,256
2018-2022	14,675,000	23,658,931	38,333,931
2023-2027	22,760,000	18,992,031	41,752,031
2028-2032	28,905,000	12,849,081	41,754,081
2033-2037	39,335,000	5,620,452	44,955,452
	$ 105,675,000	85,766,775	191,441,775

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
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	1,170,000	125,750	1,295,750
2018	1,345,000	67,250	1,412,250
	$ 4,275,000	942,600	5,217,600

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	275,000	899,531	1,174,531
2018-2022	3,410,000	4,161,206	7,571,206
2023-2027	4,840,000	3,153,656	7,993,656
2028-2032	6,165,000	1,845,581	8,010,581
2033-2035	4,415,000	391,783	4,806,783
	$ 20,085,000	14,160,281	34,245,281

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
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	755,000	92,000	847,000
2018-2022	2,060,000	159,300	2,219,300
	$ 5,995,000	874,800	6,869,800

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	265,000	81,960	346,960
2018-2022	1,435,000	288,040	1,723,040
2023	655,000	26,200	681,200
	$ 2,870,000	758,885	3,628,885

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
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	4,385,000	6,320,497	10,705,497
2018-2022	24,845,000	28,430,727	53,275,727
2023-2027	28,255,000	22,171,887	50,426,887
2028-2032	35,070,000	14,694,662	49,764,662
2033-2037	43,750,000	6,012,235	49,762,235
	$ 148,885,000	104,431,841	253,316,841

Capital Outlay Notes

	Date Issued	Maturity Date	Amount Issued	Interest Rate	Outstanding June 30, 2012
School Capital Outlay	07/26/10	07/26/13	$ 270,000	2.25%	$ 180,000
Total					$ 180,000

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:

Fiscal Year Ending June 30	Principal	Interest	Total
2013	$ 90,000	4,106	94,106
2014	90,000	2,053	92,053
	$ 180,000	6,159	186,159

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.

On June 30, 2012, the following bonds outstanding are considered to be defeased:

Date	Bond Refunding	Amount	Issued Refunded
6/27/11	School Improvement Bonds	$1,780,000	2004

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2012 is as follows:

Due to/from Other Funds

	Payable Fund			
	General Fund	Highway Fund	Nonmajor Governmental Funds	Total
Receivable Fund				
General Fund	$ -	69,434	481,474	550,908
Highway Fund	124,473	-	7,238	131,711
Nonmajor Governmental Funds	18,765	183	-	18,948
	$ 143,238	69,617	488,712	701,567

Interfund Transfers

	Transfer In		
	General Fund	Debt Service Fund	Total
Transfer Out			
Highway Fund	$ -	75,500	75,500
Constitutional Officers	5,227,420	-	5,227,420
Total Transfers Out	$ 5,227,420	75,500	5,302,920

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

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 $258,000 to the operations during the year ended June 30, 2012.

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 $1,392,949 to the operations during the year and has no equity interest as of June 30, 2012.

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 $146,206 to the operations during the year and has no equity interest as of June 30, 2012.

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, 2012.

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 $181,023 to the operations during the year and has no equity interest as June 30, 2012. Financial statements for the joint venture are not available. However, information about the management company operating the facility is available on their website as www.uhsinc.com.

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

Animal Control Center
525 Sells Avenue
Johnson City, TN 37601

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

Emergency Medical Services
Wesley Street
Johnson City, TN 37601

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

NOTE 5 - OTHER INFORMATION (CONTINUED)

A. Joint Ventures (Continued)

	Washington County - Johnson City Animal Control Center	Emergency Medical Services - Ambulance Division	Johnson City/ Jonesborough/ Washington County Economic Development Board, Inc.	Tri-Cities Airport Commission
Operating Revenues	$ 91,314	7,330,820	564	6,160,383
Operating Expenses	(530,046)	(8,904,396)	(520,424)	(5,422,576)
Depreciation	-	(565,276)	-	(3,319,171)
Amortization	-	-	-	(13,500)
Other Income (Expense)	907,256	1,949,815	-	1,253,169
Capital Contributions	-	-	-	4,821,258
Net Income (Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	468,524	(189,037)	(519,860)	3,479,563
Total Fund Equity, July 1	291,927	3,082,573	804,150	63,023,491
Total Fund Equity, June 30	$ 760,451	2,893,536	284,290	66,503,054
Total Assets	$ 785,547	6,784,933	284,290	73,193,702
Total Liabilities	25,096	3,891,397	-	6,690,648
Total Fund Equity	$ 760,451	2,893,536	284,290	66,503,054

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.

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, 2010	$ 241,114
June 30, 2011	0
June 30, 2012	1,970

NOTE 5 - OTHER INFORMATION (CONTINUED)

C. 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, 2012 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, 2012 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.

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Annual Pension Cost

For the year ending June 30, 2012, the County's annual pension cost of $3,422,976 to TCRS was equal to the County's required and actual contributions and the WCECD's annual pension cost of $192,318 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 ten-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, 2011, which established contribution rates effective July 1, 2012.

Washington County

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 20, 2012	$ 3,422,976	100%	$ 0
June 20, 2011	$ 3,109,063	100%	$ 0
June 30, 2010	$ 3,364,149	100%	$ 0

WCECD

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	$ 192,318	100%	$ 0
June 30, 2011	$ 184,536	100%	$ 0
June 30, 2010	$ 184,149	100%	$ 0

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the County's plan was 96.59% funded. The actuarial accrued liability for benefits was $70.85 million, and the actuarial value of assets was $68.44 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2.41 million. The covered payroll (annual payroll of active employees covered by the plan) was $22.29 million, and the ratio of the UAAL to the covered payroll was 10.83%. The WCECD's plan was 84.22% funded. The actuarial accrued liability for benefits was $3.73 million, and the actuarial value of assets was $3.14 million, resulting in an unfunded actuarial accrued liability (UAAL) of $0.59 million. The covered payroll (annual payroll of active employees covered by the plan) was $1.52 million, and the ratio of the UAAL to the covered payroll was 38.65%.

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.

(Dollar Amounts in Thousands)

Washington County

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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, 2011	$ 68,438	$ 70,853	$ 2,415	96.59%	$ 22,289	10.83%
July 1, 2009	54,557	57,442	2,885	94.98%	22,132	13.04%
July 1, 2007	49,734	53,335	3,601	93.25%	19,930	18.07%

WCECD

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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, 2011	$ 3,138	$ 3,726	$ 588	84.22%	$ 1,521	38.65%
July 1, 2009	2,297	2,481	183	92.61%	1,489	12.32%
July 1, 2007	1,918	2,129	211	90.09%	1,271	16.60%

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 3%.

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.

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, 2012 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, 2012, 2011, and 2010 were $2,633,245, $2,620,212, and $1,821,779, respectively, equal to the required contributions for each year.

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 retires. As of the effective date of the actuarial valuation, there were a total of six 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 Statement No. 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 No. 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.

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)	$ 369,919
Interest on net OPEB Obligation	12,511
Adjustment to ARC	(13,600)
Annual OPEB Cost (Expense)	368,830
Contribution made (assumed end of year)	(62,212)
Increase (Decrease) in net OPEB Obligation	306,618
Net OPEB Obligation - beginning of year	1,012,773
Net OPEB Obligation - end of year	$ 1,319,391

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years are 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
6/30/2012	$ 368,830	16.9%	$ 1,319,391	$ 15,637,496	2.4%
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 a 4.00 % investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 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 30-year period beginning with June 30, 2009.

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. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare supplement plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tennessee.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claim liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does provide a partial subsidy to Local Education Agency pre-65 teachers.

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)

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)	$ 1,094,000
Interest on net OPEB Obligation	67,000
Adjustment to ARC	(71,200)
Annual OPEB Cost (Expense)	1,089,800
Contribution made	(364,500)
Increase (Decrease) in net OPEB Obligation	725,300
Net OPEB Obligation - beginning of year	1,675,800
Net OPEB Obligation - end of year	$ 2,401,100

Year End	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2012	Teacher & Local Government Plan	$ 1,089,800	33%	$ 2,401,100
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

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012 was as follows:

Actuarial Valuation Date	July 1, 2011
Actuarial Accrued Liability (AAL)	$ 8,480,000
Actuarial Value of Plan Assets	$ -
Unfunded Actuarial Accrued Liability (UAAL)	$ 8,480,000
Actuarial Value of Assets as a % of the AAL	0%
Covered Payroll	$ 38,301,000
UAAL as a Percentage of Covered Payroll	22%

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, 2011 actuarial valuation for the Local Education plan, the Projected Unit Credit actuarial cost method was used and the actuarial assumptions included a 4.00 % investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate 9.25 % for fiscal year 2012. The trend will decrease to 8.75% in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of 5.00% by fiscal year 2021. 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 30-year period beginning with June 30, 2008.

Washington County Emergency Communications District

Plan Description

The District has adopted a preferred provider organization 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.

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 31 active participants and one retiree. Since the initial actuarial valuation, eligibility requirements were changed to allow retirees with 25 years of service at age 60 to receive benefits. Also, the proportion of retirees with family coverage is substantially higher than in the initial valuation. The discount rate was changed to 4.0% and the per capita benefits costs and trends were different from the initial valuation.

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 No. 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.

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)	$ 57,674
Interest on net OPEB Obligation	3,090
Adjustment to ARC	(3,090)
Annual OPEB Cost (Expense)	57,674
Contribution Made (assumed end of year)	4,917
Increase in Net OPEB Obligation	52,757
Net OPEB Obligation - Beginning of Year	77,261
Net OPEB Obligation - End of Year	$ 130,018

The actuarial report does include an implicit rate subsidy of approximately $7,700 not reflected in the contribution amount above. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	$ 57,674	0%	$ 130,018
6/30/2011	29,650	0%	77,261
6/30/2010	29,650	0%	54,668

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, 2011, the date of the actuarial valuation, was as follows:

Actuarial Valuation Date	July 1, 2011
Actuarial Accrued Liability (AAL)	$ 510,704
Actuarial Value of Plan Assets	$ -
Unfunded Actuarial Accrued Liability (UAAL)	$ 510,704
Actuarial Value of Assets as a % of the AAL	0%
Covered Payroll	$ 1,730,000
UAAL as a Percentage of Covered Payroll	29.50%

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

Projections 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, 2011 and year 1 represents the period of July 1, 2011 to June 30, 2012. A discount rate of 4.00 % was used to discount expected liabilities to the valuation dates. Future salaries are expected to increase at an annual rate of 3.00%. Average health care trend costs rates are assumed to increase by 8.25% (years 1 & 2), 8.00% (year 3), 7.50% (year 4 and 5), 7.00% (year 6 and 7), 6.50% (year 8 and 9), 6.00% (year 10 and 11), and 5.50% for years 12 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 27 years on an open basis.

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 2012 was $274,635 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.

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. Subsequent Event

On November 9, 2012, the County issued $1,760,000 in General Obligation School Bonds, Series 2012 for the purchase of school buses for the Board of Education.

SECTION III

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	$ 22,452,499	22,452,499	22,775,492	322,993
Licenses and Permits	447,000	447,000	493,318	46,318
Fines, Forfeitures and Penalties	845,854	873,954	903,457	29,503
Charges for Current Services	899,475	899,475	893,401	(6,074)
Other Local Revenues	161,829	164,177	211,229	47,052
Revenue from State of Tennessee	3,295,518	3,425,265	3,521,817	96,552
Revenue from Federal Government	310,000	883,644	952,052	68,408
Revenue from Other Governments and Citizens Groups	1,286,425	1,286,425	2,530,894	1,244,469
TOTAL REVENUES	29,698,600	30,432,439	32,281,660	1,849,221
EXPENDITURES AND ENCUMBRANCES				
County Commission	294,926	323,076	311,404	11,672
Board of Equalization	14,690	14,690	5,983	8,707
County Mayor	209,517	225,622	222,075	3,547
County Attorney	51,450	51,450	49,849	1,601
Election Commission	648,836	648,836	599,694	49,142
Register of Deeds	544,976	558,476	485,011	73,465
Planning and Zoning	30,441	30,441	25,099	5,342
Codes Compliance	292,542	415,242	397,816	17,426
County Building	51,100	31,100	18,214	12,886
Other General Administration	2,434,690	2,669,610	2,504,212	165,398
Preservation of Records	250,000	254,993	80,420	174,573
Accounting and Budgeting	280,635	280,635	268,528	12,107
Purchasing	181,000	181,000	176,584	4,416
Property Assessor	559,848	551,848	476,032	75,816
Reappraisal Program	371,129	379,129	349,103	30,026
County Trustee	532,828	544,828	436,073	108,755
County Clerk	941,726	959,726	864,643	95,083
General Sessions Judge	401,865	401,865	386,437	15,428
Drug Court	13,000	13,000	15,003	(2,003)
Circuit Court	1,884,605	1,949,657	1,748,391	201,266
Chancery Court	729,659	729,659	695,709	33,950
District Attorney General	75,000	75,000	16,667	58,333
Judicial Court	201,870	203,170	170,013	33,157
Courtroom Security	574,719	574,719	499,436	75,283
Sheriff's Department	6,524,553	6,696,473	6,597,623	98,850
Substance Abuse Grant	133,314	133,318	97,914	35,404
Alcohol and Drug Program	12,232	12,632	3,412	9,220
Network Coordinator Grant	-	3,380	319	3,061
Jail	7,676,192	7,680,548	7,492,428	188,120
Juvenile Services	505,882	505,882	462,160	43,722
Work Release Program	12,712	14,212	11,696	2,516
Federal Asset Forfeiture	18,500	30,250	13,916	16,334
ARRA JAG Grant	-	10	10	-
JAG Grant (Law Enforcement Supplies)	-	20,811	20,811	-
Fire Protection and Control	850,000	852,500	852,500	-
Civil Defense	109,058	109,058	109,058	-
Hazardous Materials	11,400	11,400	8,193	3,207

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
EXPENDITURES AND ENCUMBRANCES (CONTINUED)				
Other Emergency Management	-	307,955	305,663	2,292
Rescue Squad	74,300	74,300	74,300	-
County Coroner	154,600	154,600	144,421	10,179
School Resource Officer Grant	18,500	18,500	17,658	842
Other Public Safety	587,662	587,662	546,246	41,416
County Health Center	1,029,607	1,029,607	961,395	68,212
Local Health Center State Grant	1,164,869	1,164,869	1,003,329	161,540
Rabies and Animal Control	158,000	258,000	258,000	-
Ambulance Service	1,295,000	1,511,177	1,507,351	3,826
Regional Mental Health Center	58,725	58,725	58,725	-
Public Welfare	89,400	94,400	90,571	3,829
Aid to Dependent Children	18,000	18,000	18,000	-
Sanitation Education	61,000	71,162	63,847	7,315
Senior Citizen's Assistance	128,000	129,977	129,977	-
Libraries	599,460	602,307	577,082	25,225
Libraries (Other)	124,750	124,750	124,750	-
Social, Cultural and Recreational	18,750	19,750	19,750	-
International Storytelling Center	50,000	50,000	25,000	25,000
Agriculture Extension Service	232,935	232,935	227,396	5,539
Forest Service	1,500	1,500	1,500	-
Soil Conservation	86,866	89,866	86,216	3,650
Storm Water Management	85,696	83,446	67,735	15,711
Agriculture and Natural Resources	12,840	22,840	16,635	6,205
Tourism	7,000	7,000	6,971	29
Industrial Development	-	146,206	146,206	-
Economic and Community Development	25,000	309,889	309,590	299
Transportation - Airport	15,000	15,000	14,954	46
Other Charges	-	2,000	1,278	722
Contributions to Other Agencies	291,880	339,005	330,739	8,266
Employee Benefits	200,000	128,300	55,866	72,434
Disaster Relief	300,000	280,000	218,683	61,317
Network Grant	-	991	-	991
High Visibility Grant	-	1,295	-	1,295
TOTAL EXPENDITURES AND ENCUMBRANCES	34,314,235	36,074,260	33,882,270	2,191,990
OTHER FINANCING SOURCES (USES)				
Transfer from Constitutional Officers - Fees Fund	4,925,000	4,925,000	5,227,420	302,420
TOTAL OTHER FINANCING SOURCES (USES)	4,925,000	4,925,000	5,227,420	302,420
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	309,365	(716,821)	3,626,810	4,343,631
Fund Balance, July 1, 2011	14,076,024	14,076,024	14,076,024	-
Fund Balance, June 30, 2012	$ 14,385,389	13,359,203	17,702,834	4,343,631

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

Explanation of Differences between Budgetary Expenditures and GAAP Expenditures.

		Budget to GAAP Differences (1)		
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
TOTAL REVENUES	$ 32,281,660	-	-	32,281,660
EXPENDITURES				
County Commission	311,404	-	-	311,404
Board of Equalization	5,983	-	-	5,983
County Mayor	222,075	-	25	222,100
County Attorney	49,849	-	-	49,849
Election Commission	599,694	-	300	599,994
Register of Deeds	485,011	-	17,380	502,391
Planning and Zoning	25,099	-	-	25,099
Codes Compliance	397,816	25,019	-	372,797
County Building	18,214	-	4,577	22,791
Other General Administration	2,504,212	141,016	113,550	2,476,746
Preservation of Records	80,420	4,450	-	75,970
Accounting and Budgeting	268,528	163	485	268,850
Purchasing	176,584	-	-	176,584
Property Assessor	476,032	-	-	476,032
Reappraisal Program	349,103	-	-	349,103
County Trustee	436,073	-	562	436,635
County Clerk	864,643	-	1,562	866,205
Circuit Court	1,748,391	-	13,492	1,761,883
General Sessions Judge	386,437	-	-	386,437
Drug Court	15,003	-	-	15,003
Chancery Court	695,709	-	-	695,709
District Attorney General	16,667	-	-	16,667
Judicial Court	170,013	-	-	170,013
Courtroom Security	499,436	-	-	499,436
Sheriff's Department	6,597,623	33,303	6,324	6,570,644
Substance Abuse Grant	97,914	-	-	97,914
Jail	7,492,428	31,202	19,008	7,480,234
Juvenile Services	462,160	-	-	462,160
Work Release Program	11,696	-	-	11,696
Federal Asset Forfeiture	13,916	-	129,228	143,144
Other Public Safety	546,246	-	-	546,246
Fire Protection and Control	852,500	-	-	852,500
Civil Defense	109,058	-	-	109,058
Hazardous Materials	8,193	-	-	8,193
Rescue Squad	74,300	-	-	74,300
Other Emergency Management	305,663	6,868	1,618	300,413
County Coroner	144,421	-	-	144,421
School Resource Officer Grant	17,658	-	-	17,658
County Health Center	961,395	6,800	-	954,595

(Continued)

WASHINGTON COUNTY, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

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

		Budget to GAAP Differences (1)		
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
EXPENDITURES (CONTINUED)				
Local Health Center State Grant	1,003,329	-	-	1,003,329
Rabies and Animal Control	258,000	-	-	258,000
Ambulance Service	1,507,351	-	-	1,507,351
Alcohol and Drug Program	3,412	-	-	3,412
Regional Mental Health Center	58,725	-	-	58,725
Public Welfare	90,571	-	-	90,571
Aid to Dependent Children	18,000	-	-	18,000
Sanitation Education	63,847	-	-	63,847
Senior Citizen's Assistance	129,977	-	-	129,977
Libraries	577,082	-	210	577,292
Social, Cultural and Recreational	19,750	-	-	19,750
International Storytelling Center	25,000	-	-	25,000
Agriculture Extension Service	227,396	-	-	227,396
Forest Service	1,500	-	-	1,500
Soil Conservation	86,216	-	-	86,216
Storm Water Management	67,735	263	-	67,472
Agriculture and Natural Resources	16,635	1,272	-	15,363
Tourism	6,971	-	-	6,971
Industrial Development	146,206	-	-	146,206
Economic and Community Development	309,590	2,269	-	307,321
Transportation - Airport	14,954	-	-	14,954
Contributions to Other Agencies	330,739	-	-	330,739
Employee Benefits	55,866	-	-	55,866
Judgments	1,278	-	-	1,278
ARRA JAG Grant	10	-	12,351	12,361
Disaster Relief	218,683	-	-	218,683
Network Law Enforcement Grant	319	-	-	319
Other Libraries	124,750	-	-	124,750
JAG Grant (Law Enforcement Supplies)	20,811	-	-	20,811
TOTAL EXPENDITURES	33,882,270	252,625	320,672	33,950,317
TOTAL OTHER FINANCING SOURCES	5,227,420	0	0	5,227,420
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,626,810	252,625	(320,672)	3,558,763
Fund Balance, July 1, 2011	14,076,024	-	320,672	14,396,696
Fund Balance, June 30, 2012	$ 17,702,834	252,625	0	17,955,459

(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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	$ 4,524,549	4,524,549	4,628,643	104,094
Licenses and Permits	500	500	583	83
Charges for Current Services	270,000	622,000	507,948	(114,052)
Other Local Revenues	130,000	130,000	243,956	113,956
Revenue from State of Tennessee	2,766,947	2,938,947	3,027,728	88,781
Revenue from Other Governments and Citizen Groups	-	-	181,624	181,624
TOTAL REVENUES	7,691,996	8,215,996	8,590,482	374,486
EXPENDITURES AND ENCUMBRANCES				
Administration	653,115	609,865	549,131	60,734
Traffic Control	131,356	140,356	138,158	2,198
Highway and Bridge Maintenance	2,482,929	2,755,779	2,295,690	460,089
Operation and Maintenance of Equipment	786,482	858,182	838,571	19,611
Asphalt Plant Operations	2,900,591	3,776,891	3,341,582	435,309
Other Charges	126,000	126,000	115,599	10,401
Employee Benefits	1,040,000	532,400	501,254	31,146
Capital Outlay	448,512	505,512	330,955	174,557
TOTAL EXPENDITURES AND ENCUMBRANCES	8,568,985	9,304,985	8,110,940	1,194,045
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	75,500	75,500	(75,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	75,500	75,500	(75,500)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures, Encumbrances and Other Financing Uses	(801,489)	(1,013,489)	404,042	1,568,531
Fund Balance, July 1, 2011	4,168,688	4,168,688	4,168,688	-
Fund Balance, June 30, 2012	$ 3,367,199	3,155,199	4,572,730	1,568,531

(Continued)

WASHINGTON COUNTY, TENNESSEE
HIGHWAY FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

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

		Budget to GAAP Differences (1)		
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
TOTAL REVENUES	$ 8,590,482	-	-	8,590,482
EXPENDITURES				
Administration	549,131	-	-	549,131
Traffic Control	138,158	12,954	-	125,204
Highway and Bridge Maintenance	2,295,690	25,000	27,412	2,298,102
Operation and Maintenance of Equipment	838,571	9,800	-	828,771
Asphalt Plant Operations	3,341,582	-	400	3,341,982
Other Charges	115,599	-	-	115,599
Employee Benefits	501,254	-	-	501,254
Capital Outlay	330,955	41,555	4,581	293,981
TOTAL EXPENDITURES	8,110,940	89,309	32,393	8,054,024
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	404,042	89,309	32,393	460,958
Fund Balance, July 1, 2011	4,168,688	-	(32,393)	4,201,081
Fund Balance, June 30, 2012	$ 4,572,730	89,309	0	4,662,039

(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.

