



WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2013

WASHINGTON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SECTION I

INTRODUCTORY

Daniel J. Eldridge
County Mayor



Phone: 423-753-1666
Fax: 423-753-1718
deldridge@washingtoncountyttn.org

Washington County, Tennessee
P.O. Box 219
Jonesborough, Tennessee 37659-0219

LETTER OF TRANSMITTAL

November 22, 2013

TO: Members of the Board of County Commissioners and the Citizens of Washington County, Tennessee

The comprehensive annual financial report of Washington County Tennessee for the fiscal year ended June 30, 2013 is hereby submitted. This report consists of management's representation of the finances of Washington County. Consequently management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of Washington County.

The County is required to undergo an annual audit in conformity with the Single Audit Act of 1984 (with amendments in 1996) and the United States Office of Management and Budget circular A-133, Audits of State and Local Government. Information related to this single audit, including the findings and recommendations on the auditors reports on the internal controls and compliance with applicable laws and regulations are included as part of this report.

This report includes all funds of the County as well as all of its component units. The County's component units are discretely presented to emphasize they are legally separate entities but have a significant operational or financial relationship with the County They include the Washington County Board of Education and the Washington County Emergency Communications District.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview and analysis of the basic financial statements. MD&A supplements this letter of transmittal and should be read in conjunction with it.

Financial Information

Management of Washington County is responsible for establishing and maintaining internal controls designed to ensure that all assets of the County are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements conforming to generally accepted accounting principles. The internal controls are designed to provide reasonable assurance that these objectives are met. Recognizing that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits is subject to estimates and judgments of management.

As a recipient of State and Federal funding, the County is also responsible for ensuring adequate internal controls compliant with applicable laws and regulations related to various funding programs. As a part of the County's audit, tests are made to determine the adequacy of the controls including that portion relating to State and Federal programs and to determine County compliance with applicable laws and regulations.

Independent Audit

The State of Tennessee requires (TCA § 9-3-211) that an annual audit be made of the accounts, financial records and transactions of all County departments. The certified public accounting firm of Blackburn, Childers and Steagall, PLC was selected by the County Commission to perform this function and subsequently approved by the State Comptroller Division of County Audit.

Budgeting Controls

Washington County operates under the County Fiscal Procedure Law of 1957 and as such is subject to the budgetary controls set forth therein. The objective of these budgetary controls is to establish a standard of accounting and reporting in accordance with legal provisions and government accounting standards. The budgetary controls also ensure compliance with the annual budget appropriations approved by the County Commission. The General Fund, Special Revenue Funds, Debt Service Fund, Proprietary Funds and Capital Project Funds are included in the annual budget appropriations.

Profile of the Government

Policy-making and legislative authority are vested in the Board of County Commissioners consisting of twenty-five members elected from ten commission districts across the County. The Commission is responsible, among other things, for adopting resolutions, adopting the budget, establishing the tax levy, appointing advisory committees, confirming appointments of the County Mayor and overseeing the Planning and Zoning and Legal Services Departments. County Commissioners are elected to a term of four years.

Operations of County Government are the responsibility of various elected and appointed County Officials including the County Mayor, Sheriff, Trustee, County Clerk, Register, Assessor of Property, Circuit Court Clerk, Clerk and Master, Director of Schools, and the Chief Administrative Officer of the County Highway Department.

Washington County is limited in its scope and power to that granted by the Tennessee General Assembly. Therefore, the authority for any action taken by Washington County must come from within the scope of powers granted by the General Assembly, either in the form of a general law or private act.

Economic Conditions and Outlook

Washington County's economy continues to expand at a modest rate. Unemployment of 8.1% in June 2013 compared favorably with state and national averages. 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, financial, manufacturing and retail industries.

Retail sales for 2012 increased 1.2% over 2011.

Washington County is experiencing per capita income growth at a rate higher than state and national averages. Washington County now ranks highest among the eight counties of Northeast Tennessee in average median income. This is despite a disproportionately high percentage of students.

Growth in new single family and multi-family residential development as well as expansions in plant and equipment by several manufacturers continues to add to the total assessed value of the tax base.

We expect these economic factors, along with a commitment to maintaining healthy reserves, conservative management and budgeting, and a continued emphasis on implementing process efficiencies to allow Washington County to sustain its strong financial position and continue the current level of services for the near-term.

Long-term Financial Planning

On September 13, 2013 Washington County issued \$9,535,000 in Capital Outlay Notes and School Bonds.

The debt was issued for the purpose of funding various capital projects through-out the county and the school system. Uses include bridge replacement, heavy equipment purchases and asphalt plant replacement for the Highway Department; facility and security improvements for the school system; trash compaction equipment for the solid waste department; replacement of the security system at the Washington County Detention Center; renovations to the Historic Washington County Court House; Archives building renovations; and implementation of an enterprise financial management system.

These projects are expected to satisfy the capital projects requirements of Washington County for the near term. However, the Washington County Board of Education did adopt in September, 2013 a Long Range Facilities Plan. This plan contemplates the construction of two new schools, renovations and additions to various schools and other facility improvements. The consultant's estimated cost for the entire plan is in the range of \$90-110 million. If implemented, funding needs for the plan could be expected to begin within three years and continue incrementally over the next several years.

Awards, Acknowledgements and Significant Community Accomplishments

On the evening of August 5, in less than an hour, an estimated 6 inches of rain fell on the mountain above the Dry Creek community of Washington County. The result was a devastating flood that destroyed 56 homes and damaged an additional one hundred and fifty. Sixteen residents were rescued by Swift Water Rescue Teams.

The stream through the Dry Creek community had not been identified as a flood hazard. As a result, virtually none of the residents had flood insurance. While the flood caused more than \$5 million of damage in Washington County, the event was localized. It did not meet the threshold for a FEMA disaster declaration. To make matters worse, the majority of residents in the Dry Creek community did not have the financial means to recover from the catastrophic losses they incurred. Many were left homeless.

A plan to rebuild the destroyed homes through a collaborative local effort known as "New Build Washington County" was developed and organized within ten days of the flood. County Government provided case management for affected residents, identified and recruited partners in the recovery effort, waived permit fees and applied for grants from the Tennessee Housing Development Agency and the Federal Home Loan Bank. Appalachia Service Project (ASP), a non-profit headquartered in Washington County, agreed to serve as volunteer coordinator and Federal Home Loan Bank Sponsor.

Volunteers from across the nation were mobilized to Dry Creek to build new homes for the affected families. ASP also reached out to its donor base and raised \$275,000 in private contributions for the project. Local businesses contributed financially, through gifts in kind and through the volunteer efforts of their employees. Churches and Civic organizations contributed financially and through "family adoptions", assisting with counseling, advocacy, construction labor and providing furnishings for the new homes.

Managing the logistics of a completely volunteer-based recovery effort was made possible by using local, licensed General Contractors. Each contractor agreed to adopt a family and see that their new home was built according to local codes, that worker safety was assured, that the home was completed in a timely manner, and that the end result was a quality built home. They donated their time, resources and expertise to supervise the construction, coordinate materials, subcontractors and volunteers, completing the homes in an average four weeks.

An 864 square foot home plan was designed by an ASP volunteer. The design focused on three elements. First, the homes had to be energy efficient. Most of the homes destroyed by the flood were 1970's vintage mobile homes. Winter electric bills of \$400 per month were common. Residents have reported January and February 2013 electric bills as low as \$125 in their new homes. The second design element was material efficiency. Limited financial resources necessitated that material waste be minimized and that stock sizes, common to all homes being replaced, be utilized. The third element was labor efficiency and simplicity of construction. This was essential given our reliance on volunteer laborers who typically committed no more than a week of their time, and most of whom were unskilled.

Many of the residents were elderly or disabled. In each case, special accommodations were made based on the need. Handicap ramps were built, doors were made wider, handicap showers were installed and room sizes were modified.

The potential for future flooding was also considered. The Washington County Building Department established elevations three feet above the high water mark and the finished floor level of every new home was built above this benchmark.

A grant of \$300,000 from the THDA Trust Fund, the only public funding in the project, provided the seed money that was leveraged with private funding, volunteers and other community resources. In the end, the average hard cost per home was \$28,000. Volunteer labor, donated materials and gifts-in-kind added thousands more in value. The finished homes are valued around \$75,000 each.

Within ten weeks of the flood, new homes were being constructed. On the one year anniversary of the flood, twenty two families were living in a new home at absolutely no cost to them.

The Dry Creek flood recovery exemplifies the resourcefulness, resiliency and commitment of the residents of Washington County to meet the needs of this community regardless of circumstances.

Washington County was recognized for the accomplishments of "New Build Washington County" by receiving the 2013 Innovation Award from the National Association of Development Organizations.

Acknowledgements

The preparation of this Comprehensive Annual Report (CAFR) could not have been accomplished without the effort and dedication of Bobby Webb and the Finance Department staff, the County Officials and their staff, and the Director of Schools and his staff. I express my appreciation to each of these for their commitment to a job well done and for serving the citizens of Washington County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel J. Eldridge". The signature is stylized and cursive, with a large initial "D" and "E".

Daniel J Eldridge, County Mayor

WASHINGTON COUNTY, TENNESSEE
ROSTER OF COUNTY OFFICIALS
June 30, 2013

<u>Title</u>	<u>Name</u>
County Mayor	Daniel J. Eldridge
Superintendent of Highways	John Deakins, Jr.
Director of Schools	Ronald Dykes
Trustee	Jack Daniels
County Clerk	Kathy Storey
Circuit and General Sessions Courts Clerk	Karen Guinn
Clerk and Master	Brenda Sneyd
Register	Ginger Jilton
Sheriff	Edwin Graybeal, Jr.
Assessor of Property	Scott Buckingham

Board of Commissioners

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

Board of Education

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

SECTION II

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable County Mayor
and Board of Commissioners
Independent Auditors' Report

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, 2013, and the respective changes in financial position and the respective budgetary comparison of the General Fund and the Highway fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 5.J to the financial statements, Washington County, Tennessee has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Washington County, Tennessee early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which has an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of funding progress on pages 10 through 20 and 76 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Tennessee's basic 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, including the schedule of expenditures of federal awards, is the

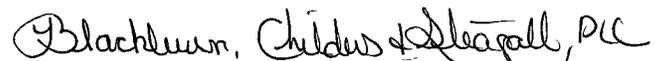
To the Honorable County Mayor
and Board of Commissioners
Independent Auditors' Report

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2013, 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* in considering Washington County Tennessee's internal control over financial reporting and compliance.



BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 22, 2013

WASHINGTON COUNTY TENNESSEE 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, 2013. 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 \$51,238,022 (net position). Washington County has the obligation of the debt on the buildings owned by the Board of Education.
- The government's total net position increased by \$1,017,804.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$33,103,444, an increase of \$3,579,288 in comparison with the prior year. Approximately 50 percent of this total amount, \$16,450,146, *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 \$16,450,146, 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 \$92,245,771. Of this amount, \$1,370,951 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The School Board's net assets decreased by \$5,583,935.

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.

WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

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 position* presents information on all of the Washington County Government's assets and liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net positions*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 21 and 22 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 assessing 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 TENNESSEE Management's Discussion and Analysis

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, constitutional office's fees fund and the debt service fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 23-30 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 31 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 32 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 progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 76 and 77 of this report.

The combining statements referred to earlier in connection with non-major 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 combining fiduciary funds on pages 87-96 of this report. This component unit does not issue separate financial statements.

WASHINGTON COUNTY TENNESSEE
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position 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 and deferred outflows exceeded liabilities and deferred inflows by \$41,007,749 at the close of the most recent fiscal year.

By far the largest portion of the net position 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 Position

	Primary		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2013	2012	2013	2012
Current and Other Assets	\$ 70,577,694	\$ 69,316,438	\$ 18,393,735	\$ 18,598,516
Capital Assets	69,818,985	72,592,827	90,173,162	93,534,395
Total Assets	<u>140,396,679</u>	<u>141,909,265</u>	<u>108,566,897</u>	<u>112,132,911</u>
Deferred Outflows of Resources				
Deferred Charge of Refunding	488,541			
Total Deferred Outflows of Resources	<u>488,541</u>			
Long-Term Liabilities Outstanding	153,011,382	153,400,247	2,851,600	2,234,100
Other Liabilities	4,731,697	40,764,844	1,115,535	12,069,105
Total Liabilities	<u>157,743,079</u>	<u>194,165,091</u>	<u>3,967,135</u>	<u>14,303,205</u>
Deferred Inflows of Resources				
Deferred Revenues - Current				
Property Taxes	34,380,163		12,353,991	
Total Deferred Inflows of Resources	<u>34,380,163</u>		<u>12,353,991</u>	
Net Position				
Invested in Capital Assets, Net of				
Related Debt	49,387,797	50,759,715	90,173,162	93,534,395
Restricted	11,549,974	192,689	701,658	-
Unrestricted	<u>(112,175,793)</u>	<u>(103,208,230)</u>	<u>1,370,951</u>	<u>4,295,311</u>
Total Net Position	<u>\$ (51,238,022)</u>	<u>\$ (52,255,826)</u>	<u>\$ 92,245,771</u>	<u>\$ 97,829,706</u>

In fiscal year 2012-2013, \$11,549,974 is subject to external restrictions on Washington County's net position.

WASHINGTON COUNTY TENNESSEE
Management's Discussion and Analysis

The primary government's net position increased by \$1,017,804 during the current fiscal year. The Board of Education's net position decreased by \$5,583,935.