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 committment 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, 2012

(Dollar Amounts in Thousands)

Washington County

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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, 2011	$ 68,438	$ 70,853	$ 2,415	96.59%	$ 22,289	10.83%
July 1, 2009	54,557	57,442	2,885	94.98%	22,132	13.04%
July 1, 2007	49,734	53,335	3,601	93.25%	19,930	18.07%

Washington County Emergency Communications District

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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, 2011	$ 3,138	$ 3,726	$ 588	84.22%	$ 1,521	38.65%
July 1, 2009	2,297	2,481	183	92.61%	1,489	12.32%
July 1, 2007	1,918	2,129	211	90.09%	1,271	16.60%

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 three 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, 2012

(Dollar Amounts in Thousands)

Washington County, TN

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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

Actuarial Valuation Date	Plan	(a) Actuarial Value of Assets	(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, 2011	LEA / Local Government	$ -	$ 8,480	$ 8,480	0.00%	$ 38,301	22.00%
July 1, 2010	LEA / Local Government	-	11,890	11,890	0.00%	71,929	16.53%

Washington County Emergency Communications District

Actuarial Valuation Date	(a) Actuarial Value of Assets	(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, 2011	$ -	$ 511	$ 511	0.00%	$ 1,730	29.50%
July 1, 2008	-	204	204	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, 2012

	Special Revenue Funds					Total
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	Capital Projects	Nonmajor Governmental Funds
ASSETS						
Equity in Pooled Cash and Deposits	$ 1,016,180	176,682	82,930	159,085	591,837	2,026,714
Cash	-	-	-	307,139	-	307,139
Cash with Paying Agent	-	-	-	-	1,180	1,180
Due from State of Tennessee	38,957	-	-	-	-	38,957
Due from Other Local Governments	43,720	-	1,599	-	-	45,319
Due from Others	32,705	18	-	-	-	32,723
Due from Other Funds	18,948	-	-	-	-	18,948
Taxes Receivable	1,232,553	-	-	-	-	1,232,553
Allowance for Uncollectibles	(1,332)	-	-	-	-	(1,332)
TOTAL ASSETS	$ 2,381,731	176,700	84,529	466,224	593,017	3,702,201
LIABILITIES						
Accounts Payable	$ 21,671	1,553	-	-	-	23,224
Accrued Expenses	21,980	-	-	-	-	21,980
Retainage Payable	-	-	-	-	112,054	112,054
Due to Other Funds	17,533	-	4,955	466,224	-	488,712
Deferred Revenues	1,227,131	-	-	-	-	1,227,131
TOTAL LIABILITIES	1,288,315	1,553	4,955	466,224	112,054	1,873,101
FUND BALANCE						
Committed For:						
Public Health and Welfare	1,093,416	-	-	-	-	1,093,416
Assigned For:						
Public Safety	-	175,147	79,574	-	-	254,721
Capital Projects	-	-	-	-	480,963	480,963
TOTAL FUND BALANCE	1,093,416	175,147	79,574	0	480,963	1,829,100
TOTAL LIABILITIES AND FUND BALANCE	$ 2,381,731	176,700	84,529	466,224	593,017	3,702,201

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, 2012

	Special Revenue Funds					Total
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	Capital Projects	Nonmajor Governmental Funds
REVENUES						
Taxes	$ 1,215,209	-	-	-	-	1,215,209
Licenses and Permits	163	-	-	-	-	163
Fines, Forfeitures and Penalties	-	19,937	50,065	-	-	70,002
Charges for Current Services	148,622	-	-	-	-	148,622
Other Local Revenues	296,803	37,766	-	21,196	341	356,106
Revenue from State of Tennessee	159,778	-	-	-	-	159,778
Revenue from Other Governments and Citizens Groups	-	-	-	5,238,654	-	5,238,654
TOTAL REVENUES	1,820,575	57,703	50,065	5,259,850	341	7,188,534
EXPENDITURES						
General Government	-	195,195	35,258	32,430	950	263,833
Education	-	-	-	-	66,761	66,761
Public Health and Welfare	1,621,540	-	-	-	-	1,621,540
TOTAL EXPENDITURES	1,621,540	195,195	35,258	32,430	67,711	1,952,134
OTHER FINANCING SOURCES (USES)						
Transfers from (to) Other Funds	-	-	-	(5,227,420)	-	(5,227,420)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	(5,227,420)	0	(5,227,420)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	199,035	(137,492)	14,807	-	(67,370)	8,980
Fund Balance, July 1, 2011	894,381	312,639	64,767	-	548,333	1,820,120
Fund Balance, June 30, 2012	$ 1,093,416	175,147	79,574	0	480,963	1,829,100

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SOLID WASTE / SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	$ 1,186,107	1,186,107	1,215,209	29,102
Licenses and Permits	100	100	163	63
Charges for Current Services	112,000	112,000	148,622	36,622
Other Local Revenues	153,500	153,500	296,803	143,303
Revenue from State of Tennessee	141,000	153,400	159,778	6,378
TOTAL REVENUES	1,592,707	1,605,107	1,820,575	215,468
EXPENDITURES				
Sanitation Operations	1,384,839	1,408,261	1,322,772	85,489
Tire Center Operations	344,714	342,779	298,768	44,011
TOTAL EXPENDITURES	1,729,553	1,751,040	1,621,540	129,500
Excess of Revenues Over (Under) Expenditures	(136,846)	(145,933)	199,035	344,968
Fund Balance, July 1, 2011	894,381	894,381	894,381	-
Fund Balance, June 30, 2012	$ 757,535	748,448	1,093,416	344,968

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE
DRUG FINES FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	$ 28,550	28,550	19,937	(8,613)
Other Local Revenues	11,400	11,400	37,766	26,366
TOTAL REVENUES	39,950	39,950	57,703	17,753
EXPENDITURES				
General Government	39,950	211,367	195,558	15,809
TOTAL EXPENDITURES	39,950	211,367	195,558	15,809
Excess of Revenues Over (Under) Expenditures	-	(171,417)	(137,855)	33,562
Fund Balance, July 1, 2011	309,639	309,639	309,639	-
Fund Balance, June 30, 2012	$ 309,639	138,222	171,784	33,562

(Continued)

WASHINGTON COUNTY, TENNESSEE
DRUG FINES FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

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

		Budget to GAAP Differences (1)		
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
TOTAL REVENUES	$ 57,703	-	-	57,703
EXPENDITURES				
General Government	195,558	3,363	3,000	195,195
TOTAL EXPENDITURES	195,558	3,363	3,000	195,195
Excess of Revenues Over (Under) Expenditures	(137,855)	3,363	(3,000)	(137,492)
Fund Balance, July 1, 2011	309,639	-	3,000	312,639
Fund Balance, June 30, 2012	$ 171,784	3,363	0	175,147

(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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	$ 9,951,850	9,951,850	10,420,620	468,770
Licenses and Permits	1,000	1,000	1,423	423
Other Local Revenues	5,000	5,000	13,623	8,623
TOTAL REVENUES	9,957,850	9,957,850	10,435,666	477,816
EXPENDITURES				
Principal on Bonds	2,785,000	2,785,000	2,785,000	-
Principal on Notes	90,000	90,000	90,000	-
Interest on Bonds	6,898,350	6,892,250	6,892,208	42
Interest on Notes	-	6,400	6,322	78
Trustee Commission and Debt Issuance Costs	250,000	250,000	202,253	47,747
Fees	10,000	9,700	2,030	7,670
TOTAL EXPENDITURES	10,033,350	10,033,350	9,977,813	55,537
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	75,500	75,500	75,500	-
TOTAL OTHER FINANCING SOURCES (USES)	75,500	75,500	75,500	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	-	-	533,353	533,353
Fund Balance, July 1, 2011	4,544,205	4,544,205	4,544,205	-
Fund Balance, June 30, 2012	$ 4,544,205	4,544,205	5,077,558	533,353

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	PROGRAM REVENUES Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS Board of Education Governmental Activities
COMPONENT UNIT					
GOVERNMENTAL ACTIVITIES					
Regular Instruction	$ 39,196,318	-	4,413,493	-	(34,782,825)
Special Education	5,955,360	-	1,885,503	-	(4,069,857)
Vocational Education	2,230,234	-	119,690	-	(2,110,544)
Adult Education	5,745	7,420	-	-	1,675
Attendance	121,634	-	-	-	(121,634)
Health Services	810,826	-	-	-	(810,826)
Other Student Support	1,160,989	-	-	-	(1,160,989)
Board of Education	1,228,353	-	-	-	(1,228,353)
Office of the Director	585,237	-	-	-	(585,237)
Office of the Principal	3,419,964	-	-	-	(3,419,964)
Fiscal Services	198,495	-	-	-	(198,495)
Operation of Plant	4,427,890	25,491	-	66,761	(4,335,638)
Maintenance of Plant	1,788,427	-	-	-	(1,788,427)
Transportation	3,331,103	-	-	-	(3,331,103)
Central and Other	133,585	-	-	-	(133,585)
Food Service	4,407,507	1,507,879	2,493,267	-	(406,361)
Community Service	501,960	582,450	-	-	80,490
Early Childhood Development	244,842	-	-	-	(244,842)
Depreciation - All Unallocated	4,428,468	-	-	-	(4,428,468)
TOTAL GOVERNMENTAL ACTIVITIES	$ 74,176,937	2,123,240	8,911,953	66,761	(63,074,983)

GENERAL REVENUES	
Taxes	
Property Taxes	$ 11,320,181
In Lieu of Taxes	202,712
Sales Taxes	13,812,284
Business Taxes	340,407
Miscellaneous	32,908
Other Local Governments	134,916
State Aid	32,160,068
Gain on Sale and Disposal of Assets	21,645
Unrestricted Investment Earnings	27,053
TOTAL GENERAL REVENUES	58,052,174
CHANGE IN NET ASSETS	(5,022,809)
Net Assets - Beginning	102,852,515
Net Assets - Ending	$ 97,829,706

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Washington County Board of Education
ASSETS				
Equity in Pooled Cash and Deposits	$ 3,607,826	(351,843)	317,016	3,572,999
Inventory - Food Service	-	-	150,838	150,838
Accounts Receivable				
Due from State of Tennessee	18,646	-	-	18,646
Due from Federal Government	25,751	381,734	208,885	616,370
Due from Other Funds	25,341	-	-	25,341
Sales Tax Receivable	2,291,129	-	-	2,291,129
Taxes Receivable	11,961,580	-	-	11,961,580
Allowance for Uncollectibles	(13,046)	-	-	(13,046)
TOTAL ASSETS	$ 17,917,227	29,891	676,739	18,623,857
LIABILITES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ 382,424	-	-	382,424
Accrued Expenses	-	-	1,276	1,276
Due to Other Funds	-	25,341	-	25,341
Deferred Revenues	12,017,794	-	-	12,017,794
TOTAL LIABILITIES	12,400,218	25,341	1,276	12,426,835
FUND BALANCE				
Non Spendable	-	-	150,838	150,838
Restricted				
Restricted for Education	279,140	4,550	524,625	808,315
Assigned				
Assigned for Education	380,169	-	-	380,169
Assigned for Capital Outlay	31,000	-	-	31,000
Unassigned	4,826,700	-	-	4,826,700
TOTAL FUND BALANCE	5,517,009	4,550	675,463	6,197,022
TOTAL LIABILITIES AND FUND BALANCE	$ 17,917,227	29,891	676,739	18,623,857

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, 2012

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$ 6,197,022
Amounts reported for governmental activities of the Washington County Board of Education 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 $141,873,993 and the accumulated depreciation is $48,339,598.	93,534,395
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.	639,272
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.	(2,540,983)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	$ 97,829,706

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, 2012

	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Washington County Board of Education
REVENUES				
Taxes	$ 25,715,555	-	-	25,715,555
Licenses and Permits	1,591	-	-	1,591
Fines, Forfeitures and Penalties	102,369	-	-	102,369
Charges for Current Services	589,870	-	1,507,879	2,097,749
Other Local Revenues	89,523	-	-	89,523
Other Local - Investment Income	27,053	-	-	27,053
Revenue from State of Tennessee	32,843,593	-	38,354	32,881,947
Revenue from Federal Government	223,581	5,547,911	2,454,913	8,226,405
TOTAL REVENUES	59,593,135	5,547,911	4,001,146	69,142,192
EXPENDITURES				
Regular Instruction	36,260,279	2,459,467	-	38,719,746
Special Education	4,348,041	1,575,453	-	5,923,494
Vocational Education	2,119,545	87,214	-	2,206,759
Adult Education	5,745	-	-	5,745
Attendance	120,234	-	-	120,234
Health Services	795,313	-	-	795,313
Other Student Support	97,473	1,061,686	-	1,159,159
Board of Education	1,222,609	-	-	1,222,609
Office of the Director	580,500	-	-	580,500
Office of the Principal	3,385,020	-	-	3,385,020
Fiscal Services	196,579	-	-	196,579
Operation of Plant	4,412,458	-	-	4,412,458
Maintenance of Plant	1,769,047	-	-	1,769,047
Transportation	2,922,748	365,826	-	3,288,574
Central and Other	131,755	-	-	131,755
Food Service	306,540	-	4,074,373	4,380,913
Community Service	501,045	-	-	501,045
Early Childhood Education	241,879	-	-	241,879
Capital Outlay	1,086,624	-	-	1,086,624
TOTAL EXPENDITURES	60,503,434	5,549,646	4,074,373	70,127,453
Excess of Revenues Over (Under) Expenditures	(910,299)	(1,735)	(73,227)	(985,261)
Fund Balance, July 1, 2011	6,427,308	6,285	748,690	7,182,283
Fund Balance, June 30, 2012	$ 5,517,009	4,550	675,463	6,197,022

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, 2012

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ (985,261)
Amounts reported for governmental activities of the Washington County Board of Education 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 $4,428,468 exceeds capital outlay of $1,086,624.	(3,341,844)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and contribution from the primary government) is to increase net assets.	55,329
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 decreased by this amount for the current year.	(14,954)
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.	(725,300)
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 more than the amount earned.	(10,779)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (5,022,809)

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

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
GENERAL PURPOSE SCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	$ 25,324,204	25,422,204	25,715,555	293,351
Licenses and Permits	1,600	1,600	1,591	(9)
Fines, Forfeitures and Penalties	65,000	65,000	102,369	37,369
Charges for Current Services	600,968	598,968	589,870	(9,098)
Other Local Revenues	117,958	138,958	116,576	(22,382)
State of Tennessee	32,447,674	32,550,674	32,843,593	292,919
Federal Government	192,232	229,932	223,581	(6,351)
TOTAL REVENUES	58,749,636	59,007,336	59,593,135	585,799
EXPENDITURES				
Regular Instruction	36,499,280	36,478,830	36,263,223	215,607
Special Education	4,399,215	4,416,328	4,348,041	68,287
Vocational Education	2,159,056	2,130,056	2,118,957	11,099
Adult Education	6,743	5,850	5,745	105
Attendance	125,679	120,679	120,234	445
Health Services	882,249	864,849	795,813	69,036
Other Student Services	81,480	104,880	97,736	7,144
Board of Education	1,143,941	1,231,032	1,222,883	8,149
Office of the Director	603,708	608,608	580,500	28,108
Office of the Principal	3,400,203	3,409,403	3,391,999	17,404
Fiscal Services	198,217	198,217	196,579	1,638
Operation of Plant	4,534,597	4,619,830	4,435,147	184,683
Maintenance of Plant	1,773,408	1,824,858	1,783,012	41,846
Transportation	2,815,507	2,938,195	2,922,748	15,447
Central and Other	130,573	132,609	131,715	894
Food Service	284,681	306,681	306,540	141
Community Service	584,225	584,225	501,910	82,315
Early Childhood Education	238,921	271,477	239,008	32,469
Capital Outlay	939,432	991,432	987,252	4,180
TOTAL EXPENDITURES	60,801,115	61,238,039	60,449,042	788,997
Excess of Revenues Over (Under) Expenditures	(2,051,479)	(2,230,703)	(855,907)	1,374,796
Fund Balance, July 1, 2011	6,159,365	6,159,365	6,159,365	-
Fund Balance, June 30, 2012	$ 4,107,886	3,928,662	5,303,458	1,374,796

(Continued)

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
GENERAL PURPOSE SCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

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

	Budget to GAAP Differences (1)			
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
TOTAL REVENUES	$ 59,593,135	-	-	59,593,135
EXPENDITURES				
Regular Instruction	36,263,223	129,281	126,337	36,260,279
Special Education	4,348,041	-	-	4,348,041
Vocational Education	2,118,957	986	1,574	2,119,545
Adult Education	5,745	-	-	5,745
Attendance	120,234	-	-	120,234
Health Services	795,813	500	-	795,313
Other Student Services	97,736	303	40	97,473
Board of Education	1,222,883	274	-	1,222,609
Office of the Director	580,500	-	-	580,500
Office of the Principal	3,391,999	6,979	-	3,385,020
Fiscal Services	196,579	-	-	196,579
Operation of Plant	4,435,147	23,482	793	4,412,458
Maintenance of Plant	1,783,012	13,965	-	1,769,047
Transportation	2,922,748	-	-	2,922,748
Central and Other	131,715	-	40	131,755
Food Service	306,540	-	-	306,540
Community Service	501,910	865	-	501,045
Early Childhood Education	239,008	5,916	8,787	241,879
Capital Outlay	987,252	31,000	130,372	1,086,624
TOTAL EXPENDITURES	60,449,042	213,551	267,943	60,503,434
Excess of Revenues Over (Under) Expenditures	(855,907)	213,551	(267,943)	(910,299)
Fund Balance, July 1, 2011	6,159,365	-	267,943	6,427,308
Fund Balance, June 30, 2012	$ 5,303,458	213,551	0	5,517,009

(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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Revenue From Federal Government	$ 6,386,463	6,364,234	5,547,911	816,323
TOTAL REVENUES	6,386,463	6,364,234	5,547,911	816,323
EXPENDITURES				
Regular Instruction	3,006,806	2,987,430	2,460,321	527,109
Special Education	1,822,106	1,819,253	1,572,330	246,923
Vocational Education	87,748	87,748	87,748	-
Other Student Support	1,076,757	1,076,757	1,061,686	15,071
Transportation	393,046	393,046	365,826	27,220
TOTAL EXPENDITURES	6,386,463	6,364,234	5,547,911	816,323
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance, July 1, 2011	-	-	-	-
Fund Balance, June 30, 2012	$ 0	0	0	0

(Continued)

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
SCHOOL FEDERAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2012

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

		Budget to GAAP Differences (1)		
	Actual Budgetary Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2011	Actual GAAP Basis
TOTAL REVENUES	$ 5,547,911	-	-	5,547,911
EXPENDITURES				
Regular Instruction	2,460,321	854	-	2,459,467
Special Education	1,572,330	19	3,142	1,575,453
Vocational Education	87,748	3,677	3,143	87,214
Other Student Support	1,061,686	-	-	1,061,686
Transportation	365,826	-	-	365,826
TOTAL EXPENDITURES	5,547,911	4,550	6,285	5,549,646
Excess of Revenues Over (Under) Expenditures	-	(4,550)	(6,285)	(1,735)
Fund Balance, July 1, 2011	-	-	6,285	6,285
Fund Balance, June 30, 2012	$ 0	(4,550)	0	4,550

(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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for Current Services	$ 1,788,200	1,788,200	1,507,879	(280,321)
State of Tennessee	-	-	38,354	38,354
USDA Lunch	1,731,000	1,731,000	1,699,618	(31,382)
USDA Breakfast	710,400	710,400	566,400	(144,000)
Other USDA	-	-	188,895	188,895
TOTAL REVENUES	4,229,600	4,229,600	4,001,146	(228,454)
EXPENDITURES				
Supplies and Materials	151,314	151,314	276,535	(125,221)
Food Purchases	1,828,180	1,828,180	1,945,733	(117,553)
Salaries and Payroll Expenses	1,761,710	1,761,710	1,783,981	(22,271)
Utilities	6,160	6,160	5,692	468
Other Contracted Services	88,486	88,486	49,304	39,182
Miscellaneous Expenses and Repairs	303,000	303,000	13,128	289,872
Equipment	90,750	90,750	-	90,750
TOTAL EXPENDITURES	4,229,600	4,229,600	4,074,373	155,227
Excess of Revenues Over (Under) Expenditures	-	-	(73,227)	(73,227)
Fund Balance, July 1, 2011	748,690	748,690	748,690	-
Fund Balance, June 30, 2012	$ 748,690	748,690	675,463	(73,227)

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, 2012

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2011	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2012	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES											
PAYABLE THROUGH DEBT SERVICE FUND											
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	-	90,000	180,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES - PAYABLE THROUGH DEBT SERVICE FUND							$ 270,000	0	90,000	180,000	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
For the Fiscal Year Ended June 30, 2012

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2011	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2012	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	$ 11,705,000	-	1,720,000	9,985,000	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	20,250,000	-	165,000	20,085,000	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	-	900,000	5,995,000	Ad Valorem
School Refunding Bonds (2	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						$ 151,670,000	0	2,785,000	148,885,000	

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF TRANSFERS - ALL FUNDS
For the Fiscal Year Ended June 30, 2012

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
Constitutional Officers - Fees Fund	General	Excess fees and commissions	$ 5,227,420
Highway	Debt Service	Quarry payment	75,500
TOTAL OPERATING TRANSFERS			$ 5,302,920

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS
For the Fiscal Year Ended June 30, 2012

	Authorization for Salary	Salary Paid During Period	Special Commissioner Fees	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	$ 104,884	-	50,000	Traveler's Casualty and Surety
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	90,808	-	100,000	Traveler's Casualty and Surety
DIRECTOR OF SCHOOLS	Minimum Salary - State Board of Education Schedule plus local supplement to comply with Southern Association of Schools Requirements	116,615	-	100,000	Western Surety Company
TRUSTEE	Section 8-24-102, T.C.A.	75,048	-	2,600,000	Traveler's Casualty and Surety
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	75,048	-	10,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	75,048	-	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.	75,048 -	 20,430	50,000 -	Traveler's Casualty and Surety
REGISTER	Section 8-24-102, T.C.A.	75,048	-	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, 2012

Source	County General	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
TAXES							
Current Property Taxes	$ 19,561,770	5,194,546	-	8,944,454	33,700,770	10,609,061	44,309,831
Taxes Prior Years							
Trustee	707,850	208,588	-	432,399	1,348,837	451,153	1,799,990
Clerk and Master	245,662	71,216	-	145,173	462,051	118,992	581,043
Interest and Penalty	213,958	62,118	-	125,860	401,936	126,529	528,465
Pick-Up Taxes	53,316	14,394	-	25,684	93,394	29,400	122,794
Tax Equivalent							
Federal	2,163	575	-	989	3,727	2,137	5,864
Local	343,422	112,457	-	157,234	613,113	186,433	799,546
Other	6,222	-	-	2,845	9,067	14,142	23,209
Excise Tax	39,171	10,401	-	17,913	67,485	21,244	88,729
Local Option Sales Tax	7,732	-	-	-	7,732	13,812,284	13,820,016
Interstate Telecommunications	3,288	-	-	-	3,288	3,773	7,061
Litigation Tax	512,740	-	-	273,207	785,947	-	785,947
Business Tax	636,742	169,557	-	294,862	1,101,161	340,407	1,441,568
Beer Tax	318,254	-	-	-	318,254	-	318,254
Other Statutory Local Tax	123,202	-	-	-	123,202	-	123,202
TOTAL TAXES	22,775,492	5,843,852	0	10,420,620	39,039,964	25,715,555	64,755,519
LICENSES AND PERMITS							
Marriage Licenses	3,736	746	-	1,423	5,905	1,591	7,496
Cable TV Franchise	395,894	-	-	-	395,894	-	395,894
Building Permits	76,723	-	-	-	76,723	-	76,723
Handgun Permits	16,965	-	-	-	16,965	-	16,965
TOTAL LICENSES AND PERMITS	493,318	746	0	1,423	495,487	1,591	497,078

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

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							
Circuit Court	6,707	53,773	-	-	60,480	-	60,480
Criminal Court	111,192	-	-	-	111,192	-	111,192
General Sessions Court	735,198	16,229	-	-	751,427	-	751,427
Chancery Court	6,290	-	-	-	6,290	-	6,290
Other Courts	44,070	-	-	-	44,070	102,369	146,439
TOTAL FINES, FORFEITURES AND PENALTIES	903,457	70,002	0	0	973,459	102,369	1,075,828
CHARGES FOR CURRENT SERVICES							
Breakfast and Lunch Payments	-	-	-	-	-	1,237,568	1,237,568
A la Carte Sales	-	-	-	-	-	270,311	270,311
Tuition and Fees	-	-	-	-	-	589,870	589,870
Other Employee Benefits	234,033	-	-	-	234,033	-	234,033
Other Charges	614,908	656,570	-	-	1,271,478	-	1,271,478
Work Release	44,460	-	-	-	44,460	-	44,460
TOTAL CHARGES FOR CURRENT SERVICES	893,401	656,570	0	0	1,549,971	2,097,749	3,647,720
OTHER LOCAL REVENUES							
Investment Income	24,786	8,669	341	13,623	47,419	27,053	74,472
Sale of Property	9,232	296,188	-	-	305,420	-	305,420
Refunds	62,022	-	-	-	62,022	-	62,022
Damages from Individuals	108	-	-	-	108	2,752	2,860
Employee Benefit Charges	-	66,807	-	-	66,807	-	66,807
Rentals	-	-	-	-	-	2,874	2,874
Contributions	2,347	-	-	-	2,347	30,000	32,347
Fingerprinting Services	1,591	7,000	-	-	8,591	-	8,591
Proceeds-Confiscated Property	-	28,669	-	-	28,669	-	28,669

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

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	77,303	1,646	-	-	78,949	955	79,904
Commissary Sales	33,840	5,177	-	-	39,017	-	39,017
Insurance Recovery	-	-	-	-	-	31,000	31,000
Sale of Equipment	-	-	-	-	-	21,942	21,942
Lease	-	165,135	-	-	165,135	-	165,135
Special Commissioner Fees	-	20,430	-	-	20,430	-	20,430
TOTAL OTHER LOCAL REVENUES	211,229	599,721	341	13,623	824,914	116,576	941,490
STATE OF TENNESSEE							
Income Tax	172,869	-	-	-	172,869	-	172,869
Alcoholic Beverage	156,230	-	-	-	156,230	7,892	164,122
Litter Grant	42,191	-	-	-	42,191	-	42,191
Contracted Prisoner Board	1,843,870	-	-	-	1,843,870	-	1,843,870
Basic Education Program	-	-	-	-	-	30,395,000	30,395,000
Gasoline and Motor Fuel	-	2,235,131	-	-	2,235,131	-	2,235,131
Gasoline Inspection Fee	-	88,735	-	-	88,735	-	88,735
Mineral Severance Tax	-	21,325	-	-	21,325	-	21,325
Health Department Programs	1,002,664	-	-	-	1,002,664	-	1,002,664
Driver Education	-	-	-	-	-	38,395	38,395
Law Enforcement Training	49,800	-	-	-	49,800	-	49,800
Career Ladder/Extended Contract	-	-	-	-	-	430,765	430,765
Juvenile Services	20,000	-	-	-	20,000	-	20,000

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

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)
STATE OF TENNESSESE (CONTINUED)							
Board of Jurors	1,010	-	-	-	1,010	-	1,010
Tires/Solid Waste Grant	-	159,778	-	-	159,778	-	159,778
Bridge Program	-	261,312	-	-	261,312	-	261,312
State Aid Program (Rural Roads)	-	421,225	-	-	421,225	-	421,225
Early Childhood Education	-	-	-	-	-	170,758	170,758
TVA Replacement	-	-	-	-	-	1,163,545	1,163,545
Archives Grant	4,993	-	-	-	4,993	-	4,993
Other State Revenues	228,190	-	-	-	228,190	675,592	903,782
TOTAL STATE OF TENNESSEE	3,521,817	3,187,506	0	0	6,709,323	32,881,947	39,591,270
FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,699,618	1,699,618
School Breakfast Funds	-	-	-	-	-	566,400	566,400
USDA Commodities	-	-	-	-	-	188,895	188,895
R.O.T.C.	-	-	-	-	-	146,195	146,195
Title I Funds	-	-	-	-	-	1,751,877	1,751,877
Title I Funds - ARRA	-	-	-	-	-	108,467	108,467
Title II - A Funds	-	-	-	-	-	266,536	266,536
Title II - D Funds	-	-	-	-	-	1,362	1,362
Title II - D Funds - ARRA	-	-	-	-	-	1,947	1,947
Title III	-	-	-	-	-	4,744	4,744
Title X Funds - ARRA	-	-	-	-	-	1	1
Preschool and IDEA	-	-	-	-	-	1,739,245	1,739,245
Preschool and IDEA - ARRA	-	-	-	-	-	110,498	110,498
Education Handicapped Act - IDEA	-	-	-	-	-	48,947	48,947
Race to the Top	-	-	-	-	-	370,955	370,955
Education Jobs Program	-	-	-	-	-	998,160	998,160
Program Improvement	-	-	-	-	-	120,958	120,958
State Discretionary	-	-	-	-	-	101,600	101,600
Prisoner Board	21,566	-	-	-	21,566	-	21,566

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

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)
FEDERAL GOVERNMENT (CONTINUED)							
Homeland Security Grants	305,048	-	-	-	305,048	-	305,048
Law Enforcement Grants	22,828	-	-	-	22,828	-	22,828
Justice Assistance Grant - Firearms	20,800	-	-	-	20,800	-	20,800
Federal Incentive	14,800	-	-	-	14,800	-	14,800
Disaster Relief	215,853	181,624	-	-	397,477	-	397,477
Community Development Block Grant	224,194	-	-	-	224,194	-	224,194
Other Federal Revenues	126,963	-	-	-	126,963	-	126,963
FEDERAL GOVERNMENT	952,052	181,624	0	0	1,133,676	8,226,405	9,360,081
OTHER GOVERNMENTS AND CITIZEN GROUPS							
District Attorney - Johnson City	12,343	-	-	-	12,343	-	12,343
Reappraisal Program - Johnson City	95,771	-	-	-	95,771	-	95,771
Donations from the Town of Jonesborough	12,000	-	-	-	12,000	-	12,000
Reimbursement - Local Governments	2,410,780	-	-	-	2,410,780	-	2,410,780
TOTAL OTHER GOVERNMENTS AND CITIZENS GROUPS	2,530,894	0	0	0	2,530,894	0	2,530,894
EXCESS FEES AND COMMISSIONS							
Commissions	-	2,337,201	-	-	2,337,201	-	2,337,201
Fees	-	2,901,453	-	-	2,901,453	-	2,901,453
TOTAL EXCESS FEES AND COMMISSIONS	0	5,238,654	0	0	5,238,654	0	5,238,654
TOTAL REVENUES	$ 32,281,660	15,778,675	341	10,435,666	58,496,342	69,142,192	127,638,534

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2012

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
TAXES						
Current Property Taxes	$ 4,111,317	1,083,229	-	-	-	5,194,546
Taxes Prior Years						
Trustee	164,554	44,034	-	-	-	208,588
Clerk and Master	56,365	14,851	-	-	-	71,216
Interest and Penalty	49,033	13,085	-	-	-	62,118
Pick-Up Taxes	11,393	3,001	-	-	-	14,394
Tax Equivalent						
Federal	455	120	-	-	-	575
Local and Other	93,095	19,362	-	-	-	112,457
Excise Tax	8,232	2,169	-	-	-	10,401
Business Tax	134,199	35,358	-	-	-	169,557
TOTAL TAXES	4,628,643	1,215,209	0	0	0	5,843,852
LICENSES AND PERMITS						
Marriage Licenses	583	163	-	-	-	746
TOTAL LICENSES AND PERMITS	583	163	0	0	0	746
FINES, FORFEITURES AND PENALTIES						
Circuit	-	-	3,708	50,065	-	53,773
General Sessions Court	-	-	16,229	-	-	16,229
TOTAL FINES, FORFEITURES AND PENALTIES	0	0	19,937	50,065	0	70,002
CHARGES FOR CURRENT SERVICES						
Other Charges	507,948	148,622	-	-	-	656,570
TOTAL CHARGES FOR CURRENT SERVICES	507,948	148,622	0	0	0	656,570
OTHER LOCAL REVENUES						
Investment Income	6,267	1,144	492	-	766	8,669
Sale of Property	12,057	284,131	-	-	-	296,188
Fingerprinting Services	-	-	7,000	-	-	7,000
Proceeds-Confiscated Property	-	-	28,669	-	-	28,669
Forfeitures and Seizures	-	-	-	-	-	-
Other Local Revenue	-	41	1,605	-	-	1,646
Employee Benefit Charges	58,407	8,400	-	-	-	66,807
Insurance Recovery	2,090	3,087	-	-	-	5,177
Lease	165,135	-	-	-	-	165,135
Special Commissioner Fees	-	-	-	-	20,430	20,430
TOTAL OTHER LOCAL REVENUES	243,956	296,803	37,766	0	21,196	599,721

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2012

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	2,235,131	-	-	-	-	2,235,131
Gasoline Inspection Fee	88,735	-	-	-	-	88,735
Mineral Severance Tax	21,325	-	-	-	-	21,325
Bridge Program	261,312	-	-	-	-	261,312
State Aid Program (Rural Roads)	421,225	-	-	-	-	421,225
Tires/Solid Waste Grant	-	159,778	-	-	-	159,778
TOTAL STATE OF TENNESSEE	3,027,728	159,778	0	0	0	3,187,506
FEDERAL GOVERNMENT						
Disaster Relief	181,624	-	-	-	-	181,624
TOTAL FEDERAL GOVERNMENT	181,624	0	0	0	0	181,624
EXCESS FEES AND COMMISSIONS						
Commissions	-	-	-	-	2,337,201	2,337,201
Fees	-	-	-	-	2,901,453	2,901,453
TOTAL EXCESS FEES AND COMMISSIONS	0	0	0	0	5,238,654	5,238,654
TOTAL REVENUES	$ 8,590,482	1,820,575	57,703	50,065	5,259,850	15,778,675

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds Washington County Board of Education			
Source	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Component Unit
TAXES				
Current Property Taxes	$ 10,609,061	-	-	10,609,061
Property Taxes Prior Years				
Trustee	451,153	-	-	451,153
Clerk and Master	118,992	-	-	118,992
Interest and Penalty	126,529	-	-	126,529
Pick-Up Taxes	29,400	-	-	29,400
Tax Equivalent				
Federal	2,137	-	-	2,137
Local	186,433	-	-	186,433
Other	14,142	-	-	14,142
Excise Tax	21,244	-	-	21,244
Local Option Sales Tax	13,812,284	-	-	13,812,284
Interstate Telecommunications	3,773	-	-	3,773
Business Tax	340,407	-	-	340,407
TOTAL TAXES	25,715,555	0	0	25,715,555
LICENSES AND PERMITS				
Marriage Licenses	1,591	-	-	1,591
TOTAL LICENSES AND PERMITS	1,591	0	0	1,591
FINES, FORFEITURES AND PENALTIES				
Court Fines	102,369	-	-	102,369
TOTAL FINES, FORFEITURES AND PENALTIES	102,369	0	0	102,369
CHARGES FOR CURRENT SERVICES				
Breakfast and Lunch Payments	-	-	1,237,568	1,237,568
A la Carte Sales	-	-	270,311	270,311
Tuition and Fees	589,870	-	-	589,870
TOTAL CHARGES FOR CURRENT SERVICES	589,870	0	1,507,879	2,097,749
OTHER LOCAL REVENUES				
Investment Income	27,053	-	-	27,053
Damages from Individuals	2,752	-	-	2,752
Rentals	2,874	-	-	2,874
Insurance Recovery	31,000	-	-	31,000
Sale of Equipment	21,942	-	-	21,942
Contribution	30,000	-	-	30,000
Other Local Revenue	955	-	-	955
TOTAL OTHER LOCAL REVENUES	116,576	0	0	116,576

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds Washington County Board of Education			
Source	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Component Unit
STATE OF TENNESSEE				
Basic Education Program	30,395,000	-	-	30,395,000
Early Childhood Education	170,758	-	-	170,758
Driver Education	38,395	-	-	38,395
Mixed Drink Tax	7,892	-	-	7,892
TVA Replacement	1,163,545	-	-	1,163,545
Career Ladder	286,498	-	-	286,498
Extended Contract	144,267	-	-	144,267
Other Federal Through State	74,383	-	-	74,383
Other State Revenues	562,855	-	38,354	601,209
TOTAL STATE OF TENNESSEE	32,843,593	0	38,354	32,881,947
FEDERAL GOVERNMENT				
School Lunch Funds	-	-	1,699,618	1,699,618
School Breakfast Funds	-	-	566,400	566,400
USDA Commodities	-	-	188,895	188,895
R.O.T.C.	146,195	-	-	146,195
Title I Funds	11,986	1,739,891	-	1,751,877
Title I Funds - ARRA	117	108,350	-	108,467
Title II-A	1,844	264,692	-	266,536
Title II-D	-	1,362	-	1,362
Title II-D - ARRA	-	1,947	-	1,947
Title III	37	4,707	-	4,744
Title X - ARRA	-	1	-	1
Preschool and IDEA	13,187	1,726,058	-	1,739,245
Preschool and IDEA - ARRA	-	110,498	-	110,498
Education Handicapped Act - IDEA	48,947	-	-	48,947
Race to the Top	-	370,955	-	370,955
Education Jobs Program	-	998,160	-	998,160
Program Improvement	1,268	119,690	-	120,958
State Discretionary	-	101,600	-	101,600
TOTAL FEDERAL GOVERNMENT	223,581	5,547,911	2,454,913	8,226,405
TOTAL REVENUES	$ 59,593,135	5,547,911	4,001,146	69,142,192

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, 2012

COUNTY GENERAL FUND		
COUNTY COMMISSION		
Compensation	$ 112,550	
Per Diem Allowance	1,150	
Social Security	5,088	
State Retirement	9,300	
Employee and Dependent Insurance	154,610	
Employer Medicare	1,354	
Contracts with Other Public Agencies	8,576	
Dues and Memberships	7,270	
Rentals	3,000	
Travel	8,506	
TOTAL COUNTY COMMISSION		311,404
BOARDS AND COMMITTEES		
Fees	5,610	
Social Security	292	
Employer Medicare	81	
TOTAL BOARDS AND COMMITTEES		5,983
COUNTY MAYOR		
Administrative Salaries	149,632	
Social Security	9,076	
State Retirement	21,945	
Employee and Dependent Insurance	28,026	
Employer Medicare	2,123	
Communication	4,120	
Dues and Memberships	2,350	
Freight	4	
Postage and Box Rent	19	
Travel	3,341	
Duplicating Supplies	185	
Office Supplies	1,279	
TOTAL COUNTY MAYOR		222,100
COUNTY ATTORNEY		
Compensation	34,000	
Social Security	2,071	
State Retirement	4,988	
Employee and Dependent Insurance	5,833	
Employer Medicare	484	
Dues and Memberships	635	
Travel	1,566	
Office Supplies	272	
TOTAL COUNTY ATTORNEY		49,849