Key elements of these changes are as follows:

Washington County Government's Changes in Net Position

	Primary Government		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2013	2012	2013	2012
Revenues				
Program Revenues:				
Charges for services	8,631,646	9,576,636	1,866,828	2,123,240
Operating grants and contributions	3,901,001	4,584,898	7,378,562	8,911,953
Capital grants and contributions	950,756	833,707	103,227	66,761
General Revenues:				
Property taxes	35,196,657	35,853,234	11,915,764	11,320,181
Other taxes	3,504,155	1,647,866	14,104,247	134,916
Grants and contributions not restricted to specific programs	2,175,986	3,782,389	32,273,489	46,548,379
Other	44,239	46,654	27,640	27,053
Total Revenues	54,404,440	56,325,384	67,669,757	69,132,483
Expenses				
General government	5,663,601	4,846,589	-	-
Finance	2,603,951	2,580,133	-	-
Administration of Justice	3,826,432	3,621,848	-	-
Public safety	17,537,321	18,033,226	-	-
Highway / streets	7,544,044	9,473,714	-	-
Public Health and Welfare	5,286,431	5,541,574	-	-
Social, Cultural and Recreation	870,939	935,650	-	-
Agriculture and Natural Resources	438,009	403,045	-	-
Other Operations	1,606,024	875,695	-	-
Debt Service	6,606,429	6,729,327	-	-
Education	161,881	66,761	73,231,968	74,176,937
Total Expenses	52,145,062	53,107,562	73,231,968	74,176,937
Increase (Decrease) in net position before transfers & special items	2,259,378	3,217,822	(5,562,211)	(5,044,454)
Special Items	-	(55,616)	(21,724)	21,645
Transfers	-	-	-	-
Increase (Decrease) in net position	2,259,378	3,162,206	(5,583,935)	(5,022,809)
Net position, Beginning	(52,255,826)	(55,418,032)	97,829,706	102,852,515
Prior Period Adjustment	(1,241,574)	-	-	-
Net position, Ending	(51,238,022)	(52,255,826)	92,245,771	97,829,706

WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

- Washington County's property tax rate has remained constant since 2008-2009. Pursuant to Tennessee state law, reappraisal of real and personal property values are performed every five years. Washington County's most recent appraisal was conducted in 2008-2009. As a result of that reappraisal, the certified tax rate was set at \$1.91 on each \$100.00 of assessed value. Property taxes provide the majority of revenue for the operation of the County. A summary of Washington County's property tax rates for the past ten years can be found on Schedule 6 of the statistical schedule of these financial statements.
- The budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.
- Capital grants for governmental activities increased by \$117,049, mostly as a result of an increase in Public Safety grants. The grants awarded furnish sources to support three of Washington County's functions: public safety, highways and streets, and culture and recreation.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Washington County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Washington County's financing requirements. In particular, *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 \$33,103,444, an increase of \$3,579,288 in comparison with the prior year. Approximately 50 percent of this total amount, or \$16,450,146 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 \$1,624,729 (2) Debt Service \$6,405,525, or (3) a variety of other restricted purposes \$6,394,590 and (4) to liquidate contracts and purchase orders of the prior period \$2,228,454.

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 \$16,450,146, while total fund balance reached \$18,564,533. 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 54 percent of that same amount.

The fund balance of Washington County's general fund increased by \$609,074 during the current fiscal year.

WASHINGTON COUNTY TENNESSEE
Management's Discussion and Analysis

The debt service fund has a total fund balance of \$6,405,525, all of which is restricted for the payment of debt service. The fund balance increased during the current year in the debt service fund in the amount of \$1,327,967. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$9,319,318 in the current fiscal year.

General Fund Budgetary Highlights

During the year there were various increases in appropriations in the amount of \$2,007,867 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:

- \$120,337 - Homeland Security Grants
- \$204,186 - Public Safety (Grants)
- \$112,980 - Reserved - Archives
- \$676,194 - Appropriated for various operational expenses
- \$ 59,000 - Community Development Block Grant
- \$ 4,000 - Archives Development Grant
- \$681,450 - NRCS Grant (Stream Remediation)
- \$140,120 - Disaster Recovery (THDA)
- \$ 9,600 - LEPC Conference Grant

Additional information on the General Fund Budgetary Highlights may be found beginning on page 27 of this report.

Capital Asset and Debt Administration

Capital Assets. Washington County's investment in capital assets as of June 30, 2013, amounts to \$69,818,985 (net of accumulated depreciation), and \$90,173,162 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 TENNESSEE
Management's Discussion and Analysis

Washington County's Capital Assets
(net of depreciation)

	Primary Government		Component Unit	
	Governmental		Washington County	
	Activities		Board of Education	
	2013	2012	2013	2012
Land	\$ 3,026,957	3,026,957	1,888,432	1,888,432
Library Infrastructure	757,148	733,590	-	-
Buildings and Improvements	45,318,105	45,326,524	124,310,093	123,919,850
Furniture and Fixture	175,781	85,184	983,769	983,769
Office Machinery and Equipment	1,476,241	1,468,232	682,442	682,442
Machinery and Equipment	17,275,684	16,150,382	14,448,479	14,384,306
Infrastructure	49,771,059	49,377,059	-	-
Construction in Progress	350,340	55,804	5,439	15,193
Less: Accumulated Depreciation	(48,332,330)	(44,872,479)	(52,145,492)	(48,339,598)
Total	\$ 69,818,985	71,351,253	90,173,162	93,534,394

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

Long-term debt. At the end of the current fiscal year, Washington County had total debt outstanding of \$152,960,302. Of this amount, \$152,870,302 comprises debt backed by the full faith and credit of the government. The remaining \$90,000 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		
	2013	2012	Increase (Decrease)
General Obligation Bonds	\$ 152,870,302	153,690,545	(820,243)
Capital Outlay Notes	90,000	180,000	(90,000)
Total	\$ 152,960,302	153,870,545	(910,243)

WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

- Washington County's total bonded debt and notes payable decreased a net of \$910,243 during the current fiscal year. This amount reflects new debt of \$1,760,000 for purchase of school buses and the retirement of \$2,320,000 of General Obligation Bonds.
- The principal on the general bonded debt decreased \$560,000 and notes payable decreased \$90,000.

Moody's Investors Service reviewed Washington County's outstanding debt in August 2013. Moody's affirmed the Aa2 rating reflecting the County's sizeable tax base, solid financial position with ample reserves and manageable debt burden. The potential increase in debt service costs due to capital needs was identified as a challenge. However, Moody's expects the County's debt position to remain manageable despite the potential for additional borrowing plans in the near term. 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

Washington County's economy continues to experience modest growth. Retail sales for 2012 increased 1.2% over 2011. The small overall increase reflected a decrease in third and fourth quarter retail sales. The unemployment rate stood at 8.1% in June 2013 as compared to 7.5% in June 2012, 9.0% in June 2011, and a high of 9.8% in January 2010. Local unemployment continues to compare favorably with state and national rates. 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.

According to the U.S. Census Bureau and Bureau of Economic Analysis, Washington County experienced a 6.9% increase in per capita income during the period 2009-2011, which compares favorably to the state and U.S. increase of 4.1% for the same period. The American Community Survey estimated the five year average median income for Washington County to be \$42,104, ranking Washington County highest among the eight counties of Northeast Tennessee.

In the last five years, despite a nationwide downturn in real estate values and investment, Washington County has experienced a 1.5% increase in the total assessed value of the tax base, having grown from \$2,943,595,822 in fiscal year 2010 to \$2,988,722,763 in fiscal year 2014. The growth has primarily resulted from new single family and multi-family residential development as well as expansions in plant and equipment by several manufacturers.

WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

Sales of existing single family homes and new residential development continue to lead the local economic recovery. Average time on the market is trending lower while average sales prices are trending higher.

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 September 13, 2013 Washington County issued \$5,520,000 in General Obligation Capital Outlay Notes, \$2,630,000 Rural School Bonds and \$1,385,000 General Obligation School Bonds (Federally Taxable), following separate competitive public sales conducted electronically on August 28, 2013.

The Capital Outlay Notes were issued for the purpose of providing funds for the (1) construction, renovation, and equipping of governmental buildings and facilities located in and for the County, including, but not limited to, the Highway Department, Detention Center, County Archives, public safety, the library, the District Attorney's office, the Courthouse, the solid waste facilities, the Justice Center, and various governmental offices; (2) construction, repair and replacement of bridges; (3) constructing, renovating and equipping of County schools; (4) the payment of funds to the City of Johnson City, Tennessee, pursuant to Section 9-21-129, *Tennessee Code Annotated*, as amended; (5) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing, collectively, the "Note Projects"; and (6) payment of costs incident to the issuance and sale of the Notes.

The Rural School Bonds were issued for the purpose of providing funds for the (1) acquisition of land for, design, constructing, renovating and equipping of County schools located outside the territorial limits of the City of Johnson City, Tennessee; (2) payment of legal, fiscal administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the Rural School Projects); and (3) payment of costs incident to the issuance and sale of the Rural School Bonds.

The Rural School Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County lying outside the territorial limits of the City of Johnson City since debt service on the Rural School Bonds is being paid for from, but not secured by, a portion of the County's School System's Basic Education Program Funds previously allocated by the State between the City and the County. Accordingly, no sharing of proceeds between the City and the County was required.

The Taxable Bonds were issued for the purpose of providing funds for the; (1) acquisition of school buses and appurtenances necessary to their operation; (2) acquisition of land for, designing, constructing, renovating and equipping of County schools; (3) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing (collectively, the "Taxable Bond Projects"); (4) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if any; (5) to the extent required by applicable law, the payment of funds to the City of Johnson City, Tennessee, to the extent not waived pursuant to Section 9-21-129, *Tennessee Code Annotated*, as amended; and (6) payment of costs incident to the issuance and sale of the Taxable Bonds.

WASHINGTON COUNTY TENNESSEE
Management's Discussion and Analysis

Proceeds from the Taxable Bonds will be used to reimburse the County School System for project expenditures that occurred more than 60 days prior to any approval by the County Commission of the enabling resolution or reimbursement resolution. Accordingly, Bond Counsel determined that the transaction could not be executed as a traditional tax-exempt issue and would have to be treated for tax purposes as taxable federally. Because the security for the Taxable Bonds is the full faith and credit of the entire County, proceeds were shared based upon average daily attendance in the County and City School Systems, respectively.

In order to facilitate the sale, the Debt Obligations, the Notes, Rural School Bonds and Taxable Bonds each were offered separately for public sale as contemplated by the County's *Debt Management Policy* and as required by prevailing Tennessee statutory requirements. The sale was facilitated through the web-based electronic bidding facilities of Ipreo's BiDCOMP®/Parity® system on August 28, 2013. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement*, the summary and detailed notices of sale, all of which were dated and disseminated electronically on August 15, 2013.

The attractiveness of the County's "Aa2" credit rating was clearly appealing to investors as witnessed by the exceptionally low yields ultimately received for each series of the Debt Obligations, the number of bidders participating in each separate transaction under volatile market conditions and the ability of the County to offer the Notes and Rural Bonds as "qualified tax-exempt obligations" under prevailing sections of the Internal Revenue Code of 1986.

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 POSITION
June 30, 2013

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
ASSETS			
Equity in Pooled Cash and Deposits	\$ 31,886,947	2,481,705	-
Cash and Cash Equivalents	298,068	-	1,097,263
Certificates of Deposit	-	-	699,500
Due from Federal Government	318,528	392,816	-
Due from State of Tennessee	740,154	61,077	-
Due from Other Local Governments	155,282	-	-
Due from Others	87,711	-	264,371
Sales Tax Receivable	-	2,269,194	-
Taxes Receivable	37,129,246	13,044,048	-
Allowance for Uncollectibles	(38,242)	(13,801)	-
Inventories	-	158,696	-
Prepaid Expenses	-	-	35,693
Capital Assets not Being Depreciated:			
Land	3,026,957	1,888,432	-
Construction in Progress	350,340	5,439	-
Library Infrastructure	757,148	-	-
Capital Assets, Net	65,684,540	88,279,291	852,199
TOTAL ASSETS	140,396,679	108,566,897	2,949,026
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	488,541	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	488,541	0	0
LIABILITIES			
Accounts Payable	214,298	788,405	512
Accrued Expenses	1,427,531	1,362	57,585
Due to Other Governments	5,450	-	-
Due to Others	72,942	-	-
Long-Term Liabilities			
Due Within One Year	3,011,476	325,768	302,604
Due Within More Than One Year	153,011,382	2,851,600	182,639
TOTAL LIABILITIES	157,743,079	3,967,135	543,340
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenues - Current Property Tax	34,380,163	12,353,991	-
TOTAL DEFERRED INFLOWS OF RESOURCES	34,380,163	12,353,991	0
NET POSITION			
Net Investment in Capital Assets	49,387,797	-	852,199
Investment in Capital Assets	-	90,173,162	-
Restricted for Public Safety	368,313	-	-
Restricted for Social, Cultural and Recreational	75,827	-	-
Restricted for Highway	4,700,309	-	-
Restricted for Debt Service	6,405,525	-	-
Restricted for Education	-	701,658	-
Unrestricted	(112,175,793)	1,370,951	1,553,487
TOTAL NET POSITION	\$ (51,238,022)	92,245,771	2,405,686