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
ELECTION COMMISSION		
Personnel Salaries	265,857	
Election Commission	18,000	
Election Workers	46,275	
In-Service Training	2,730	
Social Security	16,643	
State Retirement	32,819	
Employee and Dependent Insurance	68,502	
Employer Medicare	3,943	
Communication	7,796	
Data Processing Services	17,772	
Dues and Memberships	475	
Freight Expenses	211	
Legal Notices	23,756	
Maintenance and Repair	12,835	
Postal Charges	5,000	
Printing, Stationery and Forms	14,858	
Rentals	28,734	
Travel	7,839	
Other Contracted Services	6,850	
Data Processing Supplies	4,874	
Equipment Parts	1,108	
Instruction Supplies	1,849	
Office Supplies	6,301	
Periodicals	50	
Other Supplies and Materials	4,163	
Other Charges	754	
TOTAL ELECTION COMMISSION		599,994
REGISTER OF DEEDS		
Personnel Salaries	300,545	
Social Security	17,873	
State Retirement	41,201	
Employee and Dependent Insurance	67,637	
Employer Medicare	4,180	
Communication	4,313	
Dues and Memberships	587	
Freight	384	
Maintenance and Repair	26,500	
Postal Charges	1,370	
Rentals	1,743	
Travel	372	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
REGISTER OF DEEDS (CONTINUED)		
Other Contracted Services	18,616	
Data Processing Supplies	425	
Duplicating Supplies	1,682	
Office Supplies	14,236	
Periodicals	73	
Other Supplies and Materials	272	
Surety Bond	280	
Other Charges	102	
TOTAL REGISTER OF DEEDS		502,391
PLANNING AND ZONING		
Board and Committee Members Fees	7,740	
Social Security	480	
Employer Medicare	112	
Contracts with Government Agencies	13,500	
Freight	91	
Maintenance	360	
Rentals	1,270	
Office Supplies	1,546	
TOTAL PLANNING AND ZONING		25,099
CODES COMPLIANCE		
Salaries and Wages	203,336	
Social Security	12,180	
State Retirement	29,808	
Employee and Dependent Insurance	52,068	
Employer Medicare	2,849	
Communication	8,452	
Freight	254	
Legal Notices	3,320	
Maintenance Agreements	2,665	
Maintenance and Repair	1,476	
Postal Charges	1,000	
Rentals	6,458	
Duplicating Supplies	570	
Gasoline	2,551	
Office Supplies	15,573	
Periodicals	825	
Uniforms	750	
Other Supplies and Materials	765	
Other Charges	27,897	
TOTAL CODES COMPLIANCE		372,797

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
COUNTY BUILDING		
Electricity	539	
Water and Sewer	125	
Other Charges	17,550	
Other Capital Outlay	4,577	
TOTAL COUNTY BUILDING		22,791
OTHER GENERAL ADMINISTRATION		
Personnel	102,516	
Social Security	5,916	
State Retirement	15,001	
Employee and Dependent Insurance	45,230	
Employer Medicare	1,375	
Professional Services	112,950	
Bank Charges	100	
Communication	10,134	
Consultants	6,500	
Freight Expense	392	
Legal Notices	7,063	
Legal Fees	236,952	
Maintenance Agreements	29,276	
Maintenance and Repair	28,605	
Medical and Dental Services	426	
Pest Control	2,300	
Printing	3,800	
Rentals	16,818	
Travel	68	
Contracts with Public Agencies	35,645	
Other Contracted Services	845	
Custodial Supplies	19,570	
Utilities	288,556	
Other Supplies and Materials	7,381	
Building and Contents Insurance	511,925	
Liability Insurance	46,000	
Trustee's Commission	510,044	
Workman's Compensation Insurance	145,270	
Tax Relief Program	245,934	
Other Charges	40,154	
TOTAL OTHER GENERAL ADMINISTRATION		2,476,746

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
PRESERVATION OF RECORDS		
Salaries	12,644	
Social Security	769	
State Retirement	1,848	
Employee and Dependent Insurance	1,277	
Employer Medicare	180	
Communications	155	
Freight	451	
Travel	645	
Data Processing Supplies	1,380	
Office Supplies	183	
Other Supplies and Materials	10,364	
Other Charges	12,725	
Building Improvements	33,349	
TOTAL PRESERVATION OF RECORDS		75,970
ACCOUNTING AND BUDGETING		
Salaries	179,876	
Social Security	10,795	
State Retirement	26,363	
Employee and Dependent Insurance	29,245	
Employer Medicare	2,524	
Communications	4,359	
Freight	234	
Maintenance Agreements	7,741	
Postal Charges	253	
Travel	157	
Data Processing Supplies	4,186	
Duplicating Supplies	535	
Office Supplies	2,240	
Premiums on Corporate Surety Bonds	342	
TOTAL ACCOUNTING AND BUDGETING		268,850
PURCHASING		
Administrative Salaries	117,468	
Social Security	7,075	
State Retirement	17,216	
Employee and Dependent Insurance	18,432	
Employer Medicare	1,655	
Communications	2,309	
Legal Notices	1,832	
Maintenance Agreements	7,957	
Data Processing Supplies	458	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
PURCHASING (CONTINUED)		
Duplicating Supplies	200	
Office Supplies	1,982	
TOTAL PURCHASING		176,584
PROPERTY ASSESSOR		
Salaries	283,116	
Social Security	16,585	
State Retirement	41,376	
Employee and Dependent Insurance	72,712	
Employer Medicare	3,888	
Communications	5,998	
Data Processing Services	33,273	
Dues and Memberships	2,752	
Freight	23	
Legal Notices	592	
Maintenance and Repair	4,994	
Postal Charges	2,000	
Rentals	881	
Travel	1,675	
Duplicating Supplies	796	
Gasoline	578	
Office Supplies	1,553	
Publications and Books	235	
Other Charges	3,005	
TOTAL PROPERTY ASSESSOR		476,032
REAPPRAISAL PROGRAM		
Salaries	153,325	
Social Security	9,001	
State Retirement	22,316	
Employee and Dependent Insurance	50,947	
Employer Medicare	2,105	
Audit Service - Property	81,885	
Communication	2,599	
Data Processing Services	11,084	
Frieght	65	
Maintenance and Repair	514	
Postal Charges	5,000	
Travel	1,205	
Data Processing Supplies	2,885	
Duplicating Supplies	485	
Gasoline	3,442	
Office Supplies	2,245	
TOTAL REAPPRAISAL PROGRAM		349,103

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
COUNTY TRUSTEE		
Salaries	254,828	
Social Security	13,705	
State Retirement	34,102	
Employer and Dependent Insurance	41,392	
Employer Medicare	3,527	
Communication	6,333	
Data Processing Services	995	
Dues and Memberships	737	
Freight	17	
Legal Notices	1,756	
Maintenance and Repair	8,520	
Postal Charges	20,419	
Rentals	24,500	
Travel	649	
Other Contracted Services	11,802	
Data Processing Supplies	969	
Duplicating Supplies	449	
Utilities	2,312	
Office Supplies	7,358	
Premiums on Corporate Surety Bonds	713	
Other Charges	1,552	
TOTAL COUNTY TRUSTEE		436,635
COUNTY CLERK		
Salaries	505,355	
Social Security	29,682	
State Retirement	72,214	
Employee and Dependent Insurance	139,484	
Employer Medicare	7,027	
Communications	8,910	
Data Processing Services	1,500	
Dues and Memberships	762	
Freight	244	
Maintenance and Repair	20,090	
Postal Charges	27,972	
Printing	1,000	
Rentals	26,007	
Travel	1,850	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
COUNTY CLERK (CONTINUED)		
Other Contracted Services	11,802	
Duplicating Supplies	994	
Utilities	2,312	
Other Supplies and Materials	500	
Office Supplies	5,752	
Premium on Corporate Surety Bonds	855	
Other Charges	1,893	
TOTAL COUNTY CLERK		866,205
CIRCUIT COURT		
Salaries	1,031,210	
Overtime	5,874	
Social Security	61,256	
State Retirement	129,561	
Employee and Dependent Insurance	316,478	
Employer Medicare	14,326	
Communication	14,363	
Dues and Memberships	682	
Freight	299	
Maintenance and Repair	33,588	
Postal Charges	20,000	
Printing, Stationery and Forms	10,924	
Rentals	3,411	
Travel	722	
Data Processing Supplies	97,100	
Duplicating Supplies	5,703	
Office Supplies	13,890	
Periodicals	353	
Premiums on Corporate Surety Bonds	1,820	
Other Charges	323	
TOTAL CIRCUIT COURT		1,761,883
GENERAL SESSIONS JUDGE		
Salaries	304,334	
Social Security	13,437	
State Retirement	43,534	
Employer and Dependent Insurance	11,746	
Employer Medicare	4,369	
Communication	991	
Dues and Memberships	770	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
GENERAL SESSIONS JUDGE (CONTINUED)		
Travel	5,216	
Office Supplies	1,240	
Other Charges	800	
TOTAL GENERAL SESSIONS JUDGE		386,437
DRUG COURT		
Remittance of Revenue	15,003	
TOTAL DRUG COURT		15,003
CHANCERY COURT		
Salaries	426,317	
Social Security	25,348	
State Retirement	62,492	
Employee and Dependent Insurance	125,287	
Employer Medicare	5,928	
Communication	5,883	
Dues and Memberships	862	
Freight	668	
Maintenance and Repair	11,255	
Postal Charges	2,700	
Rentals	5,376	
Travel	2,539	
Data Processing Services	7,452	
Duplicating Supplies	1,051	
Office Supplies	11,388	
Periodicals	838	
Other Charges	325	
TOTAL CHANCERY COURT		695,709
DISTRICT ATTORNEY		
Other Contracted Services	16,667	
TOTAL DISTRICT ATTORNEY		16,667
JUDICIAL COURT		
Other Salaries	26,645	
Jury and Witness Fees	23,115	
Other Per Diem and Fees	5,715	
Social Security	1,465	
Employee and Dependent Insurance	18,355	
Employer Medicare	342	
Evaluation	18,450	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
JUDICIAL COURT (CONTINUED)		
Legal Notices	75,452	
Office Supplies	474	
TOTAL JUDICIAL COURT		170,013
COURTROOM SECURITY		
Salaries	343,899	
Social Security	20,674	
Employer Medicare	4,835	
Employee and Dependent Insurance	93,015	
State Retirement	37,013	
TOTAL COURTROOM SECURITY		499,436
SHERIFF'S DEPARTMENT		
Salaries	3,486,290	
State Salary Supplement	49,800	
Employee Training	17,915	
Social Security	209,356	
State Retirement	513,674	
Employee and Dependent Insurance	1,197,181	
Employer Medicare	48,963	
Communication	47,498	
Contracts with Government Agencies	400	
Dues and Memberships	4,394	
Freight	3,397	
Legal Notices	257	
Licenses	238	
Maintenance and Repair	54,959	
Medical and Dental Service	135	
Postal Charges	4,550	
Printing, Stationery and Forms	4,342	
Rentals	40,572	
Travel	26,396	
Veterinary Services	1,018	
Other Contracted Services	103,292	
Animal Food and Supplies	1,466	
Data Processing Supplies	19,804	
Duplicating Supplies	1,299	
Garage Supplies	6,892	
Gasoline	323,230	
Instructional Supplies and Materials	1,987	
Law Enforcement Supplies	87,051	
Lubricants	7,913	
Office Supplies	5,997	
Periodicals	466	
Tires and Tubes	17,736	
Uniforms	65,214	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
SHERIFF'S DEPARTMENT (CONTINUED)		
Vehicle Parts	32,163	
Other Supplies and Materials	11,484	
Other Charges	5,022	
Motor Vehicles	168,293	
TOTAL SHERIFF'S DEPARTMENT		6,570,644
SUBSTANCE ABUSE GRANT		
Other Contracted Services	96,923	
In-Service Training	150	
Travel	841	
TOTAL SUBSTANCE ABUSE GRANT		97,914
JAIL		
Salaries	3,162,428	
In-Service Training	1,232	
Social Security	187,523	
Employer Medicare	43,856	
State Retirement	398,570	
Employee and Dependent Insurance	998,408	
Communication	49,447	
Contracts with Private Agencies	1,021,837	
Dues and Memberships	300	
Freight	5,626	
Maintenance and Repair	240,752	
Medical and Dental Services	5,116	
Pest Control	6,000	
Postal Charges	619	
Printing, Stationery and Forms	2,034	
Rentals	9,890	
Transportation - Prisoners	8,598	
Travel	5,599	
Disposal Fees	9,263	
Other Contracted Services	2,225	
Custodial Supplies	68,995	
Data Processing Supplies	23,046	
Food Preparation Supplies	18,937	
Duplicating Supplies	5,411	
Utilities	502,095	
Food Supplies	566,010	
Uniforms	21,527	
Law Enforcement Supplies	2,855	
Office Supplies	13,439	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
JAIL (CONTINUED)		
Prisoners Clothing	22,395	
Chemicals	300	
Other Supplies and Materials	45,369	
Other Charges	2,187	
Building Improvement	28,345	
TOTAL JAIL		7,480,234
JUVENILE SERVICES		
Salaries	179,957	
Social Security	10,873	
Employer Medicare	2,543	
State Retirement	24,047	
Employee and Dependent Insurance	35,424	
Communication	5,946	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	181,023	
Dues and Memberships	1,125	
Freight	48	
Rentals	624	
Travel	2,875	
Duplicating Supplies	481	
Office Supplies	8,909	
Postal Charges	2,700	
Maintenance and Repairs	1,016	
Other Supplies and Materials	69	
TOTAL JUVENILE SERVICES		462,160
WORK RELEASE PROGRAM		
Board and Committee Member Fees	9,300	
Social Security	346	
Employer Medicare	127	
Employee and Dependent Insurance	1,492	
State Retirement	431	
TOTAL WORK RELEASE PROGRAM		11,696
FEDERAL ASSET FORFEITURE		
Freight	76	
Data Processing Supplies	4,530	
Law Enforcement Supplies	138,538	
TOTAL FEDERAL ASSET FORFEITURE		143,144
OTHER PUBLIC SAFETY		
Contributions	546,246	
TOTAL OTHER PUBLIC SAFETY		546,246

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
FIRE PROTECTION AND CONTROL		
Contributions	845,000	
Other Charges	7,500	
TOTAL FIRE PROTECTION AND CONTROL		852,500
CIVIL DEFENSE		
Matching Grant	109,058	
TOTAL CIVIL DEFENSE		109,058
HAZARDOUS MATERIALS		
Communication	1,614	
Freight	12	
Travel	701	
Liability Insurance	365	
Other Charges	5,501	
TOTAL HAZARDOUS MATERIALS		8,193
RESCUE SQUAD		
Contributions	74,300	
TOTAL RESCUE SQUAD		74,300
OTHER EMERGENCY MANAGEMENT		
In-Service Training	16,500	
Freight Expense	1,188	
Contributions to Other Governments	173,487	
Travel	12,984	
Other Supplies and Materials	96,254	
TOTAL OTHER EMERGENCY MANAGEMENT		300,413
COUNTY CORONER		
Contracts with Private Agencies	30,000	
Other Charges	114,421	
TOTAL COUNTY CORONER		144,421
SCHOOL RESOURCE OFFICER GRANT		
Communication	17,658	
TOTAL SCHOOL RESOURCE OFFICER GRANT		17,658
COUNTY HEALTH CENTER		
Salaries	411,194	
Social Security	24,474	
State Retirement	53,820	
Employee and Dependent Insurance	118,867	
Employee Medicare	5,724	
Communication	24,124	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
COUNTY HEALTH CENTER (CONTINUED)		
Contract with Governmental Agencies	16,664	
Freight	1,056	
Maintenance and Repair	31,433	
Pest Control	2,000	
Postal Charges	5,000	
Printing, Stationery and Forms	189	
Rentals	8,391	
Travel	2,046	
Disposal Fees	3,352	
Other Contracted Services	35,750	
Custodial Supplies	12,467	
Drugs and Medical Supplies	77,872	
Utilities	65,785	
Office Supplies	11,376	
Periodicals	129	
Other Supplies and Materials	7,788	
Other Charges	28,294	
Other Capital Outlay	6,800	
TOTAL COUNTY HEALTH CENTER		954,595
LOCAL HEALTH CENTER STATE GRANT		
Salaries	686,020	
Social Security	40,814	
State Retirement	67,372	
Employee Insurance	180,480	
Medicare	9,545	
Travel	12,124	
Liability Insurance	6,924	
Other Charges	50	
TOTAL LOCAL HEALTH CENTER STATE GRANT		1,003,329
RABIES AND ANIMAL CONTROL		
Contributions	258,000	
TOTAL RABIES AND ANIMAL CONTROL		258,000
AMBULANCE SERVICE		
Contributions	1,392,949	
Building Construction	114,402	
TOTAL AMBULANCE SERVICE		1,507,351

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
ALCOHOL AND DRUG PROGRAM		
Investigators	2,500	
Social Security	152	
State Retirement	367	
Employee and Dependent Insurance	357	
Employer Medicare	36	
TOTAL ALCOHOL AND DRUG PROGRAM		3,412
REGIONAL MENTAL HEALTH CENTER		
Contributions	58,725	
TOTAL REGIONAL MENTAL HEALTH CENTER		58,725
PUBLIC WELFARE		
Contributions	69,400	
Pauper Burials	21,171	
TOTAL PUBLIC WELFARE		90,571
AID TO DEPENDENT CHILDREN		
Contributions	18,000	
TOTAL AID TO DEPENDENT CHILDREN		18,000
SANITATION EDUCATION		
Personnel Salaries	28,000	
Social Security	1,639	
Employee Medicare	383	
Employee and Dependent Insurance	5,833	
State Retirement	4,104	
Maintenance and Repair	1,840	
Other Contracted Services	17,558	
Other Supplies and Materials	4,490	
TOTAL SANITATION EDUCATION		63,847
SENIOR CITIZEN'S ASSISTANCE		
Contributions	129,977	
TOTAL SENIOR CITIZEN'S ASSISTANCE		129,977
LIBRARIES		
Salaries	288,018	
Social Security	17,047	
State Retirement	33,818	
Employee and Dependent Insurance	70,315	
Employer Medicare	3,987	
Communication	12,196	
Contracts with Private Agencies	11,693	
Freight	515	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
LIBRARIES (CONTINUED)		
Maintenance and Repairs	4,715	
Pest Control	480	
Postal Charges	1,600	
Rentals	2,112	
Travel	15	
Custodial Supplies	2,179	
Data Processing Supplies	56,966	
Utilities	19,966	
Instructional Supplies and Materials	2,308	
Office Supplies	5,709	
Periodicals	2,064	
Other Supplies and Materials	5,688	
Other Charges	3,081	
Library Books	32,820	
TOTAL LIBRARIES		577,292
SOCIAL, CULTURAL AND RECREATIONAL		
Contributions - Museum	19,750	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		19,750
INTERNATIONAL STORYTELLING CENTER		
Contributions	25,000	
TOTAL INTERNATIONAL STORYTELLING CENTER		25,000
AGRICULTURE EXTENSION SERVICE		
Salaries	163,250	
Social Security	9,671	
State Retirement	20,813	
Life Insurance	89	
Unemployment Compensation	56	
Employer Medicare	2,262	
Communication	4,747	
Dues and Memberships	255	
Freight	84	
Maintenance and Repair	2,072	
Pest Control	600	
Rentals	4,014	
Travel	6,001	
Custodial Supplies	335	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
AGRICULTURE EXTENSION SERVICE (CONTINUED)		
Utilities	4,670	
Office Supplies	1,100	
Other Supplies and Materials	6,893	
Other Charges	484	
TOTAL AGRICULTURE EXTENSION SERVICE		227,396
FOREST SERVICE		
Forest Resource Services	1,500	
TOTAL FOREST SERVICE		1,500
SOIL CONSERVATION		
Secretary	28,452	
Other Salary and Wages	20,407	
Social Security	2,935	
Employer Medicare	686	
Employee and Dependent Insurance	14,504	
State Retirement	7,167	
Contributions	12,065	
TOTAL SOIL CONSERVATION		86,216
STORM WATER MANAGEMENT		
Consultants	31,550	
Licenses	3,460	
Maintenance and Repairs	3,000	
Rentals	1,832	
Other Contracted Services	5,900	
Salaries	2,083	
In-Service Training	125	
Social Security	127	
Employer Medicare	30	
State Retirement	306	
Freight Expenses	146	
Office Supplies	16,093	
Data Processing Supplies	2,820	
TOTAL STORM WATER MANAGEMENT		67,472

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)		
AGRICULTURE AND NATURAL RESOURCES		
Salaries	11,267	
Social Security	699	
Employer Medicare	163	
Freight	15	
Travel	576	
Utilities	1,071	
Custodial Supplies	94	
Other Supplies and Materials	582	
Other Charges	896	
TOTAL AGRICULTURE AND NATURAL RESOURCES		15,363
TOURISM		
Contributions	6,971	
TOTAL TOURISM		6,971
INDUSTRIAL DEVELOPMENT		
Contributions	146,206	
TOTAL INDUSTRIAL DEVELOPMENT		146,206
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions	25,000	
Other Charges	152,090	
Other Capital Outlay	130,231	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		307,321
TRANSPORTATION		
Contributions	14,954	
TOTAL TRANSPORTATION		14,954
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	330,739	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		330,739
EMPLOYEE BENEFITS		
Dental and Vision Insurance	319	
Life Insurance	30,107	
Unemployment	25,440	
TOTAL EMPLOYEE BENEFITS		55,866
JUDGMENTS		
Judgments	1,278	
TOTAL JUDGMENTS		1,278

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COUNTY GENERAL FUND (CONTINUED)			
ARRA JAG Grant			
Law Enforcement Supplies	12,351		
Other Charges	10		
TOTAL ARRA JAG GRANT		12,361	
DISASTER RELIEF			
Travel	259		
Remittance of Revenues Collected	218,393		
Utilities	31		
TOTAL DISASTER RELIEF		218,683	
NETWORK LAW ENFORCMENT GRANT			
Travel	319		
TOTAL NETWORK LAW ENFORCEMENT GRANT		319	
OTHER LIBRARIES			
Contributions	100,000		
Library Books	24,750		
TOTAL OTHER LIBRARIES		124,750	
JAG LAW ENFORCEMENT SUPPLIES			
Freight	25		
Law Enforcement Supplies	20,786		
TOTAL JAG LAW ENFORCEMENT SUPPLIES		20,811	
TOTAL COUNTY GENERAL FUND			$ 33,950,317

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS		
HIGHWAY FUND		
ADMINISTRATION		
Salaries	$ 281,695	
Employee Benefits	70,113	
Communication	8,748	
Dues and Memberships	3,950	
Freight	240	
Licenses	23	
Maintenance and Repair	5,753	
Other Contracted Services	6,718	
Postal Charges	391	
Travel	2,247	
Office Supplies	12,984	
Other Supplies	1,086	
Liability Insurance	32,977	
Utilities	6,745	
Premiums on Corporate Surety Bonds	100	
Workman's Compensation	110,525	
Other Charges	4,836	
TOTAL ADMINISTRATION		549,131
TRAFFIC CONTROL		
Salaries	68,185	
Employee Benefits	22,520	
Freight	350	
Road Signs	29,974	
Chemicals	3,027	
Other Supplies and Materials	1,148	
TOTAL TRAFFIC CONTROL		125,204

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS (CONTINUED)		
HIGHWAY FUND (CONTINUED)		
HIGHWAY AND BRIDGE MAINTENANCE		
Salaries	1,228,289	
Employee Benefits	373,463	
Communication	983	
Freight	1,281	
Maintenance and Repair	407	
Rentals	2,205	
Other Contracted Services	252,811	
Contracts with Private Agencies	550	
Engineering Services	14,585	
Disposal Fees	183	
Concrete and Crushed Stone	79,790	
Diesel Fuel	111,006	
Gasoline	84,815	
Utilities	9,824	
Equipment Parts	354	
Fertilizer, Lime and Seed	1,478	
General Construction Material	2,969	
Ice	280	
Metal Pipe	22,677	
Salt	12,341	
Small Tools	5,570	
Other Supplies and Materials	58,426	
Other Charges	33,815	
TOTAL HIGHWAY AND BRIDGE MAINTENANCE		2,298,102
OPERATION AND MAINTENANCE OF EQUIPMENT		
Salaries	296,121	
Employee Benefits	88,422	
Communication	2,622	
Evaluation and Testing	24	
Freight	5,073	
Maintenance and Repair	36,693	
Rentals	5,404	
Tow-In Services	875	
Other Contracted Services	637	
Electricity	6,941	
Equipment Parts	261,939	
Garage Supplies	17,133	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS (CONTINUED)		
HIGHWAY FUND (CONTINUED)		
OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)		
Lubricants	19,817	
Office Supplies	399	
Propane Gas	10,812	
Small Tools	4,014	
Tires and Tubes	45,706	
Vehicle Parts	1,834	
Other Supplies and Materials	24,015	
Other Charges	290	
TOTAL OPERATION AND MAINTENANCE OF EQUIPMENT		828,771
ASPHALT PLANT OPERATIONS		
Salaries	847,942	
Employee Benefits	271,430	
Overtime	101	
Communication	1,354	
Freight	43,449	
Maintenance and Repair - Equipment	2,150	
Other Contracted Services	4,295	
Asphalt	1,056,673	
Crushed Stone	265,532	
Diesel Fuel	135,050	
Electricity	31,780	
Equipment and Machinery Parts	14,344	
Fuel Oil	164,715	
Lubricants	2,114	
Natural Gas	1,122	
Sand	32,983	
Water and Sewer	1,462	
Other Supplies and Materials	7,233	
State Aid Projects (Rural Road)	458,253	
TOTAL ASPHALT PLANT OPERATIONS		3,341,982
OTHER CHARGES		
Trustee's Commission	115,599	
TOTAL OTHER CHARGES		115,599

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS (CONTINUED)			
HIGHWAY FUND (CONTINUED)			
EMPLOYEE BENEFITS			
Employee Insurance	465,609		
Life Insurance	22,518		
Dental and Vision Insurance	2,937		
Unemployment Compensation	10,190		
TOTAL EMPLOYEE BENEFITS		501,254	
CAPITAL OUTLAY			
Bridge Construction	279,281		
Other Equipment	14,700		
TOTAL CAPITAL OUTLAY		293,981	
TOTAL HIGHWAY FUND			8,054,024
SOLID WASTE / SANITATION FUND			
SANITATION OPERATIONS			
Salaries	383,078		
Employee Benefits	72,027		
Employee and Dependent Insurance	141,096		
Life Insurance	374		
Dental Insurance	80		
Disposal Fees	489,855		
Trustee Commission	24,869		
Communication	4,564		
Freight	382		
Maintenance and Repair	51,830		
Rentals	6,493		
Travel	258		
Gasoline	9,128		
Lubricants	646		
Tires	13,694		
Diesel Fuel	72,529		
Utilities	10,577		
Supplies and Materials	12,007		
Building and Contents Insurance	50		
Judgments	692		
Postal Charges	500		
Dues and Memberships	100		
Workman's Compensation Insurance	22,167		
Other Charges	1,068		
Other Contracted Services	685		
Liability Insurance	4,023		
TOTAL SANITATION OPERATIONS		1,322,772	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS (CONTINUED)			
SOLID WASTE / SANITATION FUND (CONTINUED)			
TIRE CENTER OPERATIONS			
Salaries	68,960		
Employee Benefits	5,081		
Retirement	7,946		
Employee and Dependent Insurance	16,280		
Life Insurance	116		
Communication	2,855		
Repairs and Maintenance	392		
Permits	75		
Travel	619		
Other Contracted Services	561		
Utilities	1,822		
Supplies and Materials	2,277		
Postal Charges	500		
Worker's Compensation Insurance	1,099		
Contracts with Private Agency	190,185		
TOTAL TIRE CENTER OPERATIONS		298,768	
TOTAL SOLID WASTE / SANITATION FUND			1,621,540
DRUG FINES FUND			
Contributions	1,000		
Drug Enforcement Payments	4,565		
Freight	839		
Uniforms	9,059		
Supplies	86,188		
Trustee's Commission	492		
Travel	3,500		
Motor Vehicles	75,352		
Other Charges	14,200		
TOTAL DRUG FINES FUND			195,195
CONSTITUTIONAL OFFICERS - FEES FUNDS			
Special Commissioner Fees	20,430		
Bank Charges	11,932		
Postage	68		
TOTAL CONSTITUTIONAL OFFICERS - FEES FUNDS			32,430

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

SPECIAL REVENUE FUNDS (CONTINUED)		
DISTRICT ATTORNEY GENERAL FUND		
Salaries	18,247	
Training	200	
Employee Benefits	1,396	
Dues and Memberships	4,870	
Office Supplies	894	
Trustee's Commission	485	
Travel	8,859	
Other Charges	307	
TOTAL DISTRICT ATTORNEY GENERAL FUND		35,258
TOTAL SPECIAL REVENUE FUNDS		$ 9,938,447
CAPITAL PROJECTS FUND		
Education	$ 66,761	
Other Charges	950	
TOTAL CAPITAL PROJECTS FUND		$ 67,711
DEBT SERVICE FUND		
Bond Principal	$ 2,785,000	
Note Principal	90,000	
Interest on Bonds	6,892,208	
Interest on Notes	6,322	
Trustee's Commission	202,253	
Fees	2,030	
TOTAL DEBT SERVICE FUND		$ 9,977,813

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION			
GENERAL PURPOSE SCHOOL FUND			
REGULAR INSTRUCTION			
CLASSROOM			
Teachers	$ 19,789,723		
Career Ladder Program	176,500		
Career Ladder Extended Contract	78,622		
Homebound Teachers	19,030		
Educational Assistants	1,120,447		
Substitute Teachers	139,714		
Non-Certified Substitute Teachers	294,127		
Social Security	1,286,832		
State Retirement	1,973,146		
Life Insurance	14,500		
Medical Insurance	4,525,514		
Unemployment Compensation	47,088		
Employer Medicare	301,442		
Other Fringe Benefits	79,323		
Maintenance and Repair	203,280		
Other Contracted Services	2,945,621		
Instructional Supplies and Materials	199,786		
Textbooks	627,439		
Other Supplies and Materials	160,566		
Other Charges	460,181		
TOTAL CLASSROOM		34,442,881	
ADMINISTRATION			
Supervisors	221,248		
Career Ladder Program	10,000		
Career Ladder Extended Contract	20,000		
Librarians	705,500		
Instructional Computer Personnel	118,026		
Secretary and Clerical	140,989		
Other Salaries and Wages	45,368		
Social Security	67,794		
State Retirement	115,387		
Life Insurance	826		
Medical Insurance	145,527		
Employer Medicare	17,543		
Other Fringe Benefits	374		
Maintenance and Repair	16,926		
Travel	44,393		
Library Books	91,908		
In-Service Workshops	9,015		
Other Supplies and Materials	46,574		
TOTAL ADMINISTRATION		1,817,398	
TOTAL REGULAR INSTRUCTION			36,260,279

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)			
GENERAL PURPOSE SCHOOL FUND (CONTINUED)			
SPECIAL EDUCATION			
CLASSROOM			
Teachers	2,093,417		
Career Ladder Program	19,000		
Career Ladder Extended Contract	2,000		
Homebound Teachers	14,020		
Educational Assistants	237,286		
Speech Pathologist	162,461		
Other Salaries and Wages	129,370		
Substitute Teachers	10,000		
Non-Certified Substitute Teachers	40,000		
Social Security	156,499		
State Retirement	247,635		
Life Insurance	1,734		
Medical Insurance	412,025		
Employer Medicare	36,600		
Other Fringe Benefits	1,076		
Other Contracted Services	1,815		
Instructional Supplies and Materials	22,342		
Other Charges	877		
TOTAL CLASSROOM		3,588,157	
ADMINISTRATION			
Supervisor/Director	79,416		
Career Ladder Program	3,000		
Psychological Personnel	45,806		
Career Ladder Extended Contract	2,000		
Assessment Personnel	200,766		
Secretary	24,603		
Speech Pathologist	179,033		
Other Salaries and Wages	27,759		
Social Security	34,397		
State Retirement	53,898		
Life Insurance	303		
Medical Insurance	29,150		
Employer Medicare	8,026		
Other Fringe Benefits	170		
Repairs and Maintenance	15,147		
Travel	48,593		
In-Service / Staff Development	3,493		
Other Supplies and Materials	4,324		
TOTAL ADMINISTRATION		759,884	
TOTAL SPECIAL EDUCATION			4,348,041

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)			
GENERAL PURPOSE SCHOOL FUND (CONTINUED)			
VOCATIONAL EDUCATION			
CLASSROOM			
Teachers	1,373,110		
Career Ladder Program	7,000		
Career Ladder Extended Contracts	21,829		
Substitute Teachers	5,000		
Educational Assistants	20,000		
Social Security	83,234		
State Retirement	128,812		
Life Insurance	870		
Medical Insurance	235,716		
Employer Medicare	19,219		
Other Fringe Benefits	503		
Instructional Supplies and Materials	90,874		
TOTAL CLASSROOM		1,986,167	
ADMINISTRATION			
Supervisor and Director	39,524		
Career Ladder Program	3,000		
Career Ladder Extended Contract	4,000		
Secretary	25,529		
Social Security	4,179		
State Retirement	7,955		
Life Insurance	44		
Medical Insurance	9,000		
Employer Medicare	977		
Other Fringe Benefits	17		
Maintenance and Repair	9,437		
Travel	28,811		
Other Supplies and Materials	905		
TOTAL ADMINISTRATION		133,378	
TOTAL VOCATIONAL EDUCATION			2,119,545

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION		
Teacher	2,706	
Social Security	83	
State Retirement	97	
Employer Medicare	19	
Instructional Supplies and Materials	2,840	
TOTAL ADULT EDUCATION		5,745
ATTENDANCE		
Supervisor and Director	63,029	
Career Ladder Program	1,000	
Secretary and Clerical	22,546	
Social Security	5,125	
State Retirement	9,102	
Life Insurance	44	
Medical Insurance	13,000	
Employer Medicare	1,198	
Other Fringe Benefits	17	
Travel	4,176	
Other Supplies and Materials	997	
TOTAL ATTENDANCE		120,234
HEALTH SERVICES		
Medical Personnel	181,998	
Other Salaries and Wages	267,381	
Social Security	25,446	
State Retirement	62,814	
Life Insurance	362	
Medical Insurance	144,085	
Employer Medicare	5,951	
Other Fringe Benefits	81	
Travel	6,577	
Other Contracted Services	84,203	
Other Supplies and Materials	8,885	
Other Charges	7,530	
TOTAL HEALTH SERVICES		795,313

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SUPPORT		
Career Ladder Program	3,000	
Social Security	186	
State Retirement	206	
Life Insurance	486	
Medical Insurance	16,999	
Employer Medicare	44	
Other Fringe Benefits	292	
Contracts with Other Public Agencies	40,000	
Evaluation and Testing	32,731	
Other Supplies and Materials	3,529	
TOTAL OTHER STUDENT SUPPORT		97,473
BOARD OF EDUCATION		
Board and Committee Fees	27,495	
Social Security	1,705	
State Retirement	2,148	
Medical Insurance	53,350	
Employer Medicare	399	
Audit Services	42,500	
Dues and Memberships	13,069	
Legal Services	38,000	
Travel	22,561	
Other Contracted Services	3,650	
Liability Insurance	136,341	
Premiums on Corporate Surety Bonds	4,565	
Trustee Commission	473,184	
Workman's Compensation	389,028	
Other Charges	14,614	
TOTAL BOARD OF EDUCATION		1,222,609
OFFICE OF THE DIRECTOR		
Director of Schools	113,287	
Career Ladder Program	1,000	
Secretary and Clerical	213,010	
Other Salaries and Wages	31,257	
Social Security	21,150	
State Retirement	50,153	
Life Insurance	157	
Medical Insurance	44,000	
Employer Medicare	5,010	
Other Fringe Benefits	17	
Communications	74,997	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OFFICE OF THE DIRECTOR (CONTINUED)		
Postal Charges	14,717	
Travel	7,501	
Other Contracted Services	565	
Office Supplies	3,679	
TOTAL OFFICE OF THE DIRECTOR		580,500
OFFICE OF THE PRINCIPAL		
Principals	880,579	
Career Ladder	25,000	
Career Ladder Extended Contract	15,000	
Assistant Principals	828,877	
Secretary and Clerical	605,182	
Other Salaries and Wages	91,441	
Social Security	144,804	
State Retirement	258,823	
Life Insurance	1,302	
Medical Insurance	334,116	
Employer Medicare	33,866	
Other Fringe Benefits	493	
Communications	20,000	
Travel	1,909	
Other Supplies and Materials	75,641	
Other Charges	67,987	
TOTAL OFFICE OF THE PRINCIPAL		3,385,020
FISCAL SERVICES		
Supervisor/Director	68,801	
Clerical Personnel	67,775	
Social Security	7,978	
State Retirement	20,036	
Life Insurance	60	
Medical Insurance	17,800	
Employer Medicare	1,866	
Travel	753	
Other Contracted Services	11,300	
Other Supplies and Materials	210	
TOTAL FISCAL SERVICES		196,579
OPERATION OF PLANT		
Custodial Personnel	606,414	
Other Salaries and Wages	111,114	
Social Security	42,768	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OPERATION OF PLANT (CONTINUED)		
State Retirement	98,221	
Life Insurance	695	
Medical Insurance	143,333	
Employer Medicare	10,002	
Other Contracted Services	658,084	
Custodial Supplies	122,428	
Janitorial Services	112,930	
Disposal Fees	87,479	
Electricity	2,081,654	
Natural Gas	53,549	
Water and Sewer	216,467	
Boiler Insurance	44,445	
Other Supplies and Materials	16,000	
Other Charges	6,875	
TOTAL OPERATION OF PLANT		4,412,458
MAINTENANCE OF PLANT		
Supervisor and Director	61,124	
Maintenance Personnel	895,167	
Social Security	55,870	
State Retirement	130,629	
Life Insurance	481	
Medical Insurance	180,000	
Employer Medicare	13,067	
Communication	2,474	
Maintenance and Repair	10,996	
Other Contracted Services	26,536	
Other Supplies and Materials	381,795	
Other Charges	10,908	
TOTAL MAINTENANCE OF PLANT		1,769,047
TRANSPORTATION		
Supervisor and Director	47,528	
Mechanics	185,429	
Bus Drivers	911,580	
Social Security	68,764	
State Retirement	161,923	
Life Insurance	1,517	
Medical Insurance	407,433	
Employer Medicare	16,223	
Communication	557	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	5,661	
Gasoline	541,899	
Diesel	29,969	
Garage Supplies	179,726	
Tires and Tubes	109,422	
Vehicle Parts	153,615	
Other Supplies and Materials	4,920	
Vehicle and Equipment Insurance	87,000	
Other Charges	9,582	
TOTAL TRANSPORTATION		2,922,748
CENTRAL AND OTHER		
Supervisor/Director	55,299	
Clerical Personnel	19,816	
Other Salaries and Wages	13,882	
Social Security	5,240	
State Retirement	9,948	
Life Insurance	76	
Medical Insurance	17,000	
Employer Medicare	1,225	
Office Supplies	4,236	
Other Charges	5,033	
TOTAL CENTRAL AND OTHER		131,755
FOOD SERVICE		
Supervisor/Director	47,528	
Social Security	2,736	
State Retirement	6,972	
Life Insurance	1,647	
Medical Insurance	247,000	
Employer Medicare	640	
Other Fringe Benefits	17	
TOTAL FOOD SERVICE		306,540
COMMUNITY SERVICE		
Supervisor	31,824	
Secretaries	25,480	
Other Salaries and Wages	344,198	
Social Security	25,317	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)			
GENERAL PURPOSE SCHOOL FUND (CONTINUED)			
COMMUNITY SERVICE (CONTINUED)			
State Retirement	10,311		
Medical Insurance	8,500		
Employer Medicare	5,687		
Travel	1,381		
Food Supplies	25,921		
Other Supplies and Materials	12,508		
Other Charges	9,918		
TOTAL COMMUNITY SERVICE		501,045	
EARLY CHILDHOOD EDUCATION			
Teachers	118,262		
Educational Assistants	35,200		
Social Security	9,080		
State Retirement	15,841		
Medical Insurance	27,520		
Employer Medicare	2,123		
Other Supplies and Materials	2,343		
Other Supplies and Materials	26,157		
Other Supplies and Materials	5,353		
TOTAL EARLY CHILDHOOD EDUCATION		241,879	
CAPITAL OUTLAY			
Consultants	6,852		
Site Development	25,000		
Building Improvements	262,382		
Maintenance of Plant	39,641		
Transportation	501,074		
Other Capital Outlay	251,675		
TOTAL CAPITAL OUTLAY		1,086,624	
TOTAL GENERAL PURPOSE SCHOOL FUND			$ 60,503,434
SCHOOL FEDERAL PROJECTS FUND			
REGULAR INSTRUCTION			
CLASSROOM			
Teachers	$ 894,273		
Educational Assistants	169,645		
Substitute Teachers	50,077		
Social Security and Medicare	79,809		
State Retirement	107,711		
Medical Insurance	259,340		
Instructional Supplies and Materials	6,413		
Other Charges	66,182		
Other Supplies and Materials	40,182		
TOTAL CLASSROOM		1,673,632	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)			
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)			
REGULAR INSTRUCTION (CONTINUED)			
ADMINISTRATION			
Supervisor / Director	65,318		
Secretary and Clerical	20,466		
Other Salaries and Wages	467,984		
Certified Substitute Teachers	16,980		
Social Security and Medicare	36,947		
Medical Insurance	41,660		
State Retirement	39,939		
Travel	19,024		
In-Service Workshops	51,177		
Other Supplies and Materials	11,561		
Other Charges	795		
Indirect Cost	13,984		
TOTAL ADMINISTRATION		785,835	
TOTAL REGULAR INSTRUCTION			2,459,467
SPECIAL EDUCATION			
CLASSROOOM			
Teachers	82,005		
Educational Assistants	568,852		
Speech Pathologist	38,160		
Other Salaries and Wages	71,330		
Instructional Supplies and Materials	186,106		
Other Supplies and Materials	4,899		
Social Security and Medicare	58,955		
State Retirement	111,321		
Medical Insurance	358,263		
TOTAL CLASSROOM		1,479,891	
ADMINISTRATION			
Other Contracted Services	21,153		
In-Service Workshops	4,240		
Other Supplies and Materials	55,482		
Travel	1,500		
Indirect Cost	13,187		
TOTAL ADMINISTRATION		95,562	
TOTAL SPECIAL EDUCATION			1,575,453
VOCATIONAL EDUCATION			
Teachers	34,500		
Social Security and Medicare	2,639		
State Retirement	3,122		
Medical Insurance	4,659		
Instructional Supplies and Materials	37,427		