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

WASHINGTON COUNTY, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Deposits	\$ 17,588,007	4,397,064	6,374,417	3,527,459	31,886,947
Cash and Cash Equivalents	100	-	-	297,968	298,068
Due from Federal Government	318,528	-	-	-	318,528
Due from State of Tennessee	709,295	-	-	30,859	740,154
Due from Other Local Governments	102,337	-	-	52,945	155,282
Due from Others	42,036	629	390	44,656	87,711
Taxes Receivable	21,182,072	5,115,605	9,909,530	922,039	37,129,246
Allowance for Uncollectibles	(21,862)	(4,957)	(10,451)	(972)	(38,242)
Due from Other Funds	469,062	4,242	-	-	473,304
TOTAL ASSETS	\$ 40,389,575	9,512,583	16,273,886	4,874,954	71,050,998
LIABILITIES					
Accounts Payable	\$ 167,096	19,925	623	26,654	214,298
Accrued Expenses	596,063	114,844	-	24,533	735,440
Due to Others	72,942	-	-	-	72,942
Due to Other Governments	5,450	-	-	-	5,450
Due to Other Funds	-	-	-	473,304	473,304
TOTAL LIABILITIES	841,551	134,769	623	524,491	1,501,434
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Current Property Tax	19,720,170	4,434,619	9,355,616	869,758	34,380,163
Deferred Revenues - Unavailable Revenue	1,263,321	242,886	512,122	47,628	2,065,957
TOTAL DEFERRED INFLOWS OF RESOURCES	20,983,491	4,677,505	9,867,738	917,386	36,446,120
FUND BALANCES					
Restricted for:					
Restricted for Public Safety	171,067	-	-	197,246	368,313
Restricted for Highway	-	4,700,309	-	-	4,700,309
Restricted for Debt Service	-	-	6,405,525	-	6,405,525
Restricted for Social, Cultural and Recreational	75,827	-	-	-	75,827
Committed for:					
Committed for General Government	1,624,729	-	-	-	1,624,729
Committed for Public Health and Welfare	-	-	-	1,250,141	1,250,141
Committed for Capital Projects	-	-	-	1,730,406	1,730,406
Assigned for:					
Assigned for Public Safety	56,786	-	-	-	56,786
Assigned for Capital Projects	-	-	-	255,284	255,284
Assigned for General Government	178,075	-	-	-	178,075
Assigned for Finance	4,259	-	-	-	4,259
Assigned for Administration of Justice	49	-	-	-	49
Assigned for Public Health and Welfare	2,836	-	-	-	2,836
Assigned for Social, Cultural and Recreational	759	-	-	-	759
Unassigned	16,450,146	-	-	-	16,450,146
TOTAL FUND BALANCES	18,564,533	4,700,309	6,405,525	3,433,077	33,103,444
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 40,389,575	9,512,583	16,273,886	4,874,954	71,050,998

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 POSITION
June 30, 2013

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 33,103,444
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$118,151,315 and the accumulated depreciation is \$48,332,330.	69,818,985
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,065,957
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(692,091)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(155,534,317)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (51,238,022)</u>

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

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013

	General Fund	Highway Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 21,591,641	4,698,317	10,731,925	1,232,695	38,254,578
Licenses and Permits	540,455	650	1,450	9,562	552,117
Fines, Forfeitures and Penalties	972,139	-	-	77,241	1,049,380
Charges for Current Services	643,683	163,720	-	120,172	927,575
Other Local Revenues	284,059	219,268	14,771	344,425	862,523
Revenue from State of Tennessee	3,425,687	2,326,769	-	134,051	5,886,507
Revenue from Federal Government	1,131,492	-	-	70,000	1,201,492
Revenue from Other Governments and Citizens Groups	1,446,146	-	-	5,220,078	6,666,224
TOTAL REVENUES	30,035,302	7,408,724	10,748,146	7,208,224	55,400,396
EXPENDITURES					
General Government	5,107,742	-	-	433,512	5,541,254
Finance	2,600,650	-	-	-	2,600,650
Administration of Justice	3,786,673	-	-	-	3,786,673
Public Safety	16,563,610	-	-	15,982	16,579,592
Highways	-	7,272,037	-	-	7,272,037
Public Health and Welfare	3,670,580	-	-	1,641,837	5,312,417
Social, Cultural and Recreational	869,803	-	-	-	869,803
Agriculture and Natural Resources	435,305	-	-	-	435,305
Other Operations	1,606,024	-	-	-	1,606,024
Debt Service	-	-	9,496,946	-	9,496,946
Education	-	-	-	161,881	161,881
TOTAL EXPENDITURES	34,640,387	7,272,037	9,496,946	2,253,212	53,662,582
Excess (deficiency) of Revenues over Expenditures	(4,605,085)	136,687	1,251,200	4,955,012	1,737,814
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	1,760,000	1,760,000
Premium on Bonds Issued	-	-	-	81,474	81,474
Transfers to Other Funds	(25,000)	(98,417)	-	(5,239,159)	(5,362,576)
Transfers from Other Funds	5,239,159	-	76,767	46,650	5,362,576
TOTAL OTHER FINANCING SOURCES (USES)	5,214,159	(98,417)	76,767	(3,351,035)	1,841,474
Net Change in Fund Balances	609,074	38,270	1,327,967	1,603,977	3,579,288
Fund Balances, July 1, 2012	17,955,459	4,662,039	5,077,558	1,829,100	29,524,156
Fund Balances, June 30, 2013	<u>\$ 18,564,533</u>	<u>4,700,309</u>	<u>6,405,525</u>	<u>3,433,077</u>	<u>33,103,444</u>

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

WASHINGTON COUNTY, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,579,288
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 \$2,050,465 is less than depreciation of \$3,599,920 in the period.	(1,549,455)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.	17,187
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 \$2,228,959 and the current year amount of \$2,065,957.	(163,002)
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.	(45,581)
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.	(190,115)
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.	271,875
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 position.	568,526
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,259,378</u>

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET
GENERAL FUND
June 30, 2013

	Actual GAAP Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
REVENUES							
Taxes	\$ 21,591,641	-	-	21,591,641	21,345,333	21,345,333	246,308
Licenses and Permits	540,455	-	-	540,455	517,000	520,000	20,455
Fines, Forfeitures and Penalties	972,139	-	-	972,139	870,900	881,349	90,790
Charges for Current Services	643,683	-	-	643,683	472,600	472,600	171,083
Other Local Revenues	284,059	-	-	284,059	149,500	162,040	122,019
Revenue from State of Tennessee	3,425,687	-	-	3,425,687	3,524,813	3,753,117	(327,430)
Revenue from Federal Government	1,131,492	-	-	1,131,492	42,000	1,082,374	49,118
Revenue from Other Governments and Citizens Groups	1,446,146	-	-	1,446,146	1,282,000	1,283,000	163,146
TOTAL REVENUES	30,035,302	0	0	30,035,302	28,204,146	29,499,813	535,489
EXPENDITURES							
General Government							
County Commission	279,176	-	-	279,176	294,076	290,526	11,350
Board of Equalization	5,113	-	-	5,113	7,345	7,345	2,232
County Mayor	221,040	-	-	221,040	221,396	222,564	1,524
County Attorney	228,390	-	1,480	229,870	60,780	241,140	11,270
Election Commission	788,913	-	-	788,913	839,952	839,952	51,039
Register of Deeds	465,887	-	-	465,887	509,253	509,253	43,366
Planning and Zoning	20,605	-	-	20,605	26,641	26,641	6,036
Codes Compliance	509,482	25,019	-	484,463	492,844	493,172	8,709
County Building	38,901	-	9,135	48,036	46,000	51,200	3,164
Other General Administration	2,315,280	141,016	150,275	2,324,539	2,600,430	2,539,519	214,980
Preservation of Records	234,955	4,450	17,185	247,690	312,975	316,975	69,285
Finance							
Accounting and Budgeting	275,179	164	1,652	276,667	293,760	293,760	17,093
Purchasing	180,437	-	-	180,437	185,156	185,156	4,719
Property Assessor	458,193	-	-	458,193	496,234	477,391	19,198
Reappraisal Program	374,137	-	-	374,137	363,144	396,487	22,350
County Trustee	436,656	-	-	436,656	446,223	446,223	9,567
County Clerk	876,047	-	2,609	878,656	892,653	904,561	25,905
Administration of Justice							
General Sessions Judge	507,376	-	-	507,376	523,351	529,351	21,975
Drug Court	16,155	-	-	16,155	15,000	17,000	845
Circuit Court	1,759,340	-	-	1,759,340	1,890,658	1,889,303	129,963
Chancery Court	674,646	-	48	674,694	691,512	691,512	16,818
District Attorney General	80,000	-	-	80,000	63,334	80,000	-
Judicial Court	169,943	-	-	169,943	193,990	245,345	75,402
Courtroom Security	579,214	-	-	579,214	559,719	592,719	13,505

(Continued)

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET
GENERAL FUND
June 30, 2013

EXPENDITURES (CONTINUED)	Actual GAAP Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
					Public Safety		
Sheriff's Department	6,552,586	33,303	33,720	6,553,003	6,667,689	6,869,196	316,193
Network Coordinator Grant	635	-	-	635	-	636	1
Jail	7,487,895	31,202	15,737	7,472,430	7,648,402	7,794,036	321,606
Juvenile Services	475,792	-	-	475,792	479,059	493,310	17,518
Work Release Program	13,393	-	-	13,393	12,227	15,777	2,384
Federal Asset Forfeiture	19,517	-	-	19,517	20,000	20,000	483
JAG Grant (Law Enforcement Supplies)	6,723	-	-	6,723	-	16,965	10,242
Fire Protection and Control	822,366	-	-	822,366	815,000	822,400	34
Civil Defense	109,058	-	-	109,058	109,058	109,058	-
Hazardous Materials	8,627	-	-	8,627	11,400	11,400	2,773
Other Emergency Management	126,875	6,868	-	120,007	-	120,337	330
2013 LEPC Conference Grant	2,272	-	7,328	9,600	-	9,600	-
Rescue Squad	84,300	-	-	84,300	84,300	84,300	-
County Coroner	162,708	-	-	162,708	172,308	172,308	9,600
School Resource Officer Grant	39,893	-	-	39,893	20,600	54,230	14,337
Other Public Safety	648,422	-	-	648,422	703,258	700,258	51,836
Disaster Relief	818	-	-	818	-	2,245	1,427
Safe Teen Driving Skills	1,500	-	-	1,500	-	10,972	9,472
Public Safety - Law Enforcement	229	-	-	229	-	2,889	2,660
Public Health and Welfare							
County Health Center	986,220	6,800	2,836	982,256	1,021,270	1,021,270	39,014
Local Health Center State Grant	931,588	-	-	931,588	1,164,869	1,164,869	233,281
Rabies and Animal Control	158,000	-	-	158,000	158,000	158,000	-
Ambulance Service	1,435,272	-	-	1,435,272	1,435,272	1,435,272	-
Public Welfare	76,155	-	-	76,155	71,000	81,000	4,845
Aid to Dependent Children	13,500	-	-	13,500	13,500	13,500	-
Alcohol and Drug Program	3,049	-	-	3,049	12,232	12,232	9,183
Sanitation Education	66,796	-	-	66,796	71,900	71,900	5,104
Social, Cultural and Recreational							
Senior Citizen's Assistance	120,977	-	-	120,977	120,977	120,977	-
Libraries	600,326	-	759	601,085	626,155	628,695	27,610
Libraries (Other)	127,500	-	-	127,500	127,500	127,500	-
Social, Cultural and Recreational	21,000	-	-	21,000	21,000	21,000	-

(Continued)

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET
GENERAL FUND
June 30, 2013

	Actual GAAP Basis	Less:	Add:	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
		Encumbrances 6/30/2012	Encumbrances 6/30/2013		Original	Final	
EXPENDITURES (CONTINUED)							
Agriculture and Natural Resources							
Agriculture Extension Service	275,496	-	-	275,496	281,033	281,033	5,537
Forest Service	1,500	-	-	1,500	1,500	1,500	-
Soil Conservation	83,104	-	-	83,104	97,096	97,096	13,992
Storm Water Management	63,414	263	-	63,151	68,460	68,132	4,981
Agriculture and Natural Resources	11,791	1,272	-	10,519	12,240	12,890	2,371
Other Operations							
Tourism	6,971	-	-	6,971	6,971	6,971	-
Industrial Development	146,206	-	-	146,206	146,206	146,206	-
Economic and Community Development	299,901	2,269	-	297,632	325,000	419,000	121,368
Transportation - Airport	15,464	-	-	15,464	15,464	15,464	-
Other Charges	-	-	-	-	5,000	5,000	5,000
Contributions to Other Agencies	53,757	-	-	53,757	56,694	56,694	2,937
Employee Benefits	35,011	-	-	35,011	55,000	55,000	19,989
Disaster Relief - Dry Creek Flood	1,048,715	-	-	1,048,715	-	1,048,720	5
TOTAL EXPENDITURES	34,640,387	251,091	242,764	33,447,598	33,470,028	35,368,218	1,920,620
Excess (Deficiency) of Revenues Over Expenditures							
	(4,605,085)	(251,091)	242,764	(3,412,296)	(5,265,882)	(5,868,405)	2,456,109
OTHER FINANCING SOURCES (USES)							
Transfer from Constitutional Officers -							
Fees Fund	5,208,280	-	-	5,208,280	5,140,000	5,140,000	68,280
Transfers from Other Funds	30,879	-	-	30,879	-	-	30,879
Transfer to Other Funds	(25,000)	-	-	(25,000)	-	(25,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	5,214,159	0	0	5,214,159	5,140,000	5,115,000	99,159
Net Change in Fund Balance	609,074	(251,091)	242,764	1,801,863	(125,882)	(753,405)	2,555,268
Fund Balance, July 1, 2012	17,955,459	252,626	-	17,702,833	17,702,833	17,702,833	-
Fund Balance, June 30, 2013	<u>\$ 18,564,533</u>	<u>1535</u>	<u>242,764</u>	<u>19,504,696</u>	<u>17,576,951</u>	<u>16,949,428</u>	<u>2,555,268</u>

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

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET
HIGHWAY FUND
June 30, 2013