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2012

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)		
VOCATIONAL EDUCATION (CONTINUED)		
Other Charges	3,600	
Indirect Cost	1,267	
TOTAL VOCATIONAL EDUCATION		87,214
OTHER STUDENT SUPPORT		
Other Salaries and Wages	812,133	
Social Security and Medicare	59,071	
State Retirement	74,763	
Medical Insurance	73,450	
Contracts with Other School Systems	-	
Travel	31,342	
In-Service Workshops	600	
Other Supplies and Materials	10,327	
TOTAL OTHER STUDENT SUPPORT		1,061,686
TRANSPORTATION		
Bus Drivers	231,358	
Social Security and Medicare	17,088	
State Retirement	33,653	
Medical Insurance	83,727	
TOTAL TRANSPORTATION		365,826
TOTAL SCHOOL FEDERAL PROJECTS FUND		$ 5,549,646
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	$ 1,783,981	
Food Purchases	1,945,733	
Supplies and Materials	276,535	
Utilities	5,692	
Other Contracted Services	49,304	
Miscellaneous Expenses and Repairs	13,128	
TOTAL SCHOOL FOOD SERVICE FUND		$ 4,074,373
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION		$ 70,127,453

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
COMBINED SCHEDULE OF ASSETS AND LIABILITIES
June 30, 2012

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
ASSETS									
Equity in Pooled Cash	$32,604,285	-	-	-	-	-	-	-	32,604,285
Cash on Hand	400	1,100	1,050	1,347	-	150	100	3,970	8,117
Cash in Bank	-	695,264	137,006	49,839	984,585	338,033	286,200	8,237	2,499,164
Investments	7,847,648	-	733,812	46,983	825,763	1,469,787	-	-	10,923,993
Receivables	2,618	-	-	-	-	-	197	21,970	24,785
Due from State	7,886,057	-	-	-	-	-	-	-	7,886,057
TOTAL ASSETS	$48,341,008	696,364	871,868	98,169	1,810,348	1,807,970	286,497	34,177	53,946,401
LIABILITIES									
Due to State of Tennessee									
Business and Gross Receipts Tax	$ -	920	-	-	-	-	-	-	920
Marriage Licenses	-	3,905	-	-	-	-	-	-	3,905
Motor Vehicle Registration	-	232,522	-	-	-	-	-	-	232,522
Sales and Use Tax	-	298,163	-	-	-	-	-	-	298,163
Building Permits - State	-	3,695	-	-	-	-	-	-	3,695
Manufactured Home Installation Permit	-	74	-	-	-	-	-	-	74
Realty Transfer and Mortgage Transfer Tax	-	-	-	-	-	-	223,271	-	223,271
County Officials Retirement Tax	-	-	-	-	-	-	5,629	-	5,629
Due to Litigants, Heirs and Others									
Donor Awareness	-	362	-	-	-	-	-	-	362
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	80	-	-	-	-	-	-	80
Helping Schools	-	93	-	-	-	-	-	-	93
Court Funds and Costs	-	-	30,762	5,746	972,891	247,344	-	-	1,256,743
Deposits	-	-	733,812	46,983	825,763	1,469,812	-	-	3,076,370

(Continued)

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
COMBINED SCHEDULE OF ASSETS AND LIABILITIES
June 30, 2012

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
LIABILITIES (CONTINUED)									
Due to Litigants, Heirs and Others (Continued)									
Delinquent Property Taxes	-	-	-	-	-	90,154	-	-	90,154
Publications	-	-	-	-	-	660	-	-	660
Cash Bonds	-	-	8,707	47,700	11,768	-	-	-	68,175
Escrow and Refunds	-	-	-	-	-	-	2,561	-	2,561
Due to Inmates	-	-	-	-	-	-	-	1,744	1,744
Drug Program	-	-	-	-	-	-	-	3,870	3,870
Vendors	-	-	-	-	-	-	-	28,563	28,563
Due to Johnson City Schools	1,880,671	-	-	-	-	-	-	-	1,880,671
Due to Sales Tax Fund	3,634,604	-	-	-	-	-	-	-	3,634,604
Due to General Purpose School Fund	2,291,921	-	-	-	-	-	-	-	2,291,921
FUNDS									
General	17,061,310	-	-	-	-	-	-	-	17,061,310
Solid Waste / Sanitation	1,098,324	-	-	-	-	-	-	-	1,098,324
Highway	4,545,421	-	-	-	-	-	-	-	4,545,421
General Purpose School	11,052,613	-	-	-	-	-	-	-	11,052,613
School Federal Projects	49,946	-	-	-	-	-	-	-	49,946
School Food Service	370,826	-	-	-	-	-	-	-	370,826
Debt Service	5,044,046	-	-	-	-	-	-	-	5,044,046
Capital Projects	592,285	-	-	-	-	-	-	-	592,285
Drug Fines	258,630	-	-	-	-	-	-	-	258,630
District Attorney	88,996	-	-	-	-	-	-	-	88,996
Judicial District Drug	208,214	-	-	-	-	-	-	-	208,214
Cities - Sales Tax	3,716	-	-	-	-	-	-	-	3,716
Commission Account	159,485	155,450	98,587	(2,260)	(74)	-	55,036	-	466,224
TOTAL LIABILITIES	$ 48,341,008	696,364	871,868	98,169	1,810,348	1,807,970	286,497	34,177	53,946,401

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
For the Fiscal Year Ended June 30, 2012

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	$ 180,141,954	-	-	-	-	-	-	-	180,141,954
State of Tennessee	-	7,290,179	94,329	809,876	19,729	18,668	2,534,193	-	10,766,974
Litigants, Heirs and Others	-	6,756	655,403	2,445,816	1,918,930	4,820,393	6,458	162,925	10,016,681
County Revenue Clearing Account	-	603,174	70,954	1,288,110	62,680	1,062,196	-	30,573	3,117,687
Fee and Commission Account	1,861,108	1,077,903	210,668	875,860	203,769	418,197	612,255	-	5,259,760
TOTAL RECEIPTS	182,003,062	8,978,012	1,031,354	5,419,662	2,205,108	6,319,454	3,152,906	193,498	209,303,056
DISBURSEMENTS	179,053,309	8,987,414	2,121,700	4,545,389	1,234,375	7,645,520	3,165,543	208,662	206,961,912
Excess of Receipts Over (Under) Disbursements	2,949,753	(9,402)	(1,090,346)	874,273	970,733	(1,326,066)	(12,637)	(15,164)	2,341,144
Transfers from Sessions and Law to Circuit Court	-	-	1,079,601	(875,832)	(203,769)	-	-	-	-
Cash Balance, July 1, 2011	37,502,580	705,766	882,613	99,728	1,043,384	3,134,036	298,937	27,371	43,694,415
Cash Balance, June 30, 2012	$ 40,452,333	696,364	871,868	98,169	1,810,348	1,807,970	286,300	12,207	46,035,559

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, 2012

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	$ 13,688	74,270	721,643	275	809,876
County Revenue Clearing Account	31,660	389,191	863,319	3,940	1,288,110
Litigants, Heirs and Others	163,471	1,703,743	511,724	66,878	2,445,816
Fee and Commission Account	23,481	282,671	540,440	29,268	875,860
TOTAL RECEIPTS	232,300	2,449,875	2,637,126	100,361	5,419,662
DISBURSEMENTS	208,971	2,167,470	2,080,219	88,729	4,545,389
Excess of Receipts Over (Under) Disbursements	23,329	282,405	556,907	11,632	874,273
Transfers from Sessions to Circuit Court	(23,476)	(282,671)	(540,418)	(29,267)	(875,832)
Cash Balance, July 1, 2011	550	1,808	32,750	64,620	99,728
Cash Balance, June 30, 2012	$ 403	1,542	49,239	46,985	98,169

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, 2012

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	$ 7,733	10,935	18,668
Washington County	459,014	603,182	1,062,196
Litigants, Heirs and Others	1,102,409	3,717,984	4,820,393
Fee and Commission Account	135,938	282,259	418,197
TOTAL RECEIPTS	1,705,094	4,614,360	6,319,454
DISBURSEMENTS	1,511,863	6,133,657	7,645,520
Excess of Receipts Over (Under) Disbursements	193,231	(1,519,297)	(1,326,066)
Transfers from Jonesborough to Johnson City	(127,088)	127,088	-
Balance, July 1, 2011	1,259,966	1,874,070	3,134,036
Balance, June 30, 2012	$ 1,326,109	481,861	1,807,970

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
Business and Gross Receipts Tax	$ 1,246	8,867	-	-	9,193	920
Marriage Licenses	4,802	41,955	-	625	42,227	3,905
Motor Vehicle Registration	214,213	3,396,046	-	-	3,377,737	232,522
Manufactured Home Installation Permits	37	1,554	-	-	1,517	74
Sales and Use Tax	310,276	3,564,563	-	178,228	3,398,448	298,163
Building Permits - State	10,010	76,000	-	2,310	80,005	3,695
Motor Vehicle Titles	-	201,194	-	-	201,194	-
TOTAL STATE OF TENNESSEE	540,584	7,290,179	0	181,163	7,110,321	539,279
WASHINGTON COUNTY						
Business Tax and Marriage Licenses	-	8,330	-	417	7,913	-
Beer Tax	-	315,762	-	15,788	299,974	-
Building Permits	-	80,607	-	4,030	76,577	-
Archive Fees	5	188,737	-	-	188,742	-
Data Processing Fee	1,588	9,738	-	-	11,326	-
TOTAL WASHINGTON COUNTY	1,593	603,174	0	20,235	584,532	0
LITIGANTS, HEIRS AND OTHERS						
Notary Seals and Commissions	55	1,899	-	-	1,874	80
Donor Awareness	416	3,895	-	-	3,949	362
Helping Schools	93	962	-	-	962	93
Due to County Clerk	1,100	-	-	-	-	1,100
TOTAL LITIGANTS, HEIRS AND OTHERS	1,664	6,756	0	0	6,785	1,635
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	161,925	876,505	201,398	-	1,084,378	155,450
TOTAL FEE AND COMMISSION ACCOUNT	161,925	876,505	201,398	0	1,084,378	155,450
TOTAL ALL ACCOUNTS	$ 705,766	8,776,614	201,398	201,398	8,786,016	696,364

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	53,037	-	1,974	51,063	-
Department of Safety	-	4,452	-	223	4,229	-
Tennessee Bureau of Investigations	-	2,224	-	111	2,113	-
Public Defender	-	19,828	-	991	18,837	-
Attorney General	-	14,788	-	739	14,049	-
TOTAL STATE OF TENNESSEE	0	94,329	0	4,038	90,291	0
WASHINGTON COUNTY						
County Litigation Tax	-	9,603	-	648	8,955	-
Special Litigation Tax	-	651	-	44	607	-
Litigation Tax / Jail	-	7,263	-	490	6,773	-
Litigation Tax / Court House Security	-	5,934	-	401	5,533	-
County Fines	-	10,566	-	528	10,038	-
Drug Fines	-	4,128	-	206	3,922	-
Drug Court Fund	-	2,854	-	143	2,711	-
County Officer's Cost	-	9,309	-	466	8,843	-
Jail Fees	-	11,801	-	590	11,211	-
Other Collections	-	4,457	-	50	4,407	-
Contempt Fine	-	708	-	35	673	-
Archive and Records Management Fee	-	462	-	23	439	-
Data Processing Fee	-	1,288	-	-	1,288	-
Court Security Fee	-	1,930	-	97	1,833	-
TOTAL WASHINGTON COUNTY	0	70,954	0	3,721	67,233	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	30,715	558,943	-	-	558,896	30,762
Cash Bonds	25,850	24,207	-	-	41,350	8,707
Deposits	703,421	32,415	-	-	2,024	733,812
Alimony/Child Support	-	4,375	-	-	4,375	-
Constable's Cost	-	100	-	5	95	-
Fines and Arrest Fees - Jonesborough	-	1,356	-	68	1,288	-
Fines and Arrest Fees - Johnson City	-	18,082	-	904	17,178	-
Drug Fines - Johnson City	-	15,925	-	796	15,129	-
TOTAL LITIGANTS, HEIRS AND OTHERS	759,986	655,403	0	1,773	640,335	773,281
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	122,627	1,280,737	9,532	-	1,314,309	98,587
TOTAL FEE AND COMMISSION ACCOUNT	122,627	1,280,737	9,532	0	1,314,309	98,587
TOTAL ALL ACCOUNTS	$ 882,613	2,101,423	9,532	9,532	2,112,168	871,868

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	8,668	-	276	8,392	-
Department of Safety	-	2,596	-	130	2,466	-
Tennessee Bureau of Investigations	-	702	-	35	667	-
Motor Vehicle Enforcement	-	10	-	1	9	-
Public Defender	-	1,232	-	62	1,170	-
Attorney General	-	480	-	24	456	-
TOTAL STATE OF TENNESSEE	0	13,688	0	528	13,160	0
WASHINGTON COUNTY						
County Litigation Tax	-	2,154	-	145	2,009	-
Special Litigation Tax	-	1,824	-	94	1,730	-
Litigation Tax / Jail	-	1,504	-	101	1,403	-
Litigation Tax / Security	-	1,196	-	81	1,115	-
Booking Fees	-	493	-	25	468	-
County Fines	-	3,624	-	181	3,443	-
Drug Fines	-	1,169	-	58	1,111	-
Drug Court Fund	-	705	-	35	670	-
County Officer's Cost	-	6,374	-	319	6,055	-
Jail Fees	-	11,785	-	589	11,196	-
Other Collections	-	158	-	8	150	-
Archive and Records Management Fee	-	10	-	1	9	-
Data Processing Fee	-	279	-	-	279	-
Criminal Littering Fine	-	25	-	1	24	-
Court Security Fee	-	360	-	18	342	-
TOTAL WASHINGTON COUNTY	0	31,660	0	1,656	30,004	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	-	160,416	-	-	160,318	98
Cash Bonds	500	250	-	-	500	250
Alimony/Child Support	-	60	-	-	60	-
Constable's Cost	-	147	-	7	140	-
Fines and Arrest Fees - Jonesborough	-	2,598	-	130	2,468	-
Fines and Arrest Fees - Johnson City	-	-	-	-	-	-
TOTAL LITIGANTS, HEIRS AND OTHERS	500	163,471	0	137	163,486	348
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	50	21,160	2,321	-	23,476	55
TOTAL FEE AND COMMISSION ACCOUNT	50	21,160	2,321	0	23,476	55
TOTAL ALL ACCOUNTS	$ 550	229,979	2,321	2,321	230,126	403

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	74,270	-	5,013	69,257	-
TOTAL STATE OF TENNESSEE	0	74,270	0	5,013	69,257	0
WASHINGTON COUNTY						
County Litigation Tax	-	53,321	-	3,600	49,721	-
Special Litigation Tax	-	58,526	-	3,073	55,453	-
Litigation Tax / Jail	-	104,494	-	7,053	97,441	-
Litigation Tax / Security	-	104,478	-	7,052	97,426	-
County Officer's Cost	-	38,480	-	1,924	36,556	-
Contempt Fine	-	100	-	5	95	-
Archive and Records Management Fee	-	20,607	-	1,030	19,577	-
Data Processing Fee	-	8,362	-	-	8,362	-
Court Security Fee	-	823	-	41	782	-
TOTAL WASHINGTON COUNTY	0	389,191	0	23,778	365,413	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,728	1,670,694	-	-	1,670,960	1,462
Alimony/Child Support	-	4,221	-	-	4,221	-
Constable's Cost	-	28,828	-	1,441	27,387	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,728	1,703,743	0	1,441	1,702,568	1,462
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	80	252,439	30,232	-	282,671	80
TOTAL FEE AND COMMISSION ACCOUNT	80	252,439	30,232	0	282,671	80
TOTAL ALL ACCOUNTS	$ 1,808	2,419,643	30,232	30,232	2,419,909	1,542

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	432,347	-	20,950	411,397	-
Wildlife Resources	-	7,514	-	576	6,938	-
Department of Safety	-	145,861	-	7,293	138,568	-
Tennessee Bureau of Investigation	-	29,348	-	1,467	27,881	-
Public Defender	-	79,654	-	3,983	75,671	-
Motor Vehicle Enforcement	-	20	-	1	19	-
Attorney General	-	25,851	-	1,293	24,558	-
Alcohol	-	50	-	3	47	-
AOC Private Attorney Fee	-	998	-	50	948	-
TOTAL STATE OF TENNESSEE	0	721,643	0	35,616	686,027	0
WASHINGTON COUNTY						
County Litigation Tax	-	155,562	-	10,500	145,062	-
Special Litigation Tax	-	88,001	-	4,592	83,409	-
Litigation Tax / Jail	-	137,936	-	9,311	128,625	-
Litigation Tax / Courthouse Security	-	132,548	-	8,947	123,601	-
Booking Fees	-	50,623	-	2,531	48,092	-
County Fines	-	52,500	-	2,625	49,875	-
Drug Fines	-	16,863	-	843	16,020	-
Drug Court Fund	-	12,703	-	635	12,068	-
County Officer's Cost	-	55,365	-	2,768	52,597	-
Jail Fees	-	123,414	-	6,171	117,243	-
Archive and Records Management Fee	-	15,235	-	762	14,473	-
Data Processing Fee	-	12,568	-	-	12,568	-
Court Security Fee	-	5,585	-	279	5,306	-
Other Collections	-	4,366	-	218	4,148	-
Contempt of Court Fee	-	50	-	3	47	-
TOTAL WASHINGTON COUNTY	0	863,319	0	50,185	813,134	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	519	175,825	-	-	172,158	4,186
Cash Bonds	34,650	200,482	-	-	187,682	47,450
Constable's Cost	-	279	-	14	265	-
Fines and Arrest Fees - Jonesborough	-	10,403	-	520	9,883	-
Fines and Arrest Fees - Johnson City	-	124,735	-	6,237	118,498	-
TOTAL LITIGANTS, HEIRS AND OTHERS	35,169	511,724	0	6,771	488,486	51,636
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(2,419)	447,868	92,572	-	540,418	(2,397)
TOTAL FEE AND COMMISSION ACCOUNT	(2,419)	447,868	92,572	0	540,418	(2,397)
TOTAL ALL ACCOUNTS	$ 32,750	2,544,554	92,572	92,572	2,528,065	49,239

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	200	-	10	190	-
Wildlife Resources	-	25	-	3	22	-
Attorney General	-	50	-	3	47	-
TOTAL STATE OF TENNESSEE	0	275	0	16	259	0
WASHINGTON COUNTY						
County Fines	-	1,110	-	56	1,054	-
Courtroom Security Fee	-	4	-	-	4	-
County Officer's Cost	-	2,826	-	141	2,685	-
TOTAL WASHINGTON COUNTY	0	3,940	0	197	3,743	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	-	59,785	-	-	59,785	-
Deposits	64,619	6,871	-	-	24,507	46,983
Fines and Arrest Fees - Jonesborough	-	222	-	11	211	-
					-	
TOTAL LITIGANTS, HEIRS AND OTHERS	64,619	66,878	0	11	84,503	46,983
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	1	29,044	224	0	29,267	2
TOTAL FEE AND COMMISSION ACCOUNT	1	29,044	224	0	29,267	2
TOTAL ALL ACCOUNTS	$ 64,620	100,137	224	224	117,772	46,985

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	19,729	-	1,332	18,397	-
TOTAL STATE OF TENNESSEE	0	19,729	0	1,332	18,397	0
WASHINGTON COUNTY						
County Litigation Tax	-	9,773	-	660	9,113	-
Special Litigation Tax	-	1,658	-	112	1,546	-
Litigation Tax / Jail	-	20,637	-	1,393	19,244	-
Litigation Court House	-	20,564	-	1,388	19,176	-
Court Security	-	350	-	17	333	-
County Officer's Cost	-	3,210	-	160	3,050	-
Archive and Records Management Fee	-	3,940	-	197	3,743	-
Contempt Fine	-	100	-	5	95	-
Data Processing Fee	-	2,448	-	-	2,448	-
TOTAL WASHINGTON COUNTY	0	62,680	0	3,932	58,748	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	194,307	1,692,196	-	-	913,612	972,891
Cash Bonds	7,615	14,500	-	-	10,347	11,768
Deposits	841,536	189,950	-	-	205,723	825,763
Alimony/Child Support	-	20,025	-	-	20,025	-
Constable's Cost	-	2,259	-	113	2,146	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,043,458	1,918,930	0	113	1,151,853	1,810,422
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(74)	198,392	5,377	-	203,769	(74)
TOTAL FEE AND COMMISSION ACCOUNT	(74)	198,392	5,377	0	203,769	(74)
TOTAL ALL ACCOUNTS	$ 1,043,384	2,199,731	5,377	5,377	1,432,767	1,810,348