	Actual GAAP Basis	Less: Encumbrances 6/30/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
REVENUES							
Taxes	\$ 4,698,317	-	-	4,698,317	4,553,924	4,553,924	144,393
Licenses and Permits	650	-	-	650	500	500	150
Charges for Current Services	163,720	-	-	163,720	-	-	163,720
Other Local Revenues	219,268	-	-	219,268	130,000	160,160	59,108
Revenue from State of Tennessee	2,326,769	-	-	2,326,769	2,495,500	2,495,500	(168,731)
TOTAL REVENUES	7,408,724	0	0	7,408,724	7,179,924	7,210,084	198,640
EXPENDITURES							
General Government							
Administration	552,369	-	-	552,369	640,765	617,255	64,886
Traffic Control	152,602	12,954	-	139,648	153,982	153,982	14,334
Highway and Bridge Maintenance	2,172,787	25,000	25,000	2,172,787	2,881,597	2,810,547	637,760
Operation and Maintenance of Equipment	849,271	9,800	499	839,970	882,705	950,481	110,511
Asphalt Plant Operations	2,626,579	-	-	2,626,579	3,406,974	3,403,534	776,955
Other Charges	116,733	-	-	116,733	126,000	126,000	9,267
Employee Benefits	21,821	-	-	21,821	20,000	43,000	21,179
Capital Outlay	779,875	41,555	1,615	739,935	682,000	756,384	16,449
TOTAL EXPENDITURES	7,272,037	89,309	27,114	7,209,842	8,794,023	8,861,183	1,651,341
Excess (Deficiency) of Revenues Over Expenditures	136,687	89,309	27,114	198,882	(1,614,099)	(1,651,099)	1,849,981
OTHER FINANCING SOURCES (USES)							
Transfer to Other Funds	(98,417)	-	-	(98,417)	(76,768)	(98,418)	1
TOTAL OTHER FINANCING SOURCES (USES)	(98,417)	0	0	(98,417)	(76,768)	(98,418)	1
Net Change in Fund Balance	38,270	89,309	27,114	100,465	(1,690,867)	(1,749,517)	1,849,982
Fund Balance, July 1, 2012	4,662,039	(89,309)	-	4,572,730	4,572,730	4,572,730	-
Fund Balance, June 30, 2013	\$ 4,700,309	0	27,114	4,673,195	2,881,863	2,823,213	1,849,982

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

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2013

	Agency Funds
ASSETS	
Cash on Hand and in Bank	\$ 5,291,556
Equity in Pooled Cash and Deposits	168,488
Accounts Receivable	76,754
Taxes Receivable	11,231,612
Allowance for Uncollectibles	(11,885)
Sales Tax Receivable	<u>5,624,160</u>
TOTAL ASSETS	<u>\$ 22,380,685</u>
LIABILITIES	
Due to Other Governments	\$ 17,058,846
Due to State	698,010
Due to Litigants, Heirs and Others	<u>4,623,829</u>
TOTAL LIABILITIES	<u>\$ 22,380,685</u>

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Units - The following entities meet the criteria for discretely presented component units of the County. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County. Both of the discretely presented component units serve the geographic area of Washington County, Tennessee and their corporate charters grant them legally separate corporate powers.

The Washington County Board of Education operates the public school system in the County, and the voters of Washington County elect its board. The Department of Education is fiscally dependent upon Washington 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 the County.

The Washington County Emergency Communications District (WCECD) provides a simplified means of securing emergency services through a uniform emergency number for the residents of Washington County. The WCECD is funded primarily through a service charge levied on telephone services. The Board of Directors is appointed by the County Mayor; therefore, the County has the ability to significantly influence the activities of the WCECD. In addition, the WCECD must obtain County Commission approval before the issuance of most debt. WCECD utilizes the *economic resources measurement focus* and the *full accrual basis of accounting*.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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. The County has no equity interest in any of these ventures. Jointly governed organizations include the Tri - Cities Airport Authority, 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 position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The Washington County Board of Education component unit only reports governmental activities in the government-wide financial statements.

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The 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*, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 inflows of resources, 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.

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

The government reports the following major governmental funds:

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

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

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

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

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Also, it is the County's policy that committed amounts would be reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

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 position as Equity in Pooled Cash and Deposits. Certificates of Deposits are reported at cost. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Taxes Receivable

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arise. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable less an estimated allowance for uncollectible taxes of 2 percent, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 60 days of year end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available. Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1.

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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition. Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and library books), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 for all assets other than infrastructure, which is a cost of \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and other deferred/unavailable revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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.

7. 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 position. Bond premiums and discounts, 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.

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.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Long-Term Obligations (Continued)

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.

8. Interfund Transactions

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

9. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in four components:

- a. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted Net Position – Consists of net position 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.
- c. Unrestricted Net Position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, the County had \$128,560,000 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 Position balance to be reflected for the Primary Government.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

9. Net Position and Fund Equity (Continued)

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

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

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

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

10. Estimates

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

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 position

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

	<u>Primary Government</u>	<u>Component Unit</u>
Bonds Payable	\$ (148,325,000)	-
Less: Deferred Charge on Refunding (net of accumulated amortization of \$690,006 recorded as interest expense)	488,541	-
Add: Bond Premium (net of accumulated amortization of \$2,590,204 recorded as interest expense)	(4,545,302)	-
Capital Outlay Notes	(90,000)	-
Other Post-Employment Benefits	(1,607,387)	(3,019,600)
Compensated Absences	<u>(1,455,169)</u>	<u>(157,768)</u>
 Net adjustment to reduce <i>fund balance governmental funds</i> to arrive at <i>net position-governmental activities</i>	 \$ <u>(155,534,317)</u>	 <u>(3,177,368)</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

**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 position (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	\$ 1,873,853	676,256
Federal Prisoner Board	90,000	-
Local Tax Revenue	102,104	-
Net adjustment to increase <i>fund balance-governmental funds</i> to arrive at <i>net position-governmental activities</i>	\$ 2,065,957	676,256

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 position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position." The details of this difference are as follows:

	Primary Government	Component Unit
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 10,816	11,153
The statement of activities reports gains/(losses) arising from the disposal of capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets.	6,371	(86,678)
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 17,187	(75,525)

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

**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 position. The details of this difference are as follows:

Debt Issue or Incurred:	
Issuance of Bonds	\$(1,760,000)
Less: Premium	(81,474)
Principal Repayments:	
General Obligation Debt	2,320,000
Capital Outlay Notes	<u>90,000</u>
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 568,526</u>

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 difference are as follows:

Prior Year Accrued Interest	\$ 704,390
Current Year Accrued Interest	(692,091)
Amortization of Bond Premiums	341,717
Amortization of Deferred Charge on Refunding	<u>(82,141)</u>
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 271,875</u>

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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information (Continued)

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.). Only the County Commission may make revisions within major categories or 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, 2013, the County reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government: Major Fund: General Fund	Other General Administration	\$ 119,300

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The captions on the statement of net position related to cash and deposits are as follows for the County and its discretely presented component units:

	<u>Washington County</u>	<u>Washington County Board of Education</u>	<u>Washington County Emergency Communications</u>
Equity in Pooled Cash and Deposits	\$ 31,886,947	2,481,705	-
Cash and Cash Equivalents	<u>298,068</u>	<u>-</u>	<u>1,097,263</u>
	<u>\$ 32,185,015</u>	<u>2,481,705</u>	<u>1,097,263</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Agency Funds

Equity in Pooled Cash and Deposits	\$ 168,488
Cash on Hand and in Bank	<u>5,291,556</u>
	<u>\$ 5,460,044</u>

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

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

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

Cash on the statement of net position 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 \$34,537,140 and the bank balance was \$40,932,384. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2013.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<u>Primary Government:</u>		
Cash in Bank - Others (Elected Officials Accounts)	\$ <u>5,581,407</u>	<u>6,052,270</u>
<u>Component Unit:</u>		
Washington County Emergency Communications District	\$ <u>1,097,263</u>	<u>1,399,193</u>

All of the County and its component units' deposits were collateralized with the State of Tennessee Collateral Pool or insured by the FDIC.

INVESTMENTS - Counties are authorized to make direct investments in bonds, notes or treasury bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the County's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The County may make investments with longer maturities if various restrictions set out in the State law are followed. Counties are also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2% below the market value of the securities on the day of purchase.

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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2013 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	733,590	35,671	(12,113)	-	757,148
Construction in Progress	55,804	308,136	-	(13,600)	350,340
Total Capital Assets, Not Being Depreciated	<u>3,816,351</u>	<u>343,807</u>	<u>(12,113)</u>	<u>(13,600)</u>	<u>4,134,445</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	45,326,524	14,496	(11,762)	(11,153)	45,318,105
Furniture and Fixtures	85,184	76,997	-	13,600	175,781
Office Machinery and Equipment	1,468,232	19,225	(11,216)	-	1,476,241
Machinery and Equipment	16,150,382	1,248,764	(123,462)	-	17,275,684
Roads and Bridges	49,377,059	394,000	-	-	49,771,059
Total Capital Assets, Being Depreciated	<u>112,407,381</u>	<u>1,753,482</u>	<u>(146,440)</u>	<u>2,447</u>	<u>114,016,870</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(9,560,626)	(1,217,611)	5,391	-	(10,772,846)
Furniture and Fixtures	(80,526)	(6,097)	-	-	(86,623)
Office Machinery and Equipment	(1,388,719)	(38,096)	11,216	-	(1,415,599)
Machinery and Equipment	(12,662,235)	(1,114,035)	123,462	-	(13,652,808)
Roads and Bridges	(21,180,373)	(1,224,081)	-	-	(22,404,454)
Total Accumulated Depreciation	<u>(44,872,479)</u>	<u>(3,599,920)</u>	<u>140,069</u>	<u>-</u>	<u>(48,332,330)</u>
Total Capital Assets, Being Depreciated, Net	<u>67,534,902</u>	<u>(1,846,438)</u>	<u>(6,371)</u>	<u>2,447</u>	<u>65,684,540</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,351,253</u>	<u>(1,502,631)</u>	<u>(18,484)</u>	<u>(11,153)</u>	<u>69,818,985</u>

Note 1: The amount of additions to capital assets and total capital outlay differs due to Library infrastructure items being recorded in supply expense accounts within the General fund.

Note 2: The \$(11,153) adjustment from Buildings and 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 Furniture and Fixtures.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental Activities:

General Government	\$ 912,766
Public Safety	1,172,311
Highways, including Depreciation of General Infrastructure Assets	1,437,444
Public Health and Welfare	<u>77,399</u>

Total Depreciation Expense-Governmental Activities \$ 3,599,920

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. 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	15,193	185,649	(195,403)	-	5,439
Total Capital Assets, Not Being Depreciated	1,903,625	185,649	(195,403)	0	1,893,871
Capital Assets, Being Depreciated					
Buildings and Improvements	123,919,850	390,243	-	-	124,310,093
Furniture and Fixtures	983,769	-	-	-	983,769
Office Machinery and Equipment	682,442	-	-	-	682,442
Machinery and Equipment	14,384,306	821,720	(757,547)	-	14,448,479
Total Capital Assets Being Depreciated	139,970,367	1,211,962	(757,547)	0	140,424,783
Less Accumulated Depreciation for					
Buildings and Improvements	(34,811,673)	(3,819,826)	-	-	(38,631,499)
Furniture and Fixtures	(973,477)	(1,483)	-	-	(974,960)
Office Machinery and Equipment	(571,642)	(28,866)	-	-	(600,508)
Machinery and Equipment	(11,982,806)	(626,588)	670,869	-	(11,938,525)
Total Accumulated Depreciation	(48,339,598)	(4,476,763)	670,869	0	(52,145,492)
Total Capital Assets, Being Depreciated, Net	91,630,769	(3,264,801)	(86,678)	0	88,279,291
Washington County Board of Education Capital Assets, Net	<u>\$ 93,534,394</u>	<u>(3,079,152)</u>	<u>(282,081)</u>	<u>0</u>	<u>90,173,162</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Washington County Emergency Communications District

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated				
Building Improvements	\$ 532,841	300	(1,554)	531,587
Vehicles	51,618	-	-	51,618
Office Equipment	1,352,400	298,281	(384,835)	1,265,846
Furniture and Fixtures	53,976	5,640	-	59,616
Total Capital Assets, Being Depreciated	<u>1,990,835</u>	<u>304,221</u>	<u>(386,389)</u>	<u>1,908,667</u>
Less Accumulated Depreciation for				
Building Improvements	(326,015)	(19,847)	1,554	(344,308)
Vehicles	(41,135)	(3,931)	-	(45,066)
Office Equipment	(918,520)	(80,755)	384,835	(614,440)
Furniture and Fixtures	(51,281)	(1,373)	-	(52,654)
Total Accumulated Depreciation	<u>(1,336,951)</u>	<u>(105,906)</u>	<u>386,389</u>	<u>(1,056,468)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 653,884</u>	<u>198,315</u>	<u>0</u>	<u>852,199</u>

B. 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 fiscal year ended June 30, 2013 amount to \$107,363. Future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2014	\$ 85,459
2015	80,058
2016	59,591
2017	3,810
Total	<u>\$ 228,918</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Operating Leases (Continued)

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 fiscal year ended June 30, 2013 amount to \$2,235. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2014	\$ 2,235
2015	2,048
Total	<u>\$ 4,283</u>

D. 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, 2013.

	Balance Beginning of Year	Additions	Retirements/ Reductions	Balance End of Year	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$148,885,000	1,760,000	(2,320,000)	148,325,000	2,645,000
Add: For Issuance of Premium	4,805,545	81,474	(341,717)	4,545,302	-
Total General Obligation Bonds	153,690,545	1,841,474	(2,661,717)	152,870,302	2,645,000
Capital Outlay Notes	180,000	-	(90,000)	90,000	90,000
Other Post-Employment Benefits	1,417,272	309,880	(119,765)	1,607,387	22,000
Compensated Absences	1,409,587	45,582	-	1,455,169	254,476
Governmental Activities Long-Term Liabilities	<u>\$156,697,404</u>	<u>2,196,936</u>	<u>(2,871,482)</u>	<u>156,022,858</u>	<u>3,011,476</u>
Component Unit - WCBOE					
Compensated Absences	\$ 139,883	17,885	-	157,768	157,768
Other Post-Employment Benefits	2,401,100	618,500	-	3,019,600	168,000
Component Unit Long-Term Liabilities	<u>\$ 2,540,983</u>	<u>636,385</u>	<u>0</u>	<u>3,177,368</u>	<u>325,768</u>
Component Unit - ECD					
Compensated Absences	\$ 298,083	4,521	-	302,604	302,604
Other Post-Employment Benefits	130,018	52,621	-	182,639	-
Component Unit Long-Term Liabilities	<u>\$ 428,101</u>	<u>57,142</u>	<u>0</u>	<u>485,243</u>	<u>302,604</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt (Continued)

Bonds Payable

	Date <u>Issued</u>	Date <u>Matures</u>	Amount <u>Issued</u>	Interest Rate	Outstanding <u>June 30, 2013</u>
School Construction Bonds	09/15/04	06/30/18	\$ 19,700,000	2.70-5.00%	\$ 8,885,000
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%	4,125,000
Justice Center					
Construction Bonds	01/23/07	06/01/35	20,410,000	4.37-5.00%	19,855,000
School Refunding Bonds	06/27/11	04/01/22	6,895,000	2.00-4.00%	5,155,000
School Refunding					
Construction Bonds	06/27/11	04/01/23	2,870,000	1.70-4.00%	2,870,000
School Bus Bonds	11/09/12	04/01/20	1,760,000	2.00%	<u>1,760,000</u>
Total					<u>\$ 148,325,000</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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
	<u>\$ 8,885,000</u>	<u>1,429,250</u>	<u>10,314,250</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	-	4,929,256	4,929,256
2019-2023	18,795,000	22,961,131	41,756,131
2024-2028	23,895,000	17,854,031	41,749,031
2029-2033	30,255,000	11,499,831	41,754,831
2034-2037	32,730,000	3,876,246	36,606,246
	<u>\$ 105,675,000</u>	<u>80,837,519</u>	<u>186,512,519</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. 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
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
	<u>\$ 4,125,000</u>	<u>738,350</u>	<u>4,863,350</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	285,000	885,781	1,170,781
2019-2023	4,005,000	3,998,356	8,003,356
2024-2028	5,085,000	2,911,656	7,996,656
2029-2033	6,450,000	1,557,806	8,007,806
2034-2035	3,005,000	198,627	3,203,627
	<u>\$ 19,855,000</u>	<u>13,218,950</u>	<u>33,073,950</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. 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
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	750,000	61,800	811,800
2019-2022	1,310,000	97,500	1,407,500
	<u>\$ 5,155,000</u>	<u>688,250</u>	<u>5,843,250</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	270,000	75,203	345,203
2019-2023	1,820,000	239,037	2,059,037
	<u>\$ 2,870,000</u>	<u>667,130</u>	<u>3,537,130</u>

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt (Continued)

Bonds Payable (Continued)

School Bus Bonds issued November 9, 2012, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 240,000	35,200	275,200
2015	240,000	30,400	270,400
2016	245,000	25,600	270,600
2017	250,000	20,700	270,700
2018	255,000	15,700	270,700
2019-2020	530,000	16,000	546,000
	<u>\$ 1,760,000</u>	<u>143,600</u>	<u>1,903,600</u>

Total bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 2,645,000	6,800,592	9,445,592
2015	3,890,000	6,698,792	10,588,792
2016	4,450,000	6,541,257	10,991,257
2017	4,635,000	6,341,197	10,976,197
2018	4,825,000	6,130,990	10,955,990
2019-2023	26,460,000	27,312,024	53,772,024
2024-2028	28,980,000	20,765,687	49,745,687
2029-2033	36,705,000	13,057,637	49,762,637
2034-2037	35,735,000	4,074,873	39,809,873
	<u>\$148,325,000</u>	<u>97,723,049</u>	<u>246,048,049</u>

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt (Continued)

Capital Outlay Notes

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2013</u>
School Capital Outlay	07/26/10	07/26/13	\$ 270,000	2.25%	\$ 90,000

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	<u>\$ 90,000</u>	<u>2,053</u>	<u>92,053</u>

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 position.

On June 30, 2013, the following bonds outstanding are considered to be defeased:

<u>Date</u>	<u>Bond Refunding</u>	<u>Amount</u>	<u>Issue Refunded</u>
6/27/11	School Improvement Bonds	\$910,000	2004

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013 is as follows:

Due to/from Other Funds

	Payable Fund	
	Nonmajor	
	Governmental	
	Funds	Total
Receivable Fund		
General Fund	\$ 469,062	469,062
Highway Fund	4,242	4,242
	\$ 473,304	473,304

Interfund Transfers

	Transfer In			
	General	Debt Service	Nonmajor	
	Fund	Fund	Governmental	
	Fund	Fund	Fund	Total
Transfer Out				
Highway Fund	\$ -	76,767	21,650	98,417
General Fund	-	-	25,000	25,000
Nonmajor Governmental				
Funds	30,879	-	-	30,879
Constitutional Officers	5,208,280	-	-	5,208,280
	\$ 5,239,159	76,767	46,650	5,362,576

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 \$158,000 to the operations during the fiscal year ended June 30, 2013.

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 \$1,435,272 to the operations during the year and has no equity interest as of June 30, 2013.

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, 2013.

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 \$185,038 to the operations during the year and has no equity interest as June 30, 2013. Financial statements for the joint venture are not available. However, information about the management company operating the facility is available on their website at www.uhsinc.com.

The most recent audited information is summarized below. The information reflected is for the fiscal year ending June 30, 2012; however Emergency Medical Services – Ambulance Division is represents of the fiscal year ending June 30, 2011. 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

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

Emergency Medical Services
Wesley Street
Johnson City, TN 37601

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

A. Joint Ventures (Continued)

	Washington County - Johnson City Animal Control Center	Washington County- Johnson City Emergency Medical Services, Inc.- Ambulance Division	Johnson City/ Jonesborough/ Washington County Economic Development Board, Inc.
Operating Revenues	\$ 91,314	7,510,687	564
Operating Expenses	(530,046)	(9,445,333)	(520,424)
Depreciation	-	-	-
Amortization	-	-	-
Other Income (Expense)	907,256	1,905,174	-
Capital Contributions	-	-	-
Net Income (Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	468,524	(29,472)	(519,860)
Total Fund Equity, July 1	291,927	3,112,045	804,150
Total Fund Equity, June 30	\$ 760,451	3,082,573	284,290
Total Assets	\$ 785,547	6,042,394	284,290
Total Liabilities	25,096	2,959,821	-
Total Fund Equity	\$ 760,451	3,082,573	284,290

B. Jointly Governed Organizations

The Tri-Cities Regional Airport, TN/VA is jointly governed by Johnson City, Kingsport and Bristol, Tennessee; Bristol, Virginia; and Washington and Sullivan County, Tennessee. Washington County is represented by three of twelve commissioners.

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

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

B. Jointly Governed 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, 2011	\$ 0
June 30, 2012	1,970
June 30, 2013	645

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan

Plan Description

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

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

Funding Policy

Both Washington County and WCECD has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.00% of annual covered payroll.

The County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 14.31% 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, 2013 was 12.05% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for WCECD is established and may be amended by the TCRS Board of Trustees.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Annual Pension Cost

For the fiscal year ending June 30, 2013, the County's annual pension cost of \$3,510,604 to TCRS was equal to the County's required and actual contributions and the WCECD's annual pension cost of \$190,421 to TCRS was equal to WCECD's required and actual contributions. The required contribution was determined as part of the July 1, 2011 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% per 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, 2011 was 2 years for the County and 10 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 <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
June 20, 2013	\$ 3,510,604	100%	\$ 0
June 20, 2012	3,422,976	100%	0
June 30, 2011	3,364,149	100%	0

WCECD

Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
June 30, 2013	\$ 190,421	100%	\$ 0
June 30, 2012	192,318	100%	0
June 30, 2011	184,149	100%	0

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

D. Retirement Plan (Continued)

Component Unit - Washington County Board of Education

Plan Description

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

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

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, 2013 was 8.88% 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, 2013, 2012, and 2011 were \$2,646,862, \$2,633,245, and \$2,620,212, respectively, equal to the required contributions for each year.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 10 years of service or 30 years of service until Medicare eligible. Coverage for eligible retirees' spouse will cease when the retirees' benefits cease. Beginning August 2011, the County will cover 50% of the medical premium. Prior to August 2011, the County contributed 25% of medical premiums. There are no surviving spouse benefits. The County also provides a \$5,000 paid-up life insurance policy for its retirees. As of the effective date of the actuarial valuation, there were a total of 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.

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.

Annual premiums vary based upon the plan selected as follows:

Annual Premiums - Retiree:

PPO	\$5,253	(single coverage)
PPO	\$10,547	(employee plus spouse coverage)
PPO	\$16,418	(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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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)	\$ 312,935
Interest on Net OPEB Obligation	24,776
Adjustment to ARC	<u>(27,831)</u>
Annual OPEB Cost (Expense)	309,880
Contribution made (assumed end of year)	<u>(119,765)</u>
Increase (Decrease) in Net OPEB Obligation	190,115
Net OPEB Obligation - Beginning of Year	<u>1,417,272</u>
Net OPEB Obligation - End of Year	<u><u>\$ 1,607,387</u></u>

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:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End	Covered Payroll	OPEB Cost % of Payroll
6/30/2013	\$ 309,880	7.1%	1,607,387	N/A	N/A
6/30/2012	368,830	16.9%	1,417,272	15,637,496	2.4%
6/30/2011	348,442	10.2%	1,012,773	15,256,094	2.3%

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)
7/1/2012	\$ -	2,162,257	2,162,257	0.00%	N/A	N/A
7/1/2010	-	2,235,068	2,235,068	0.00%	15,256,094	14.65%

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuation for the County's plan, the Entry Age 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 2012. The trend will be reduced by decrements to an ultimate rate of 5.00% by fiscal year 2016. 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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Board of Education

Plan Description

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

Monthly Premiums - Active:

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

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Board of Education (Continued)

Funding Policy (Continued)

Washington County Board of Education will pay all but \$1,185 of the annual premium for individual coverage and \$3,244 for family coverage for active employees.

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution (ARC)	\$ 1,104,000
Interest on Net OPEB Obligation	96,000
Adjustment to ARC	(102,000)
Annual OPEB Cost (Expense)	1,098,000
Contribution made	(479,500)
Increase (Decrease) in Net OPEB Obligation	618,500
Net OPEB Obligation - Beginning of Year	2,401,100
Net OPEB Obligation - End of Year	\$ 3,019,600

Fiscal Year End	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2013	Teacher & Local Government Plan	\$ 1,098,000	44%	\$ 3,019,000
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

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013 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	\$ 38,799,500
UAAL as a Percentage of Covered Payroll	22%

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

NOTE 5 - OTHER INFORMATION (CONTINUED)

E. Post-Employment Healthcare Plan (Continued)

Washington County Board 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 2013. 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, 2007.

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.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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 4.00% 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

WCECD'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 WCECD's costs for the year, the amount actually contributed to the plan, and changes in the OPEB obligation.

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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	<u>(3,226)</u>
Annual OPEB Cost (Expense)	57,538
Contribution Made (assumed end of year)	<u>4,917</u>
Increase in Net OPEB Obligation	52,621
Net OPEB Obligation - Beginning of Year	<u>130,018</u>
Net OPEB Obligation - End of Year	<u><u>\$ 182,639</u></u>

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 2013 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 57,538	0%	\$ 182,639
6/30/2012	57,674	0%	130,018
6/30/2011	29,650	0%	77,261

**WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013**

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	<u>July 1, 2011</u>
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 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.

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 2013 was \$288,337 and has been recorded as revenue and expenditure in the general purpose school fund.

G. Contingent Liabilities

The County is a defendant in various lawsuits. The outcome of these suits is not presently determinable. It is the opinion of the County Attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

H. Office of Central Accounting, Budgeting, and Purchasing

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

I. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

WASHINGTON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. The County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* which has an effective date of June 30, 2014.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Net Position.

GASB Statement No. 65 established accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

K. Subsequent Event

Subsequent to June 30, 2013, the County Commission issued general obligation capital outlay notes of \$5,520,000, rural school bonds of \$2,630,000 and general obligation school bonds of \$1,385,000.

SECTION III

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FUNDING PROGRESS - PENSION
For the Fiscal Year Ended June 30, 2013

(Dollar Amounts in Thousands)

Washington County

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability -Entry Age	(UAAL) Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 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

	(a)	(b)	(b) – (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability -Entry Age	(UAAL) Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 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%

See Independent Auditor's Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FUNDING PROGRESS - OPEB
For the Fiscal Year Ended June 30, 2013

(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, 2012	\$ -	\$ 2,162	\$ 2,162	0.00%	N/A	N/A
July 1, 2010	\$ -	\$ 2,235	\$ 2,235	0.00%	\$ 15,256	14.65%

Washington County Board of Education
 LEA / Local Government Plan

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	\$ -	\$ 8,480	\$ 8,480	0.00%	\$ 38,301	22.00%
July 1, 2010	-	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.

**WASHINGTON COUNTY, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2013**

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund		
ASSETS						
Equity in Pooled Cash and Deposits	\$ 1,144,421	113,231	116,174	162,191	1,991,442	3,527,459
Cash	-	-	-	297,968	-	297,968
Due from State of Tennessee	30,859	-	-	-	-	30,859
Due from Other Local Governments	51,965	-	980	-	-	52,945
Due from Others	44,648	8	-	-	-	44,656
Taxes Receivable	922,039	-	-	-	-	922,039
Allowance for Uncollectibles	(972)	-	-	-	-	(972)
TOTAL ASSETS	\$ 2,192,960	113,239	117,154	460,159	1,991,442	4,874,954
LIABILITIES						
Accounts Payable	\$ -	26,654	-	-	-	26,654
Accrued Expenses	24,533	-	-	-	-	24,533
Due to Other Funds	900	-	6,493	460,159	5,752	473,304
TOTAL LIABILITIES	25,433	26,654	6,493	460,159	5,752	524,491
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenues - Current Property Tax	869,758	-	-	-	-	869,758
Deferred Revenues - Unavailable	47,628	-	-	-	-	47,628
TOTAL DEFERRED INFLOWS OF RESOURCES	917,386	0	0	0	0	917,386
FUND BALANCES						
Restricted For:						
Public Safety	-	86,585	110,661	-	-	197,246
Committed For:						
Public Health and Welfare	1,250,141	-	-	-	-	1,250,141
Capital Projects	-	-	-	-	1,730,406	1,730,406
Assigned For:						
Capital Projects	-	-	-	-	255,284	255,284
TOTAL FUND BALANCES	1,250,141	86,585	110,661	0	1,985,690	3,433,077
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,192,960	113,239	117,154	460,159	1,991,442	4,874,954

See Independent Auditors' Report.