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
Litigation Tax	$ -	7,733	-	522	7,211	-
TOTAL STATE OF TENNESSEE	0	7,733	0	522	7,211	0
WASHINGTON COUNTY						
County Litigation Tax	-	3,825	-	258	3,567	-
Special Litigation Tax	-	650	-	44	606	-
Litigation Tax Jail	-	8,030	-	542	7,488	-
Litigation Tax Court Security	-	7,975	-	539	7,436	-
County Officer's Cost	-	705	-	35	670	-
Archive Fee	-	1,715	-	71	1,644	-
Delinquent Taxes	-	305,000	-	15,250	289,750	-
Delinquent Taxes - Penalty and Interest	-	123,541	-	6,177	117,364	-
Delinquent Taxes - Court Costs	-	6,698	-	-	6,698	-
Data Processing Fee	-	812	-	-	812	-
Court Security Fee	-	63	-	-	63	-
TOTAL WASHINGTON COUNTY	0	459,014	0	22,916	436,098	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	127,373	595,416	-	-	621,207	101,582
Deposits	1,131,873	233,120	-	-	141,126	1,223,867
Publications	720	17,539	-	-	17,599	660
State of TN Treasury Department	-	-	-	-	-	-
Alimony/ Child Support	-	32,993	-	-	32,993	-
Constables, Legal Process	-	22,338	-	-	22,338	-
Attorney's Fees and Commissions - Delinquent Tax	-	77,526	-	-	77,526	-
City Delinquent Taxes	-	69,004	-	3,450	65,554	-
City Delinquent Taxes - Penalty and Interest	-	44,792	-	2,240	42,552	-
City Delinquent Tax - Court Costs	-	1,200	-	-	1,200	-
Jonesborough Delinquent Taxes	-	6,151	-	307	5,844	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	2,037	-	102	1,935	-
Jonesborough Delinquent Taxes - Court Costs	-	293	-	-	293	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,259,966	1,102,409	0	6,099	1,030,167	1,326,109
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	97,551	29,537	-	127,088	-
Special Commissioner Fees	-	8,850	-	-	8,850	-
TOTAL FEE AND COMMISSION ACCOUNT	0	106,401	29,537	0	135,938	0
TOTAL ALL ACCOUNTS	$ 1,259,966	1,675,557	29,537	29,537	1,609,414	1,326,109

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, 2012

Account	Balance 7/1/2011	Receipts	Transfers To	Transfers From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
State Litigation Tax	$ -	10,935	-	738	10,197	-
TOTAL STATE OF TENNESSEE	0	10,935	0	738	10,197	0
WASHINGTON COUNTY						
County Litigation Tax	-	5,320	-	359	4,961	-
Special Litigation Tax	-	904	-	61	843	-
Litigation Tax / Jail	-	11,217	-	757	10,460	-
Litigation Tax / Court Security	-	11,177	-	755	10,422	-
Archive Fee	-	2,459	-	102	2,357	-
County Officer's Cost	-	2,725	-	136	2,589	-
Delinquent Taxes	121,840	404,383	-	20,219	418,282	87,722
Delinquent Taxes - Penalty and Interest	-	156,211	-	7,811	148,400	-
Delinquent Tax - Court Costs	-	6,944	-	-	6,944	-
Data Processing Fee	-	1,596	-	-	1,596	-
Court Security Fee	-	246	-	-	246	-
TOTAL WASHINGTON COUNTY	121,840	603,182	0	30,200	607,100	87,722
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	207,461	3,079,505	-	-	3,141,204	145,762
Deposits	1,542,337	183,649	-	-	1,480,041	245,945
Alimony/ Child Support	-	85,150	-	-	85,150	-
Constables, Legal Process	-	9,195	-	-	9,195	-
Attorney's Fees and Commissions - Delinquent Tax	-	96,895	-	-	96,895	-
City Delinquent Taxes	2,432	165,559	-	8,278	157,281	2,432
City Delinquent Taxes - Penalty and Interest	-	93,818	-	4,691	89,127	-
City Delinquent Taxes - Court Costs	-	-	-	-	-	-
Jonesborough Delinquent Taxes	-	2,858	-	143	2,715	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	800	-	40	760	-
Jonesborough Delinquent Taxes - Court Costs	-	135	-	-	135	-
Publications	-	420	-	-	420	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,752,230	3,717,984	0	13,152	5,062,923	394,139
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	226,589	44,090	-	270,679	-
Special Commissioner Fees	-	11,580	-	-	11,580	-
TOTAL FEE AND COMMISSION ACCOUNT	0	238,169	44,090	0	282,259	0
TOTAL ALL ACCOUNTS	$ 1,874,070	4,570,270	44,090	44,090	5,962,479	481,861

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
REGISTER
For the Fiscal Year Ended June 30, 2012

Account	Balance 7/1/2011	Receipts	Transfer To	Transfer From	Disbursements	Balance 6/30/2012
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	$ 240,917	2,534,193	-	60,810	2,491,029	223,271
County Officials' Retirement Tax	6,074	-	-	-	445	5,629
TOTAL STATE OF TENNESSEE	246,991	2,534,193	0	60,810	2,491,474	228,900
DUE TO HEIRS AND OTHERS	2,696	5,887	-	-	6,022	2,561
FEES AND COMMISSION ACCOUNT	50,018	551,445	60,810	-	607,237	55,036
TOTAL ALL ACCOUNTS	$ 299,705	3,091,525	60,810	60,810	3,104,733	286,497

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
SHERIFF
For the Fiscal Year Ended June 30, 2012

Cash Balance, 7/1/2011			$ 27,371
RECEIPTS			
Officers Costs	30,573		
Cash Bonds - Various Courts	125,042		
Fingerprinting	1,471		
Handgun Permits	2,280		
Handgun Permits - State	12,377		
Sexual Offender Registry Fees	5,302		
Reimbursement	1,653		
Incentives	14,800		
TOTAL RECEIPTS		193,498	
DISBURSEMENTS			
BY CHECK			
Officers Costs Reported to County	31,622		
Cash Bonds - Various Courts	123,993		
Payments for Inmates	25,814		
Handgun Permits	2,280		
Handgun Permits - State			
Incentives	14,800		
Fingerprinting	1,471		
Sexual Offender Registry	5,302		
BY CASH			
Drug Buy	3,380		
TOTAL DISBURSEMENTS		208,662	
Receipts Over (Under) Disbursements			(15,164)
Cash Balance, 6/30/2012			$ 12,207

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, 2012

	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	$ -	875,829	201,136	750,511	198,392	324,140	551,445	-	2,901,453
Special Commissioner Fees	-	-	-	-	-	20,430	-	-	20,430
Interest Earned	-	676	-	-	-	-	90	-	766
Commissions	1,861,108	201,398	9,532	125,349	5,377	73,627	60,810	-	2,337,201
TOTAL REVENUE	1,861,108	1,077,903	210,668	875,860	203,769	418,197	612,345	0	5,259,850
OTHER SOURCES									
OPERATING TRANSFERS									
General Sessions - Jonesborough	-	-	23,476	-	-	-	-	-	23,476
General Sessions - Civil Court - Johnson City	-	-	282,671	-	-	-	-	-	282,671
General Sessions - State Court - Johnson City	-	-	540,418	-	-	-	-	-	540,418
General Sessions - Juvenile Court	-	-	29,267	-	-	-	-	-	29,267
Law Court	-	-	203,769	-	-	-	-	-	203,769
TOTAL REVENUE AND OTHER SOURCES	1,861,108	1,077,903	1,290,269	875,860	203,769	418,197	612,345	0	6,339,451
EXPENDITURES AND OTHER USES									
EXPENDITURES									
Special Commissioner Fees	-	-	-	-	-	20,430	-	-	20,430
Bank Charges	-	-	11,932	-	-	-	-	-	11,932
Postage	-	-	-	-	-	-	68	-	68
TOTAL EXPENDITURES	0	0	11,932	0	0	20,430	68	0	32,430

(Continued)

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS
For the Fiscal Year Ended June 30, 2012

	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)	-	-	11,932	-	-	20,430	68	-	32,430
OTHER USES									
Fees & Commissions to County General Fund	1,861,108	1,077,903	1,278,337	28	-	397,767	612,277	-	5,227,420
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	875,832	203,769	-	-	-	1,079,601
TOTAL EXPENDITURES AND OTHER USES	1,861,108	1,077,903	1,290,269	875,860	203,769	418,197	612,345	0	6,339,451
Excess Fees, June 30, 2012									
Add: Due to County General Fund - Excess Fees	159,485	155,450	96,253	-	-	-	55,036	-	466,224
Due to General Sessions - State Court - Johnson City	-	-	2,397	-	-	-	-	-	2,397
Due to Law Court	-	-	74	-	-	-	-	-	74
Less: Due from General Sessions - Civil Court - Johnson City	-	-	(80)	-	-	-	-	-	(80)
Due from General Sessions - Juvenile	-	-	(2)	-	-	-	-	-	(2)
Due to General Sessions - Jonesborough	-	-	(55)	-	-	-	-	-	(55)
Less: Due from Circuit Court Clerk	-	-	-	(2,260)	(74)	-	-	-	(2,334)
Cash Balance, June 30, 2012	$ 159,485	155,450	98,587	(2,260)	(74)	0	55,036	0	466,224

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2011	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2012
PRIMARY GOVERNMENT								
GENERAL FUND								
16.600	N/A	Federal Boarding of Prisoners ****	U.S. Marshalls	$ 368,191	1,290,073	1,246,496	-	324,614
PASS-THROUGH STATE OF TENNESSEE								
16.005	GG-08-21509	Residence Substance Abuse	U.S. Department of Justice	33,328	106,020	72,692	-	-
TOTAL LAW ENFORCEMENT ASSISTANT GRANTS				33,328	106,020	72,692	0	0
16.710	Z-00-002567-00	Bullet Proof Vests	U.S. Department of Justice	7,325	7,325	-	-	-
16.738	**	ARRA Justice Assistance Grant	U.S. Department of Justice	(10)	-	-	10	-
16.738	**	Law Enforcement Supplies	U.S. Department of Justice	-	20,800	20,800	-	-
TOTAL DEPARTMENT OF JUSTICE				(10)	20,800	20,800	10	0
97.036	**	Federal Emergency Management Agency Mutual Aid and Emergency and Disaster Assistance	U.S. Department of Homeland Security	-	215,853	215,853	-	-
97.067	Z-07-20661-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	3,235	-	-	-	3,235
97.067	GG-08-23886-00	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	12,351	12,299	-	-	52
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	-	-	186,725	-	186,725
97.067	34101-43511	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	6,500	6,500	-	-
97.067	GG-09-27493	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	235,222	341,009	111,823	646	6,682
TOTAL DEPARTMENT OF HOMELAND SECURITY				253,808	359,808	305,048	646	199,694
20.600	Z-10-220118-00	Network Law Enforcement Grant	Tennessee Department of Transportation	-	-	319	-	319
20.600	Z-11-GHS271	Network Law Enforcement Grant	Tennessee Department of Transportation	3,457	9,633	6,176	-	-
20.600	Z-12-GHS354	Pract. Mobiliz. By Saturation	Tennessee Department of Transportation	-	9,947	16,649	-	6,702
20.600	Z-12-GHS355	High Visibility Law Enforcement	Tennessee Department of Transportation	-	-	1,613	-	1,613
20.600	Z-11-GHS020	Making Rural Roads Safer	Tennessee Department of Transportation	36,235	54,651	18,416	-	-
20.600	Z-12-GHS353	Network Coordinator	Tennessee Department of Transportation	-	3,535	7,960		4,425
TOTAL DEPARTMENT OF TRANSPORTATION				39,692	77,766	51,133	0	13,059
14.228	GG-12-37966	Lighting Retrofits	Tennessee Department of Economic and Community Development	-	-	79,604	-	79,604
14.228	GG-10-32769-00	2009 Washington County Waterline Extension	Tennessee Department of Economic and Community Development	147,141	291,731	144,590	-	-
TOTAL DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT				147,141	291,731	224,194	0	79,604
PASS-THROUGH OTHER AGENCIES								
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	2,748	15,744	14,721	-	1,725
TOTAL GENERAL FUND GRANTS				484,032	1,095,047	904,441	656	294,082
HIGHWAY FUND								
10.923	**	Natural Resource Conservation Service	U.S. Department of Agriculture	-	57,154	57,154	-	-
TOTAL HIGHWAY FUND GRANTS				0	57,154	57,154	0	0
AGENCY FUND								
JUDICIAL DISTRICT DRUG TASK FORCE								
PASS-THROUGH STATE OF TENNESSEE								
16.738		Byrne Formula Grant Program	U.S. Department of Justice	37,618	102,004	72,000	-	7,614
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE				37,618	102,004	72,000	0	7,614

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2011	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2012
COMPONENT UNITS								
BOARD OF EDUCATION								
PASS-THROUGH STATE OF TENNESSEE								
84.397	N/A	ARRA Consoldiated School Health	U.S. Department of Education	42,359	42,359	-	-	-
84.397	N/A	ARRA Extended Contract	U.S. Department of Education	144,267	144,267	-	-	-
84.397	N/A	IDEA - Part B Education of Handicapped	U.S. Department of Education	-	48,947	48,947	-	-
				186,626	235,573	48,947	0	0
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	-	41,843	45,726	-	3,883
84.392	N/A	ARRA Preschool Incentive Funds	U.S. Department of Education	1,576	34,115	32,539	-	-
84.027	N/A	IDEA - Part B	U.S. Department of Education	27,173	1,600,988	1,647,794	-	73,979
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	3,984	103,584	101,600	-	2,000
84.391	N/A	ARRA IDEA - Part B	U.S. Department of Education	11,532	122,029	110,497	-	-
				44,265	1,902,559	1,938,156	0	79,862
84.010	N/A	Title I Funds	U.S. Department of Education	25,711	1,586,900	1,739,891	-	178,702
84.389	N/A	ARRA Title I Funds	U.S. Department of Education	90,303	198,653	108,350	-	-
				116,014	1,785,553	1,848,241	0	178,702
84.318	N/A	Title II-D	U.S. Department of Education	-	1,362	1,362	-	-
84.386	N/A	ARRA Title II-D	U.S. Department of Education	9,975	11,922	1,947	-	-
				9,975	13,284	3,309	0	0
84.365	N/A	Title III	U.S. Department of Education	-	4,090	4,706	-	616
84.395	N/A	Race to the Top	U.S. Department of Education	17,936	362,236	370,956	-	26,656
84.410	N/A	Education Jobs Program	U.S. Department of Education	-	998,160	998,160	-	-
84.048	**	Carl Perkins - Program Improvement	U.S. Department of Education	20,000	110,177	119,690	-	29,513
84.367	N/A	Title II-A	U.S. Department of Education	6,062	204,369	264,692	-	66,385
84.387	N/A	Title X	U.S. Department of Education	488	489	1	-	-
TOTAL BOARD OF EDUCATION GRANTS				401,366	5,616,490	5,596,858	0	381,734
SCHOOL FOOD SERVICE								
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	188,895	188,895	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	23,453	529,656	566,400	-	60,197
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	45,556	1,596,486	1,699,618	-	148,688
TOTAL SCHOOL FOOD SERVICE GRANTS				69,009	2,315,037	2,454,913	0	208,885
TOTAL FEDERAL GRANTS				$ 992,025	9,128,578	9,028,212	656	892,315

* These amounts represent amendments or adjustments to prior year estimates.
** Information not available.
*** These balances represent amounts due from the grantor.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

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, 2012

Grant Number	Program Name	Grantor Agency	Balance July 1, 2011	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2012
PRIMARY GOVERNMENT							
GENERAL FUND							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	$ 234,360	1,482,285	1,732,500	-	484,575
**	Certified Voting Equipment	Tennessee Department of State, Division of Elections	-	19,380	19,380	-	-
**	Archives Development Grant	Tennessee Department of State, Library and Archives	-	4,993	4,993	-	-
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	19,082	41,721	42,191	-	19,552
**	Juvenile Grant	Tennessee Commission of Children & Youth	1,245	11,550	11,000	-	695
**	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	-	4,500	9,000	-	4,500
#Z-10-219833-00	Health Department	Tennessee Department of Health	-	819,724	1,002,664	-	182,940
#GG-11-31969-00	Health Department	Tennessee Department of Health	177,113	177,113	-	-	-
#GG-11-34102-00	Koyo Corporation	Department of Economic & Community Development	17,932	17,932	-	-	-
TOTAL GENERAL FUND			449,732	2,579,198	2,821,728	0	692,262
HIGHWAY FUND							
N/A	Rural Road Program	Tennessee Department of Transportation	-	261,939	421,225	-	159,286
TOTAL HIGHWAY FUND			0	261,939	421,225	0	159,286
SANITATION FUND							
GG-12-37723	Used Oil Grant	Tennessee Department of Environment and Conservation	-	-	12,400	-	12,400
#Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	58,121	125,485	128,613	(34,692)	26,557
TOTAL SANITATION FUND			58,121	125,485	141,013	(34,692)	38,957
TOTAL PRIMARY GOVERNMENT			507,853	2,966,622	3,383,966	(34,692)	890,505
COMPONENT UNITS							
GENERAL PURPOSE SCHOOL FUND							
GG-08-22128-00	Transition School to Work	Tennessee Department of Agriculture	13,865	80,662	77,910	-	11,113
TOTAL GENERAL PURPOSE SCHOOL FUND			13,865	80,662	77,910	0	11,113
SCHOOL FOOD SERVICE							
**	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	38,354	38,354	-	-
TOTAL SCHOOL FOOD SERVICE			0	38,354	38,354	0	0
TOTAL COMPONENT UNITS			13,865	119,016	116,264	0	11,113
TOTAL STATE GRANTS			$ 521,718	3,085,638	3,500,230	(34,692)	901,618

* These amounts represent amendments or adjustments to prior year estimates.
** Grant number was not available.
*** These balances represent amounts due from the grantor.