SECTION IV

SUPPLEMENTARY INFORMATION

**WASHINGTON COUNTY, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2013**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers - Fee Fund	Capital Projects	
REVENUES						
Taxes	\$ 1,232,695	-	-	-	-	1,232,695
Licenses and Permits	9,562	-	-	-	-	9,562
Fines, Forfeitures and Penalties	-	27,772	49,469	-	-	77,241
Charges for Current Services	120,172	-	-	-	-	120,172
Other Local Revenues	210,958	112,134	-	21,122	211	344,425
Revenue from State of Tennessee	99,051	-	-	-	35,000	134,051
Revenue from Federal Government	70,000	-	-	-	-	70,000
Revenue from Other Governments and Citizens Groups	-	-	-	5,220,078	-	5,220,078
TOTAL REVENUES	1,742,438	139,906	49,469	5,241,200	35,211	7,208,224
EXPENDITURES						
General Government	-	228,468	18,382	32,920	153,742	433,512
Education	-	-	-	-	161,881	161,881
Public Safety	-	-	-	-	15,982	15,982
Public Health and Welfare	1,607,363	-	-	-	34,474	1,641,837
TOTAL EXPENDITURES	1,607,363	228,468	18,382	32,920	366,079	2,253,212
Excess (deficiency) of Revenues over Expenditures	135,075	(88,562)	31,087	5,208,280	(330,868)	4,955,012
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	-	-	-	1,760,000	1,760,000
Premium on Bonds Issued	-	-	-	-	81,474	81,474
Transfers from Other Funds	21,650	-	-	-	25,000	46,650
Transfers to Other Funds	-	-	-	(5,208,280)	(30,879)	(5,239,159)
TOTAL OTHER FINANCING SOURCES (USES)	21,650	0	0	(5,208,280)	1,835,595	(3,351,035)
Net change in Fund Balances	156,725	(88,562)	31,087	-	1,504,727	1,603,977
Fund Balance, July 1, 2012	1,093,416	175,147	79,574	-	480,963	1,829,100
Fund Balance, June 30, 2013	<u>\$ 1,250,141</u>	<u>86,585</u>	<u>110,661</u>	<u>0</u>	<u>1,985,690</u>	<u>3,433,077</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
SOLID WASTE / SANITATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,186,582	1,186,582	1,232,695	46,113
Licenses and Permits	100	100	9,562	9,462
Charges for Current Services	100,000	100,000	120,172	20,172
Other Local Revenues	161,000	161,000	210,958	49,958
Revenue from State of Tennessee	150,000	161,600	99,051	(62,549)
Revenue from Federal Government	-	70,000	70,000	-
TOTAL REVENUES	1,597,682	1,679,282	1,742,438	63,156
EXPENDITURES				
Sanitation Operations	1,431,219	1,586,419	1,373,278	213,141
Tire Center Operations	346,758	348,058	234,085	113,973
TOTAL EXPENDITURES	1,777,977	1,934,477	1,607,363	327,114
Excess (deficiency) of Revenues over Expenditures	(180,295)	(255,195)	135,075	390,270
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	21,650	21,650	-
TOTAL OTHER FINANCING SOURCES (USES)	0	21,650	21,650	0
Net Changes in Fund Balances	(180,295)	(233,545)	156,725	390,270
Fund Balance, July 1, 2012	1,093,416	1,093,416	1,093,416	-
Fund Balance, June 30, 2013	\$ 913,121	859,871	1,250,141	390,270

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
DRUG FINES FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 28,550	28,550	27,772	(778)
Other Local Revenues	11,400	11,400	112,134	100,734
TOTAL REVENUES	39,950	39,950	139,906	99,956
EXPENDITURES				
General Government	39,950	274,652	229,729	44,923
TOTAL EXPENDITURES	39,950	274,652	229,729	44,923
Excess (deficiency) of Revenues over Expenditures	-	(234,702)	(89,823)	144,879
Fund Balance, July 1, 2012	171,784	171,784	171,784	-
Fund Balance, June 30, 2013	\$ 171,784	(62,918)	81,961	144,879

(Continued)

**WASHINGTON COUNTY, TENNESSEE
DRUG FINES FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2013**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2012	
TOTAL REVENUES	\$ 139,906	-	-	139,906
EXPENDITURES				
General Government	229,729	4,624	3,363	228,468
TOTAL EXPENDITURES	229,729	4,624	3,363	228,468
Excess (deficiency) of Revenues over Expenditures	(89,823)	4,624	(3,363)	(88,562)
Fund Balance, July 1, 2012	171,784	-	3,363	175,147
Fund Balance, June 30, 2013	<u>\$ 81,961</u>	<u>4,624</u>	<u>0</u>	<u>86,585</u>

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

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,626,869	10,626,869	10,731,925	105,056
Licenses and Permits	1,000	1,000	1,450	450
Other Local Revenues	10,000	10,000	14,771	4,771
TOTAL REVENUES	<u>10,637,869</u>	<u>10,637,869</u>	<u>10,748,146</u>	<u>110,277</u>
EXPENDITURES				
Principal on Bonds	2,320,000	2,320,000	2,320,000	-
Principal on Notes	90,000	90,000	90,000	-
Interest on Bonds	6,872,450	6,872,425	6,864,887	7,538
Interest on Notes	4,100	4,125	4,112	13
Trustee Commission and Debt Issuance Costs	210,000	210,000	208,642	1,358
Fees	10,000	10,000	9,305	695
TOTAL EXPENDITURES	<u>9,506,550</u>	<u>9,506,550</u>	<u>9,496,946</u>	<u>9,604</u>
Excess (deficiency) of Revenues over Expenditures	<u>1,131,319</u>	<u>1,131,319</u>	<u>1,251,200</u>	<u>119,881</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>76,768</u>	<u>76,768</u>	<u>76,767</u>	<u>(1)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>76,768</u>	<u>76,768</u>	<u>76,767</u>	<u>(1)</u>
Net Changes in Fund Balances	1,208,087	1,208,087	1,327,967	119,880
Fund Balance, July 1, 2012	<u>5,077,558</u>	<u>5,077,558</u>	<u>5,077,558</u>	<u>-</u>
Fund Balance, June 30, 2013	<u>\$ 6,285,645</u>	<u>6,285,645</u>	<u>6,405,525</u>	<u>119,880</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMBINING STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2013

	Agency Funds				Total
	Johnson City School Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	
ASSETS					
Cash on Hand and in Bank	\$ -	-	5,290,556	1,000	5,291,556
Equity in Pooled Cash and Deposits	-	-	-	168,488	168,488
Accounts Receivable	-	-	23,555	53,199	76,754
Taxes Receivable	11,231,612	-	-	-	11,231,612
Allowance for Uncollectibles	(11,885)	-	-	-	(11,885)
Sales Tax Receivable	1,954,213	3,669,947	-	-	5,624,160
TOTAL ASSETS	\$ 13,173,940	3,669,947	5,314,111	222,687	22,380,685
LIABILITIES					
Due to Other Governments	\$ 13,173,940	3,669,947	-	214,959	17,058,846
Due to State	-	-	698,010	-	698,010
Due to Litigants, Heirs and Others	-	-	4,616,101	7,728	4,623,829
TOTAL LIABILITES	\$ 13,173,940	3,669,947	5,314,111	222,687	22,380,685

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Johnson City School Fund				
ASSETS				
Taxes Receivable	\$ 9,879,509	1,352,103	-	11,231,612
Allowance for Uncollectibles	(10,716)	-	1,169	(11,885)
Sales Tax Receivable	1,881,464	72,749	-	1,954,213
TOTAL ASSETS	\$ 11,750,257	1,424,852	1,169	13,173,940
LIABILITIES				
Due to Other Governments	\$ 11,750,257	1,423,683	-	13,173,940
TOTAL LIABILITES	\$ 11,750,257	1,423,683	0	13,173,940
Cities Sales Tax Fund				
ASSETS				
Equity in Pooled Cash and Deposits	\$ -	22,337,120	22,337,120	-
Sales Tax Receivable	3,634,604	35,343	-	3,669,947
TOTAL ASSETS	\$ 3,634,604	22,372,463	22,337,120	3,669,947
LIABILITIES				
Due to Other Governments	\$ 3,634,604	35,343	-	3,669,947
TOTAL LIABILITES	\$ 3,634,604	35,343	0	3,669,947
Constitutional Officers				
ASSETS				
Cash on Hand and in Bank	\$ 5,276,487	21,829,064	21,814,995	5,290,556
Accounts Receivable	22,167	1,388	-	23,555
TOTAL ASSETS	\$ 5,298,654	21,830,452	21,814,995	5,314,111
LIABILITIES				
Due to State	\$ 768,179	-	70,169	698,010
Due to Litigants, Heirs and Others	4,530,475	85,626	-	4,616,101
TOTAL LIABILITES	\$ 5,298,654	85,626	70,169	5,314,111

(Continued)

WASHINGTON COUNTY, TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Judicial Drug Task Force				
ASSETS				
Cash on Hand and in Bank	\$ -	1,000	-	1,000
Equity in Pooled Cash and Deposits	164,965	240,504	236,981	168,488
Accounts Receivable	12,713	40,486	-	53,199
TOTAL ASSETS	\$ 177,678	281,990	236,981	222,687
LIABILITIES				
Due to Other Governments	\$ 174,555	40,404	-	214,959
Due to Litigants, Heirs and Others	3,123	4,605	-	7,728
TOTAL LIABILITES	\$ 177,678	45,009	0	222,687
Totals - All Agency Funds				
ASSETS				
Cash on Hand and in Bank	\$ 5,276,487	21,830,064	21,814,995	5,291,556
Equity in Pooled Cash and Deposits	164,965	22,577,624	22,574,101	168,488
Accounts Receivable	34,880	41,874	-	76,754
Taxes Receivable	9,879,509	1,352,103	-	11,231,612
Allowance for Uncollectibles	(10,716)	-	1,169	(11,885)
Sales Tax Receivable	5,516,068	108,092	-	5,624,160
TOTAL ASSETS	\$ 20,861,193	45,909,757	44,390,265	22,380,685
LIABILITIES				
Due to Other Governments	\$ 15,559,416	1,499,430	-	17,058,846
Due to State	768,179	-	70,169	698,010
Due to Litigants, Heirs and Others	4,533,598	90,231	-	4,623,829
TOTAL LIABILITES	\$ 20,861,193	1,589,661	70,169	22,380,685

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2013**

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
COMPONENT UNIT					
GOVERNMENTAL ACTIVITIES					
Regular Instruction	\$ 39,210,188	-	3,037,097	11,153	(36,161,938)
Special Education	5,837,746	-	1,811,970	-	(4,025,776)
Vocational Education	2,262,947	-	121,285	-	(2,141,662)
Adult Education	4,873	6,645	-	-	1,772
Attendance	125,301	-	-	-	(125,301)
Health Services	865,921	-	-	-	(865,921)
Other Student Support	1,280,546	-	-	-	(1,280,546)
Board of Education	702,913	-	-	-	(702,913)
Office of the Director	568,465	-	-	-	(568,465)
Office of the Principal	3,428,275	-	-	-	(3,428,275)
Fiscal Services	202,600	-	-	-	(202,600)
Operation of Plant	4,414,100	137,980	-	-	(4,276,120)
Maintenance of Plant	1,839,725	-	-	-	(1,839,725)
Transportation	3,126,344	-	-	92,074	(3,034,270)
Central and Other	132,716	-	-	-	(132,716)
Food Service	4,090,943	1,147,811	2,408,210	-	(534,922)
Community Service	434,427	574,392	-	-	139,965
Early Childhood Development	227,175	-	-	-	(227,175)
Depreciation - All Unallocated	4,476,763	-	-	-	(4,476,763)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 73,231,968	1,866,828	7,378,562	103,227	(63,883,351)
GENERAL REVENUES					
Taxes					
Property Taxes				\$ 11,915,764	
In Lieu of Taxes				210,374	
Sales Taxes				13,508,692	
Business Taxes				385,181	
Miscellaneous				24,726	
Other Local Governments				149,653	
State Aid				32,099,110	
Loss on Sale and Disposal of Assets				(21,724)	
Unrestricted Investment Earnings				27,640	
TOTAL GENERAL REVENUES				58,299,416	
CHANGE IN NET POSITION					
					(5,583,935)
Net Position - Beginning					97,829,706
Net Position - Ending					\$ 92,245,771

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2013**

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
ASSETS				
Equity in Pooled Cash and Deposits	\$ 2,242,559	-	239,146	2,481,705
Inventory - Food Service	-	-	158,696	158,696
Accounts Receivable				
Due from State of Tennessee	61,077	-	-	61,077
Due from Federal Government	38,911	278,802	75,103	392,816
Due from Other Funds	268,107	-	-	268,107
Sales Tax Receivable	2,269,194	-	-	2,269,194
Taxes Receivable	13,044,048	-	-	13,044,048
Allowance for Uncollectibles	(13,801)	-	-	(13,801)
TOTAL ASSETS	\$ 17,910,095	278,802	472,945	18,661,842
LIABILITIES				
Accounts Payable	\$ 787,702	703	-	788,405
Accrued Expenses	-	-	1,362	1,362
Due to Other Funds	-	268,107	-	268,107
TOTAL LIABILITIES	787,702	268,810	1,362	1,057,874
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues - Current Property Tax	12,353,991	-	-	12,353,991
Deferred Revenues - Unavailable	676,256	-	-	676,256
TOTAL DEFERRED INFLOWS OF RESOURCES	13,030,247	0	0	13,030,247
FUND BALANCE				
Non Spendable	-	-	158,696	158,696
Restricted				
Restricted for Education	220,083	9,992	312,887	542,962
Assigned				
Assigned for Education	30,465	-	-	30,465
Unassigned	3,841,598	-	-	3,841,598
TOTAL FUND BALANCE	4,092,146	9,992	471,583	4,573,721
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,910,095	278,802	472,945	18,661,842

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 POSITION
June 30, 2013**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 4,573,721

Amounts reported for governmental activities of the Washington County Board of Education in the statement of net position 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 \$142,318,653 and the accumulated depreciation is \$52,145,492. 90,173,162

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. 676,256

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. (3,177,368)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 92,245,771

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, 2013**

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
REVENUES				
Taxes	\$ 26,004,301	-	-	26,004,301
Licenses and Permits	1,721	-	-	1,721
Fines, Forfeitures and Penalties	137,870	-	-	137,870
Charges for Current Services	581,037	-	1,147,811	1,728,848
Other Local Revenues	212,995	-	-	212,995
Other Local - Investment Income	27,640	-	-	27,640
Revenue from the Primary Government	92,074	-	-	92,074
Revenue from State of Tennessee	32,788,662	-	38,786	32,827,448
Revenue from Federal Government	212,708	4,093,951	2,369,424	6,676,083
TOTAL REVENUES	60,059,008	4,093,951	3,556,021	67,708,980
EXPENDITURES				
Regular Instruction	36,628,626	2,134,162	-	38,762,788
Special Education	4,394,008	1,415,960	-	5,809,968
Vocational Education	2,153,128	89,669	-	2,242,797
Adult Education	4,873	-	-	4,873
Attendance	124,104	-	-	124,104
Health Services	852,628	-	-	852,628
Other Student Support	1,201,890	68,343	-	1,270,233
Board of Education	698,001	-	-	698,001
Office of the Director	564,413	-	-	564,413
Office of the Principal	3,399,311	-	-	3,399,311
Fiscal Services	200,961	-	-	200,961
Operation of Plant	4,402,743	-	-	4,402,743
Maintenance of Plant	1,825,453	-	-	1,825,453
Transportation	2,744,766	380,375	-	3,125,141
Central and Other	131,151	-	-	131,151
Food Service	308,298	-	3,759,901	4,068,199
Community Service	433,460	-	-	433,460
Early Childhood Education	225,002	-	-	225,002
Capital Outlay	1,191,055	-	-	1,191,055
TOTAL EXPENDITURES	61,483,871	4,088,509	3,759,901	69,332,281
Excess (Deficiency) of Revenues Over Expenditures	(1,424,863)	5,442	(203,880)	(1,623,301)
Fund Balance, July 1, 2012	5,517,009	4,550	675,463	6,197,022
Fund Balance, June 30, 2013	<u>\$ 4,092,146</u>	<u>9,992</u>	<u>471,583</u>	<u>4,573,721</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,623,301)
<p>Amounts reported for governmental activities of the Washington County Board of Education in the statement of activities are different because:</p>	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$4,476,763 exceeds capital outlay of \$1,191,055.	(3,285,708)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and contribution from the primary government) is to decrease net position.	(75,525)
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. Unavailable tax revenues increased by this amount for the current year.	36,984
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.	(618,500)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences expended for the current year were more than the amount earned.	<u>(17,885)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (5,583,935)</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 GENERAL PURPOSE SCHOOL FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 26,900,022	26,958,592	26,004,301	(954,291)
Licenses and Permits	1,600	1,600	1,721	121
Fines, Forfeitures and Penalties	95,000	142,000	137,870	(4,130)
Charges for Current Services	517,303	575,645	581,037	5,392
Other Local Revenues	101,458	236,739	240,635	3,896
Primary Government	-	22,406	92,074	69,668
State of Tennessee	32,472,227	32,515,901	32,788,662	272,761
Federal Government	195,432	190,301	212,708	22,407
TOTAL REVENUES	60,283,042	60,643,184	60,059,008	(584,176)
EXPENDITURES				
Regular Instruction	36,987,700	37,017,885	36,528,544	489,341
Special Education	4,484,865	4,479,860	4,394,780	85,080
Vocational Education	2,170,349	2,165,979	2,152,142	13,837
Adult Education	4,743	4,898	4,873	25
Attendance	122,974	124,474	124,104	370
Health Services	860,135	869,235	852,128	17,107
Other Student Services	1,202,315	1,203,315	1,201,587	1,728
Board of Education	1,250,227	1,239,282	697,727	541,555
Office of the Director	576,267	576,267	564,413	11,854
Office of the Principal	3,475,258	3,470,105	3,392,332	77,773
Fiscal Services	202,185	202,185	200,961	1,224
Operation of Plant	4,498,444	4,510,344	4,379,261	131,083
Maintenance of Plant	1,882,333	1,871,333	1,811,488	59,845
Transportation	2,803,941	2,753,512	2,744,766	8,746
Central and Other	135,786	135,786	131,151	4,635
Food Service	308,449	308,449	308,298	151
Community Service	512,560	519,000	432,595	86,405
Early Childhood Education	251,910	251,910	219,580	32,330
Capital Outlay	-	1,169,665	1,160,055	9,610
TOTAL EXPENDITURES	61,730,441	62,873,484	61,300,785	1,572,699
Excess (Deficiency) of Revenues Over Expenditures	(1,447,399)	(2,230,300)	(1,241,777)	988,523
Fund Balance, July 1, 2012	5,303,458	5,303,458	5,303,458	-
Fund Balance, June 30, 2013	\$ 3,856,059	3,073,158	4,061,681	988,523

(Continued)

**WASHINGTON COUNTY, TENNESSEE
 COMPONENT UNIT - BOARD OF EDUCATION
 GENERAL PURPOSE SCHOOL FUND
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2013**

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2012	
TOTAL REVENUES	\$ 60,059,008	-	-	60,059,008
EXPENDITURES				
Regular Instruction	36,528,544	29,199	129,281	36,628,626
Special Education	4,394,780	772	-	4,394,008
Vocational Education	2,152,142	-	986	2,153,128
Adult Education	4,873	-	-	4,873
Attendance	124,104	-	-	124,104
Health Services	852,128	-	500	852,628
Other Student Services	1,201,587	-	303	1,201,890
Board of Education	697,727	-	274	698,001
Office of the Director	564,413	-	-	564,413
Office of the Principal	3,392,332	-	6,979	3,399,311
Fiscal Services	200,961	-	-	200,961
Operation of Plant	4,379,261	-	23,482	4,402,743
Maintenance of Plant	1,811,488	-	13,965	1,825,453
Transportation	2,744,766	-	-	2,744,766
Central and Other	131,151	-	-	131,151
Food Service	308,298	-	-	308,298
Community Service	432,595	-	865	433,460
Early Childhood Education	219,580	494	5,916	225,002
Capital Outlay	1,160,055	-	31,000	1,191,055
TOTAL EXPENDITURES	61,300,785	30,465	213,551	61,483,871
Excess of Revenues Over (Under) Expenditures	(1,241,777)	30,465	(213,551)	(1,424,863)
Fund Balance, July 1, 2012	5,303,458	-	213,551	5,517,009
Fund Balance, June 30, 2013	\$ 4,061,681	30,465	0	4,092,146

(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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Revenue From Federal Government	\$ 4,341,668	5,314,543	4,093,951	(1,220,592)
TOTAL REVENUES	4,341,668	5,314,543	4,093,951	(1,220,592)
EXPENDITURES				
Regular Instruction	2,107,776	2,764,450	2,133,308	631,142
Special Education	1,681,308	1,820,121	1,416,214	403,907
Vocational Education	82,248	95,711	95,711	-
Other Student Support	40,953	199,240	68,343	130,897
Transportation	429,383	435,021	380,375	54,646
TOTAL EXPENDITURES	4,341,668	5,314,543	4,093,951	1,220,592
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance, July 1, 2012	-	-	-	-
Fund Balance, June 30, 2013	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(Continued)

WASHINGTON COUNTY, TENNESSEE
COMPONENT UNIT - BOARD OF EDUCATION
SCHOOL FEDERAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2013

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2012	
TOTAL REVENUES	\$ 4,093,951	-	-	4,093,951
EXPENDITURES				
Regular Instruction	2,133,308	-	854	2,134,162
Special Education	1,416,214	273	19	1,415,960
Vocational Education	95,711	9,719	3,677	89,669
Other Student Support	68,343	-	-	68,343
Transportation	380,375	-	-	380,375
TOTAL EXPENDITURES	4,093,951	9,992	4,550	4,088,509
Excess (Deficiency) of Revenues Over Expenditures	-	(9,992)	(4,550)	5,442
Fund Balance, July 1, 2012	-	-	4,550	4,550
Fund Balance, June 30, 2013	\$ 0	(9,992)	0	9,992

(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 FOOD SERVICE
 BUDGETARY COMPARISON SCHEDULE
 For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for Current Services	\$ 1,646,979	1,646,979	1,147,811	(499,168)
State of Tennessee	-	-	38,786	38,786
USDA Lunch	1,826,000	1,826,000	1,652,711	(173,289)
USDA Breakfast	577,800	577,800	525,583	(52,217)
Other USDA	-	-	191,130	191,130
TOTAL REVENUES	4,050,779	4,050,779	3,556,021	(494,758)
EXPENDITURES				
Supplies and Materials	148,200	138,200	276,862	(138,662)
Food Purchases	1,729,530	1,696,780	1,635,297	61,483
Salaries and Payroll Expenses	1,637,004	1,637,004	1,781,480	(144,476)
Utilities	5,700	5,700	5,605	95
Other Contracted Services	279,390	282,140	50,413	231,727
Miscellaneous Expenses and Repairs	167,955	169,955	10,244	159,711
Equipment	83,000	121,000	-	121,000
TOTAL EXPENDITURES	4,050,779	4,050,779	3,759,901	290,878
Excess (Deficiency) of Revenues Over Expenditures	-	-	(203,880)	(203,880)
Fund Balance, July 1, 2012	675,463	675,463	675,463	-
Fund Balance, June 30, 2013	<u>\$ 675,463</u>	<u>675,463</u>	<u>471,583</u>	<u>(203,880)</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
 For the Fiscal Year Ended June 30, 2013

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2012	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2013	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	\$ 180,000	-	90,000	90,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES - PAYABLE THROUGH DEBT SERVICE FUND							\$ 180,000	0	90,000	90,000	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE
For the Fiscal Year Ended June 30, 2013

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2012	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2013	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	\$ 9,985,000	-	1,100,000	8,885,000	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	-	150,000	4,125,000	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	20,085,000	-	230,000	19,855,000	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	5,995,000	-	840,000	5,155,000	Ad Valorem
School Refunding (2011)	Section 9-21-901 to 9-21-909, T.C.A.	2,870,000	1.70%-4.00%	6/27/2011	4/1/2023	2,870,000	-	-	2,870,000	Ad Valorem
School Bus Bonds (2012)	Section 9-21-901 to 9-21-909, T.C.A.	1,760,000	2.00%	11/9/2012	4/1/2020	-	1,760,000	-	1,760,000	Ad Valorem
TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE						<u>\$ 148,885,000</u>	<u>1,760,000</u>	<u>2,320,000</u>	<u>148,325,000</u>	

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS BY YEAR
For the Fiscal Year Ended June 30, 2013

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 90,000	2,053	92,053

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 2,645,000	6,800,592	9,445,592
2015	3,890,000	6,698,792	10,588,792
2016	4,450,000	6,541,257	10,991,257
2017	4,635,000	6,341,197	10,976,197
2018	4,825,000	6,130,990	10,955,990
2019	5,025,000	5,918,330	10,943,330
2020	5,245,000	5,686,480	10,931,480
2021	5,155,000	5,486,947	10,641,947
2022	5,380,000	5,239,680	10,619,680
2023	5,655,000	4,980,588	10,635,588
2024	5,245,000	4,704,388	9,949,388
2025	5,505,000	4,442,138	9,947,138
2026	5,780,000	4,166,887	9,946,887
2027	6,070,000	3,877,887	9,947,887
2028	6,380,000	3,574,388	9,954,388
2029	6,680,000	3,271,338	9,951,338
2030	7,000,000	2,954,038	9,954,038
2031	7,330,000	2,621,538	9,951,538
2032	7,680,000	2,273,363	9,953,363
2033	8,015,000	1,937,363	9,952,363
2034	8,365,000	1,586,706	9,951,706
2035	8,730,000	1,220,737	9,950,737
2036	9,115,000	838,800	9,953,800
2037	9,525,000	428,625	9,953,625
Total	\$ 148,325,000	97,723,049	246,048,049

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF TRANSFERS - ALL FUNDS
 For the Fiscal Year Ended June 30, 2013

From Fund	To Fund	Purpose	Amount
OPERATING TRANSFERS			
Constitutional Officers - Fees Fund	General	Excess fees and commissions	\$ 5,208,280
General	Capital Projects		25,000
Highway	Solid Waste		21,650
Highway	Debt Service	Quarry payment	76,767
Capital Projects	General		<u>30,879</u>
TOTAL OPERATING TRANSFERS			<u>\$ 5,362,576</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS
For the Fiscal Year Ended June 30, 2013

	<u>Authorization for Salary</u>	<u>Salary Paid During Period</u>	<u>Special Commissioner Fees</u>	<u>Bond</u>	<u>Surety</u>
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 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	-	50,000	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.	75,048 7,505	- -	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 -	- 20,505	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.	90,809 9,081	- -	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, 2013