(Continued)

SECTION V

STATISTICAL SECTION
(UNAUDITED)

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

Schedule 1

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	$ 33,819,706	37,303,495	40,363,458	39,414,017	37,992,480	49,380,479	54,620,038	54,382,423	50,759,715
Restricted	(137,908)	131,927	167,986	175,741	210,752	238,327	279,334	185,073	192,689
Unrestricted	(14,105,989)	(13,980,108)	(16,908,701)	(23,106,763)	(78,526,872)	(106,349,776)	(112,293,538)	(109,985,528)	(103,208,230)
Total Governmental Activities Net Assets	$ 19,575,809	23,455,314	23,622,743	16,482,995	(40,323,640)	(56,730,970)	(57,394,166)	(55,418,032)	(52,255,826)

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
EXPENSES										
Governmental Activities										
General Government	$ 15,095,581	15,048,925	16,091,952	33,567,576	57,083,936	33,209,756	24,764,315	5,849,052	4,846,589	
Finance	-	-	-	-	-	-	-	2,544,864	2,580,133	*
Administration of Justice	-	-	-	-	-	-	-	3,497,335	3,621,848	*
Public Safety	8,263,500	8,701,776	8,911,291	9,289,512	9,842,642	10,147,418	11,182,742	17,363,717	18,033,226	
Highways	6,800,823	7,197,616	7,261,231	8,092,168	8,687,288	8,228,881	8,482,146	8,273,843	9,473,714	
Library	342,683	384,489	455,090	616,323	546,008	617,653	491,958	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	983,279	935,650	*
Public Health and Welfare	1,372,151	1,480,623	1,553,258	1,729,629	1,763,928	1,714,284	1,598,683	5,390,784	5,541,574	
Agricultural and Natural Resources	-	-	-	-	-	-	-	384,050	403,045	*
Other Operations	-	-	-	-	-	-	-	1,314,448	875,695	*
Education	-	-	-	-	-	-	-	270,000	66,761	*
Interest on Long-Term Debt	2,084,402	1,866,731	1,866,239	4,173,695	7,597,620	7,382,896	8,071,516	7,402,705	6,729,327	
Total Governmental Activities Expenses	$ 33,959,140	34,680,160	36,139,061	57,468,903	85,521,422	61,300,888	54,591,360	53,274,077	53,107,562	
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	4,327,469	4,448,536	4,718,310	5,120,716	5,411,978	4,937,531	4,734,732	417,850	235,856	
Administration of Justice	-	-	-	-	-	-	-	4,452,695	4,557,262	*
Public Safety	2,406,171	2,686,445	2,423,658	2,560,743	2,558,250	2,855,716	2,787,148	3,184,023	3,383,614	
Highways	295,082	329,490	353,773	660,051	309,895	405,397	836,028	448,373	731,490	
Library	13,308	18,090	22,333	33,576	30,872	24,885	22,770	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	8,375	242,239	*
Public Health and Welfare	197,398	238,762	309,965	327,289	365,413	301,626	415,749	420,630	426,175	
Operating Grants and Contributions										
General Government	1,075,375	722,344	1,335,830	2,883,486	1,172,956	939,356	1,249,185	263,400	256,892	
Public Safety	428,152	372,955	366,013	328,365	453,549	869,319	309,173	189,515	200,836	
Administration of Justice	-	-	-	-	-	-	-	36,164	35,164	*
Highways	714,156	197,960	2,475,920	2,780,712	2,752,378	2,031,066	2,880,346	2,331,909	2,926,714	
Library	7,000	7,000	7,000	21,037	15,985	36,729	30,408	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	113,432	-	*
Public Health and Welfare	230,347	259,938	310,367	303,938	267,659	223,586	164,564	1,157,535	1,165,292	
Capital Grants and Contributions										
General Government	250,000	439,233	1,323,847	445,285	1,008,787	589,451	1,464,807	904,614	529,243	
Public Safety	-	-	-	-	-	-	108,100	10,559	14,720	
Highways	-	1,384,221	1,532,077	1,639,002	450,474	1,189,000	939,857	780,480	261,312	
Library	26,397	21,130	14,114	78,977	41,381	42,788	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	21,407	25,345	*
Public Health and Welfare	-	-	-	-	-	-	27,806	-	3,087	
Total Governmental Activities Program Revenues	$ 9,970,855	11,126,104	15,193,207	17,183,177	14,839,577	14,446,450	15,970,673	14,740,961	14,995,241	

* 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								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
NET (EXPENSE)/REVENUE									
Total Governmental Activities Net Expense	$ (23,988,285)	(23,554,056)	(20,945,854)	(40,285,726)	(70,681,845)	(46,854,438)	(38,620,687)	(38,533,116)	(38,112,321)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental Activities									
Taxes									
Property Taxes	$ 19,807,356	20,748,184	21,457,878	25,000,732	33,675,981	35,197,628	36,088,749	35,961,432	35,853,234
In Lieu of Taxes	369,987	354,468	382,971	407,086	505,020	506,007	543,610	580,622	625,719
Sales Taxes	-	-	-	-	-	-	-	-	-
Business Taxes	757,562	730,434	762,766	865,347	989,286	978,029	1,049,064	1,077,522	1,100,085
Motor Fuel and Inspection Fee	2,654,191	2,678,552	-	-	-	-	-	-	-
Miscellaneous	1,096,593	1,080,175	1,202,392	1,428,353	1,635,328	2,104,205	2,248,266	1,786,512	1,861,929
Other Local Governments	879,388	960,470	1,070,591	1,160,653	1,077,839	1,789,321	1,459,939	1,658,603	1,647,866
State Aid	452,819	650,023	417,082	515,918	724,903	766,454	668,585	78,043	194,656
Federal Aid	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)	(55,616)
Unrestricted Investment Earnings	204,154	398,069	719,272	3,535,084	4,578,378	696,149	234,165	85,853	46,654
Special Items									
Damages from Individuals	-	-	5,168	-	6	783	-	-	-
Contribution to Component Unit/ Note Proceeds	-	-	(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	235,605	(255,968)	-	-	-	-	-	-	-
	27,988,371	27,433,561	21,113,283	27,421,796	13,875,210	30,447,108	37,957,491	41,209,250	41,274,527
CHANGE IN NET ASSETS									
Total Governmental Activities	$ 4,000,086	3,879,505	167,429	(12,863,930)	(56,806,635)	(16,407,330)	(663,196)	2,676,134	3,162,206

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

See Independent Auditors' Report.

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

Schedule 3

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Restricted	$ -	-	-	-	-	-	-	185,073	192,689
Committed	-	-	-	-	-	-	-	1,074,741	1,521,594
Assigned	-	-	-	-	-	-	-	320,672	252,626
Unassigned	-	-	-	-	-	-	-	12,816,210	15,988,550
Reserved	287,027	304,901	1,120,759	382,222	414,557	548,548	595,895	-	-
Unreserved	11,125,506	12,046,813	12,653,265	10,964,710	12,940,961	12,662,133	13,422,536	-	-
Total General Fund	$ 11,412,533	12,351,714	13,774,024	11,346,932	13,355,518	13,210,681	14,018,431	14,396,696	17,955,459
All Other Governmental Funds									
Commited	$ -	-	-	-	-	-	-	902,492	1,101,527
Assigned									
Highway Fund	-	-	-	-	-	-	-	4,192,970	4,653,928
Public Safety	-	-	-	-	-	-	-	377,406	254,721
Debt Service Fund	-	-	-	-	-	-	-	4,544,205	5,077,558
Capital Projects	-	-	-	-	-	-	-	548,333	480,963
Reserved	343,182	401,990	16,929	57,968	84,431	27,929	95,228	-	-
Unreserved									
Highway Fund	3,582,508	3,053,324	2,565,827	2,592,663	2,732,866	2,734,471	3,828,397	-	-
Debt Service Fund	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	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	$ 11,670,463	10,186,093	9,337,585	123,701,761	50,241,112	18,722,777	12,942,490	10,565,406	11,568,697

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: The County implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the 2011 fiscal 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										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
REVENUES											
Taxes	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	39,039,964	
Licenses and Permits	338,989	364,663	402,569	438,950	457,549	479,878	461,441	468,330	470,975	495,487	
Fines, Forfeitures and Penalties	413,610	432,207	421,533	479,370	554,028	704,110	870,337	881,800	959,209	973,459	
Charges for Current Services	842,859	766,078	780,271	867,791	1,123,136	793,938	1,053,232	1,816,447	970,763	1,549,971	
Other Local Revenues	739,957	800,987	1,113,606	1,577,698	4,602,293	5,506,319	1,911,102	1,033,664	977,206	811,291	
Investment Income	-	-	-	-	-	-	-	142,586	30,326	13,623	
Revenue from State of Tennessee	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	6,709,323	
Revenue from Federal Government	493,456	1,217,147	766,455	1,607,853	682,143	1,146,897	759,267	1,547,527	1,127,712	1,133,676	
Revenue from Other Governments and Citizens Groups	628,715	491,196	748,073	568,552	5,811,485	6,097,914	6,332,919	6,441,581	6,832,539	7,769,548	
Excess Fees and Commissions	4,098,502	4,382,774	4,542,054	4,801,904	-	-	-	-	-	-	
Total Revenues	35,679,497	36,599,266	38,071,611	40,363,478	49,019,900	57,761,508	55,506,346	58,369,730	55,905,158	58,496,342	
EXPENDITURES											
General Government	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	4,928,959	
Finance	-	-	-	-	-	-	-	-	2,544,864	2,573,410	*
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	17,058,392	
Administration of Justice	-	-	-	-	-	-	-	-	3,498,568	3,545,146	
Highways	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	8,054,024	
Library	348,218	352,562	355,385	448,402	473,774	533,725	474,110	472,346	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	-	957,385	876,769	*
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	384,050	397,948	*
Other Operations	-	-	-	-	-	-	-	-	1,314,448	875,695	*
Education	-	-	-	-	-	-	-	-	270,000	66,761	*
Public Health and Welfare	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	5,579,371	
Debt Service	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	9,977,813	
Capital Outlay	1,357,840	474,351	1,672,180	1,990,077	17,027,023	48,394,518	23,346,663	4,796,873	-	-	***
Total Expenditures	36,320,390	37,209,240	38,816,828	40,549,676	65,254,532	99,883,181	75,704,210	62,711,778	68,353,732	53,934,288	
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(640,893)	(609,974)	(745,217)	(186,198)	(16,234,632)	(42,121,673)	(20,197,864)	(4,342,048)	(12,448,574)	4,562,054	
OTHER FINANCING SOURCES (USES)											
Bonds Issued	-	-	-	-	126,085,000	-	-	-	-	-	
Note Proceeds	436,000	101,000	203,000	760,000	3,735,000	-	152,000	5,196,100	270,000	-	
Refunding Bond Issued	-	-	19,700,000	-	4,275,000	-	-	-	9,765,000	-	
Premium on Bonds Issued	-	-	2,106,596	-	4,262,687	-	-	-	414,755	-	
Payment to Refund Bond Escrow Agent	-	-	(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	(4,391,474)	(4,698,300)	(4,888,042)	(5,198,472)	(8,277,532)	(8,453,533)	(8,986,345)	(5,705,954)	(5,267,579)	(5,302,920)	
Transfers from Other Funds	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	5,302,920	
Transfers (to)/ from Component Unit	585,605	235,605	(255,968)	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	1,021,605	336,605	200,028	760,000	2,086,717	(29,330,390)	(11,465,308)	(630,489)	10,449,755	0	
Net Change in Fund Balances	380,712	(273,369)	(545,189)	573,802	(14,147,915)	(71,452,063)	(31,663,172)	(4,972,537)	(1,998,819)	4,562,054	
Debt Service as a Percentage of Noncapital Expenditures	17.36%	17.84%	16.81%	15.88%	21.39%	23.94%	22.42%	26.68%	37.00%	18.50%	

* Prior year's information is not readily available.

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

*** Beginning in fiscal year 2011 an adjustment was made to reclassify capital outlay into the area for which it was expended.

See Independent Auditors' Report.

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

Schedule 5

Fiscal Year Ended June 30	Real Property			Personal Property	Public Utility Property	Total Taxable Assessed Value	Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Real Property				
2003	$ 890,283,203	$ 477,648,600	$ 77,555,700	###########	$ 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
2012	1,895,675,892	839,758,640	122,120,900	132,228,348	79,806,830	3,069,590,610	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 (UNAUDITED)
Last Ten Fiscal Years
(Rate per $100 of Assessed Value)

Schedule 6

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rates										
General	0.68	0.63	0.63	0.63	0.82	0.83	0.65	0.65	0.65	0.65
Upkeep (Highway)	0.16	0.14	0.14	0.14	0.19	0.19	0.15	0.15	0.15	0.15
General Purpose School	0.76	0.82	0.82	0.82	0.82	0.88	0.68	0.68	0.68	0.68
Debt Service	0.27	0.23	0.23	0.36	0.47	0.50	0.39	0.39	0.39	0.39
Solid Waste/Sanitation	0.06	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04
Total Direct Rate	1.93	1.87	1.87	2.00	2.35	2.45	1.91	1.91	1.91	1.91
City Rates										
City of Johnson City	2.15	2.15	1.93	1.93	1.99	1.93	1.54	1.54	1.57	1.57
Town Rates										
Town of Jonesborough	1.53	1.75	1.54	1.54	1.89	1.54	1.18	1.18	1.28	1.28

See Independent Auditors' Report.

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

Schedule 7

	2012			2003		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Sprint United Management	$ 28,113,389	1	0.92%	36,471,898	1	2.22%
Johnson City Venture	24,621,584	2	0.80%	17,461,057	2	1.06%
Wal-Mart / Sam's Club	20,789,881	3	0.68%	5,293,966	8	0.32%
Johnson City United, LP / JC Crossing, LLC	18,962,101	4	0.62%	6,752,030	6	0.41%
American Water Heater	12,152,168	5	0.40%	-		-
Atmos Energy Corp.	11,171,600	6	0.36%	-		-
The Haven at Knob Creek, LLC	10,749,697	7	0.35%	9,542,440	4	0.58%
SOFHA Real Estate Partners II, LLC	10,014,000	8	0.33%	-		-
Lowes Home Center Inc.	7,815,529	9	0.25%	-		-
Hallmark Johnson City Student Housing LLC	7,563,920	10	0.25%	-		-
Bosch Braking Systems	-		-	10,849,383	3	0.66%
United Cities Gas Company	-		-	7,228,047	5	0.44%
Harris Tarkett	-		-	5,413,729	7	0.33%
Kennametal, Inc.	-		-	5,247,147	9	0.32%
I Jobbers LLC	-		-	4,968,579	10	0.30%
	$151,953,869		5.0%	109,228,276		6.7%

See Independent Auditors' Report.

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

Schedule 8

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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	96.0%	2,189,920	55,319,279	98.0%
2012	56,392,758	34,667	56,427,425	53,167,530	100.0%	-	53,167,530	94.2%

See Independent Auditors' Report.

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

Schedule 9

Fiscal Year	General Obligation Bonds	Capital Outlay Notes	Capital Leases	Total	Percentage of Personal Income[1]	Per Capita[1]
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
2012	148,885,000	180,000	-	149,065,000	3.70%	1,198.71

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 while 2012 percentages use 2011 data.

[1] Population and personal income data can be found in Schedule 12.

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

See Independent Auditors' Report.

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

Schedule 10

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income[2]	Percentage of Actual Value[1] of Taxable Propery	Per Capita[2]
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
2012	148,885,000	5,077,558	143,807,442	3.57%	4.68%	1,156.44

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 and 2012 percentages use 2011 data.

[1] See Schedule 5 for property value data.
[2] Population and personal income data can be found in Schedule 12.

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

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
June 30, 2012

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

Schedule 12

Fiscal Year	Population	Personal Income[1]	Per Capita Personal Income	Unemployment Rate
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%
2012	124,354	4,026,916,000	32,383	6.8%

[1] 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: 2003 - 2007: First Tennessee Development District
2008 - 2012: Tennessee Department of Labor & Workforce Development

See Independent Auditors' Report.

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

Schedule 13

	2012			2003*		
EMPLOYER	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mountain States Health Alliance	3,541	1	5.89%	3,541	1	6.30%
East Tennessee State University	2,330	2	3.87%	2,012	2	3.60%
Citi Cards	1,950	3	3.24%	1,817	3	3.30%
James H. Quillen VA Medical Center	1,592	4	2.65%	1,259	4	2.30%
American Water Heater Company	1,300	5	2.16%	-	0	0.0%
Advance Call Center	1,200	6	2.00%	1,150	6	2.10%
Washington County Schools	1,200	7	2.00%	1,200	5	2.20%
Johnson City School System	900	8	1.50%	824	8	1.50%
City of Johnson City	860	9	1.43%	920	7	1.60%
AT & T Mobility	650	10	1.08%	805	10	1.40%
Siemens Industrial Automation, Inc	-	0	0.00%	730	9	1.30%
	15,523		25.81%	14,258		25.60%

Source: Economic Development Board and First Tennessee Development District.

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

Note: The total county employment used for 2012 is based on the June 2012 labor force estimates from the Tennessee Department of Labor and Workforce Development.

See Independent Auditors' Report.

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

Schedule 14

	Full-time Equivalent Employees as of June 30									
FUNCTION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	162	177	165	170	160	166	143	143	155	155
Public Safety	186	182	193	195	183	176	202	203	211	211
Highway	99	96	93	96	96	94	89	91	82	83
Library	8	9	9	9	9	9	9	12	9	9
Sanitation	20	20	21	22	14	16	14	14	14	14
Total	475	484	481	492	462	461	457	463	471	472

Source: Washington County Payroll Records

See Independent Auditors' Report.

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

Schedule 15

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
Sheriff's Department										
Jail Bookings	6,200	6,609	8,094	8,736	8,495	8,191	8,357	8,736	8,919	8,919
Average Daily Population	413	432	449	465	488	521	528	510	562	562
Physical Arrests	2,628	3,444	3,603	3,558	3,552	3,270	3,335	3,740	3,920	3,920
Warrants Processed	8,745	9,420	9,845	9,913	18,550	18,013	18,432	17,676	15,888	15,888
Warrants Served	4,828	5,120	5,640	5,987	13,386	12,852	13,513	13,234	12,199	12,199
Civil Papers Processed	8,176	9,681	9,915	10,163	*	*	*	*	*	*
Civil Papers Served	6,133	6,288	7,266	7,580	*	*	*	*	*	*
Highway										
Streets Maintained (miles)	751.64	754.03	757.07	762.50	766.02	767.69	769.13	769.82	769.82	760.71
Streets Resurfaced (miles)	38.356	38.70	50.80	*	21.63	12.50	10.03	32.13	34.17	21.94
Library										
Volumes in Circulation	107,033	113,149	105,650	113,042	98,200	136,472	158,686	166,009	146,255	146,255
Sanitation										
Refuse Collected (tons/day)	49.47	52.64	52.53	54.01	52.81	55.91	53.84	57.32	54.67	54.67
Recyclables Collected (tons/day)	11.31	12.95	11.37	11.46	12.01	12.85	13.23	17.25	15.34	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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
Sheriff's Department										
Correction Facility Capacity	352	362	362	352	352	352	578	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	31	32	34	35	36	36	36
Substations	1	2	3	3	3	3	3	3	3	3
Highway										
Bridges under 20 feet	369	369	369	369	369	370	372	372	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
Library										
Volumes in Collection	70,236	75,693	76,946	80,876	75,167	88,541	99,561	87,467	88,856	88,474
Sanitation										
Collection Trucks	3	3	3	4	4	4	4	4	4	4

Source: Various County Departments.

See Independent Auditors' Report.

SECTION VI

INTERNAL CONTROL AND COMPLIANCE SECTION

Blackburn, Childers & Steagall, PLC
Certified Public Accountants & Consultants

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, 2012, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 14, 2012. 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

Management of Washington County, Tennessee are responsible for establishing and maintaining effective 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 (12-1, 11-1, 07-5 and 06-4). 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.

Johnson City 801B Sunset Drive, Johnson City, TN 37604 (423) 282-4511 Fax (423) 283-4532
Kingsport 440 E. Sullivan Street, Kingsport, TN 37660 (423) 246-1725 Fax (423) 247-6800
Greeneville 550 Tusculum Boulevard, Greeneville, TN 37745 (423) 638-8516 Fax (423) 638-3361
website: http://www.BCScpa.com e-mail: BCS@BCScpa.com

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 an instance 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 12-1.

We noted certain matters that were reported to management of Washington County, Tennessee, in a separate letter dated December 14, 2012.

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
BLACKBURN, CHILDERS & STEAGALL, PLC

December 14, 2012

Blackburn, Childers & Steagall, PLC
Certified Public Accountants & Consultants

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, 2012. 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, 2012.

Johnson City 801B Sunset Drive, Johnson City, TN 37604 (423) 282-4511 Fax (423) 283-4532
Kingsport 440 E. Sullivan Street, Kingsport, TN 37660 (423) 246-1725 Fax (423) 247-6800
Greeneville 550 Tusculum Boulevard, Greeneville, TN 37745 (423) 638-8516 Fax (423) 638-3361
website: http://www.BCScpa.com e-mail: BCS@BCScpa.com

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
BLACKBURN, CHILDERS & STEAGALL, PLC

December 14, 2012

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2012

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 was one instance of noncompliance material to the financial statements of Washington County, Tennessee that was 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:

Program	CFDA Number
IDEA – Part B	84.027
Preschool Incentive Funds	84.173
ARRA IDEA – Part B	84.391
ARRA Preschool Incentive Funds	84.392
National School Lunch Program	10.555
2009 Washington County Waterline Extension	14.228
FEMA Mutual Aid And Emergency and Disaster Assistance	97.036

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Washington County, Tennessee was determined to be a low-risk auditee.

Section II - Financial Statement Findings

Current Year Audit Findings – Significant Deficiencies

Sheriff

12-1 Collection of Fees and Timeliness of Deposits:

Condition: During our audit testing, we noticed complete records are not kept reconciling the Sex Offender Registry with the annual fee payment or formal documentation claiming indigence or other such hardship. In addition, we noticed that two receipts, one Sex Offender Registry receipt and one Fingerprint receipt, were not deposited in a timely manner.

Criteria: Internal controls should be in place to ensure complete reconciliation between the Sex Offender Registry and the proper receipt of funds or formal documentation explaining lack of payment. In addition, internal controls should be tightened to ensure proper remittance of funds received within three business days, per Tennessee Code Annotated (TCA) 5-8-207.

Effect: Incomplete documentation and deposit procedures in violation of TCA 5-8-207.

Recommendation: Documentation should be kept for the Sex Offender Registry reconciling to receipt of payment or formal documentation explaining lack of payment. In addition, all revenue should be submitted for timely deposit within three business days of receipt.

Management's Comments: Remedial action has been taken and new procedures have been implemented to comply with audit recommendation.

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

County Mayor

11-1 Proper Approval of County Annual Budget:

Condition: The annual budget for fiscal year 2012 was not timely adopted in accordance with Tennessee Code Annotated.

Criteria: 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 requirements under TCA and will strive for the timely preparation and adoption of an annual budget.

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 2012 schedule prepared by BCS will be used as a template for 2013.

Section II - Financial Statement Findings (Continued)

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

County Mayor (Continued)

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 the exception of durable assets valued at less than $10,000, which is expected to be complete 1st quarter of 2013. An I.D tag system has been acquired and is currently being implemented by the purchasing department. Going forward, assets are being properly identified at the time of purchase. An annual asset inventory is seen as a best practice to be implemented as time and resources allow.

Guidelines of the Purchasing Act of 1957 are being followed in regard to the disposition of assets.

Section II - Financial Statement Findings (Continued)

Prior Year Recommendations Implemented

Significant Deficiencies	Page Number	Subject
Food Service		
06-1	191	Budgets