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	\$ 18,322,214	5,248,934	-	9,319,318	32,890,466	11,115,579	44,006,045
Taxes Prior Years							
Trustee	817,584	216,891	-	374,179	1,408,654	434,984	1,843,638
Clerk and Master	294,234	78,367	-	135,131	507,732	156,999	664,731
Interest and Penalty	257,911	69,020	-	119,403	446,334	138,982	585,316
Pick-Up Taxes	54,030	15,328	-	27,114	96,472	32,236	128,708
Tax Equivalent							
Federal	2,005	575	-	1,020	3,600	2,264	5,864
Local	324,340	113,986	-	164,970	603,296	196,767	800,063
Other	4,092	-	-	2,081	6,173	11,343	17,516
Excise Tax	26,204	7,507	-	13,328	47,039	15,897	62,936
Local Option Sales Tax	16,795	-	-	-	16,795	13,508,692	13,525,487
Interstate Telecommunications	5,034	-	-	-	5,034	5,377	10,411
Litigation Tax	480,450	-	-	255,305	735,755	-	735,755
Business Tax	511,068	180,404	-	320,076	1,011,548	385,181	1,396,729
Beer Tax	328,152	-	-	-	328,152	-	328,152
Other Statutory Local Tax	147,528	-	-	-	147,528	-	147,528
TOTAL TAXES	21,591,641	5,931,012	0	10,731,925	38,254,578	26,004,301	64,258,879
LICENSES AND PERMITS							
Marriage Licenses	2,799	10,212	-	1,450	14,461	1,721	16,182
Cable TV Franchise	406,597	-	-	-	406,597	-	406,597
Building Permits	100,774	-	-	-	100,774	-	100,774
Handgun Permits	30,285	-	-	-	30,285	-	30,285
TOTAL LICENSES AND PERMITS	540,455	10,212	0	1,450	552,117	1,721	553,838

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

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	11,234	58,769	-	-	70,003	137,870	207,873
Criminal Court	118,692	-	-	-	118,692	-	118,692
General Sessions Court	794,058	18,472	-	-	812,530	-	812,530
Chancery Court	7,078	-	-	-	7,078	-	7,078
Other Courts	41,077	-	-	-	41,077	-	41,077
TOTAL FINES, FORFEITURES AND PENALTIES	972,139	77,241	0	0	1,049,380	137,870	1,187,250
CHARGES FOR CURRENT SERVICES							
Breakfast and Lunch Payments	-	-	-	-	-	1,018,122	1,018,122
A la Carte Sales	-	-	-	-	-	129,689	129,689
Tuition and Fees	-	-	-	-	-	581,037	581,037
Other Employee Benefits	15,951	-	-	-	15,951	-	15,951
Other Charges	586,521	283,892	-	-	870,413	-	870,413
Work Release	41,211	-	-	-	41,211	-	41,211
TOTAL CHARGES FOR CURRENT SERVICES	643,683	283,892	0	0	927,575	1,728,848	2,656,423
OTHER LOCAL REVENUES							
Investment Income	29,544	8,598	211	14,771	53,124	27,640	80,764
Sale of Property	442	257,867	-	-	258,309	-	258,309
Refunds	127,655	-	-	-	127,655	-	127,655
Damages from Individuals	-	-	-	-	-	2,559	2,559
Employee Benefit Charges	-	15,968	-	-	15,968	-	15,968
Rentals	1,125	-	-	-	1,125	2,621	3,746
Contributions	3,961	-	-	-	3,961	9,600	13,561
Fingerprinting Services	1,300	7,000	-	-	8,300	-	8,300
Proceeds-Confiscated Property	-	92,452	-	-	92,452	-	92,452

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

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)							
Forfeitures and Seizures	-	11,391	-	-	11,391	-	11,391
Other Local Revenue	72,537	1,687	-	-	74,224	462	74,686
Commissary Sales	32,410	-	-	-	32,410	-	32,410
Insurance Recovery	-	8,862	-	-	8,862	132,799	141,661
Sale of Equipment	15,085	-	-	-	15,085	64,954	80,039
Lease	-	138,864	-	-	138,864	-	138,864
Special Commissioner Fees	-	20,793	-	-	20,793	-	20,793
TOTAL OTHER LOCAL REVENUES	284,059	563,482	211	14,771	862,523	240,635	1,103,158
STATE OF TENNESSEE							
Income Tax	266,717	-	-	-	266,717	-	266,717
Alcoholic Beverage	145,508	-	-	-	145,508	-	145,508
Mixed Drink	6,541	-	-	-	6,541	3,451	9,992
Litter Grant	43,165	-	-	-	43,165	-	43,165
Contracted Prisoner Board	1,716,194	-	-	-	1,716,194	-	1,716,194
Basic Education Program	-	-	-	-	-	30,443,866	30,443,866
Gasoline and Motor Fuel	-	2,222,783	-	-	2,222,783	-	2,222,783
Gasoline Inspection Fee	-	88,735	-	-	88,735	-	88,735
Mineral Severance Tax	-	15,251	-	-	15,251	-	15,251
Health Department Programs	945,088	-	-	-	945,088	-	945,088
Driver Education	-	-	-	-	-	39,513	39,513
Law Enforcement Training	47,400	-	-	-	47,400	-	47,400
Career Ladder/Extended Contract	-	-	-	-	-	347,295	347,295
Other Health and Welfare	14,675	-	-	-	14,675	-	14,675
Juvenile Services	19,000	-	-	-	19,000	-	19,000

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

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 TENNESSEE (CONTINUED)							
Board of Jurors	1,802	-	-	-	1,802	-	1,802
Tires/Solid Waste Grant	-	99,051	-	-	99,051	-	99,051
Early Childhood Education	-	-	-	-	-	157,184	157,184
TVA Replacement	-	-	-	-	-	1,150,766	1,150,766
Archives Grant	4,000	-	-	-	4,000	-	4,000
Other State Revenues	215,597	-	35,000	-	250,597	685,373	935,970
TOTAL STATE OF TENNESSEE	3,425,687	2,425,820	35,000	0	5,886,507	32,827,448	38,713,955
FEDERAL GOVERNMENT							
School Lunch Funds	-	-	-	-	-	1,652,711	1,652,711
School Breakfast Funds	-	-	-	-	-	525,583	525,583
USDA Commodities	-	-	-	-	-	191,130	191,130
R.O.T.C.	-	-	-	-	-	149,920	149,920
Title I Funds	-	-	-	-	-	1,463,885	1,463,885
Title II - A Funds	-	-	-	-	-	319,103	319,103
Title III Funds	-	-	-	-	-	7,844	7,844
Carl Perkins	-	-	-	-	-	1,010	1,010
Preschool and IDEA	-	-	-	-	-	1,782,582	1,782,582
Education Handicapped Act - IDEA	-	-	-	-	-	40,381	40,381
Race to the Top	-	-	-	-	-	395,649	395,649
Program Improvement	-	-	-	-	-	121,285	121,285
State Discretionary	-	-	-	-	-	25,000	25,000
Prisoner Board	19,151	-	-	-	19,151	-	19,151

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

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	116,720	-	-	-	116,720	-	116,720
Federal Incentive	16,400	-	-	-	16,400	-	16,400
Appalachian Regional Commission	-	70,000	-	-	70,000	-	70,000
Community Development Block Grant	20,396	-	-	-	20,396	-	20,396
2001 Home Grant - THDA	140,115	-	-	-	140,115	-	140,115
NRCS Stream Remediation Grant	681,428	-	-	-	681,428	-	681,428
JAG Grant	16,965	-	-	-	16,965	-	16,965
Other Federal Revenues	120,317	-	-	-	120,317	-	120,317
TOTAL FEDERAL GOVERNMENT	1,131,492	70,000	0	0	1,201,492	6,676,083	7,877,575
OTHER GOVERNMENTS AND CITIZEN GROUPS							
District Attorney - Johnson City	11,782	-	-	-	11,782	-	11,782
Reappraisal Program - Johnson City	97,946	-	-	-	97,946	-	97,946
Donations from the Town of Jonesborough	12,000	-	-	-	12,000	-	12,000
Reimbursement - Local Governments	1,324,418	-	-	-	1,324,418	-	1,324,418
Contribution from Washington County	-	-	-	-	-	92,074	92,074
TOTAL OTHER GOVERNMENTS AND CITIZENS GROUPS	1,446,146	0	0	0	1,446,146	92,074	1,538,220
EXCESS FEES AND COMMISSIONS							
Commissions	-	2,360,408	-	-	2,360,408	-	2,360,408
Fees	-	2,859,670	-	-	2,859,670	-	2,859,670
TOTAL EXCESS FEES AND COMMISSIONS	0	5,220,078	0	0	5,220,078	0	5,220,078
TOTAL REVENUES	\$ 30,035,302	14,581,737	35,211	10,748,146	55,400,396	67,708,980	123,109,376

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2013

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney General	Constitutional Officers	Total Special Revenue Funds
TAXES						
Current Property Taxes	\$ 4,154,356	1,094,578	-	-	-	5,248,934
Taxes Prior Years						
Trustee	171,641	45,250	-	-	-	216,891
Clerk and Master	62,025	16,342	-	-	-	78,367
Interest and Penalty	54,617	14,403	-	-	-	69,020
Pick-Up Taxes	12,132	3,196	-	-	-	15,328
Tax Equivalent						
Federal	455	120	-	-	-	575
Local and Other	94,365	19,621	-	-	-	113,986
Excise Tax	5,942	1,565	-	-	-	7,507
Business Tax	142,784	37,620	-	-	-	180,404
TOTAL TAXES	4,698,317	1,232,695	0	0	0	5,931,012
LICENSES AND PERMITS						
Marriage Licenses	650	9,562	-	-	-	10,212
TOTAL LICENSES AND PERMITS	650	9,562	0	0	0	10,212
FINES, FORFEITURES AND PENALTIES						
Circuit Court	-	-	9,300	49,469	-	58,769
General Sessions Court	-	-	18,472	-	-	18,472
TOTAL FINES, FORFEITURES AND PENALTIES	0	0	27,772	49,469	0	77,241
CHARGES FOR CURRENT SERVICES						
Other Charges	163,720	120,172	-	-	-	283,892
TOTAL CHARGES FOR CURRENT SERVICES	163,720	120,172	0	0	0	283,892
OTHER LOCAL REVENUES						
Investment Income	6,777	1,388	104	-	329	8,598
Sale of Property	48,797	209,070	-	-	-	257,867
Fingerprinting Services	-	-	7,000	-	-	7,000
Proceeds-Confiscated Property	-	-	92,452	-	-	92,452
Forfeitures and Seizures	-	-	11,391	-	-	11,391
Other Local Revenue	-	500	1,187	-	-	1,687
Employee Benefit Charges	15,968	-	-	-	-	15,968
Insurance Recovery	8,862	-	-	-	-	8,862
Lease	138,864	-	-	-	-	138,864
Special Commissioner Fees	-	-	-	-	20,793	20,793
TOTAL OTHER LOCAL REVENUES	219,268	210,958	112,134	0	21,122	563,482

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2013

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	2,222,783	-	-	-	-	2,222,783
Gasoline Inspection Fee	88,735	-	-	-	-	88,735
Mineral Severance Tax	15,251	-	-	-	-	15,251
Tires/Solid Waste Grant	-	99,051	-	-	-	99,051
TOTAL STATE OF TENNESSEE	<u>2,326,769</u>	<u>99,051</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,425,820</u>
FEDERAL GOVERNMENT						
Appalachian Regional Commission	-	70,000	-	-	-	70,000
TOTAL FEDERAL GOVERNMENT	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,000</u>
EXCESS FEES AND COMMISSIONS						
Commissions	-	-	-	-	2,360,408	2,360,408
Fees	-	-	-	-	2,859,670	2,859,670
TOTAL EXCESS FEES AND COMMISSIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,220,078</u>	<u>5,220,078</u>
TOTAL REVENUES	<u>\$ 7,408,724</u>	<u>1,742,438</u>	<u>139,906</u>	<u>49,469</u>	<u>5,241,200</u>	<u>14,581,737</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

Source	Special Revenue Funds			Total Component Unit
	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
TAXES				
Current Property Taxes	\$ 11,115,579	-	-	11,115,579
Property Taxes Prior Years				
Trustee	434,984	-	-	434,984
Clerk and Master	156,999	-	-	156,999
Interest and Penalty	138,982	-	-	138,982
Pick-Up Taxes	32,236	-	-	32,236
Tax Equivalent				
Federal	2,264	-	-	2,264
Local	196,767	-	-	196,767
Other	11,343	-	-	11,343
Excise Tax	15,897	-	-	15,897
Local Option Sales Tax	13,508,692	-	-	13,508,692
Interstate Telecommunications	5,377	-	-	5,377
Business Tax	385,181	-	-	385,181
TOTAL TAXES	<u>26,004,301</u>	<u>0</u>	<u>0</u>	<u>26,004,301</u>
LICENSES AND PERMITS				
Marriage Licenses	1,721	-	-	1,721
TOTAL LICENSES AND PERMITS	<u>1,721</u>	<u>0</u>	<u>0</u>	<u>1,721</u>
FINES, FORFEITURES AND PENALTIES				
Court Fines	137,870	-	-	137,870
TOTAL FINES, FORFEITURES AND PENALTIES	<u>137,870</u>	<u>0</u>	<u>0</u>	<u>137,870</u>
CHARGES FOR CURRENT SERVICES				
Breakfast and Lunch Payments	-	-	1,018,122	1,018,122
A la Carte Sales	-	-	129,689	129,689
Tuition and Fees	581,037	-	-	581,037
TOTAL CHARGES FOR CURRENT SERVICES	<u>581,037</u>	<u>0</u>	<u>1,147,811</u>	<u>1,728,848</u>
OTHER LOCAL REVENUES				
Investment Income	27,640	-	-	27,640
Damages from Individuals	2,559	-	-	2,559
Rentals	2,621	-	-	2,621
Insurance Recovery	132,799	-	-	132,799
Sale of Equipment	64,954	-	-	64,954
Contribution	9,600	-	-	9,600
Other Local Revenue	462	-	-	462
TOTAL OTHER LOCAL REVENUES	<u>240,635</u>	<u>0</u>	<u>0</u>	<u>240,635</u>
WASHINGTON COUNTY				
Capital Contribution	92,074	-	-	92,074
TOTAL WASHINGTON COUNTY	<u>92,074</u>	<u>0</u>	<u>0</u>	<u>92,074</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED REVENUES
DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

Source	Special Revenue Funds Washington County Board of Education			Total Component Unit
	General Purpose	School Federal Projects	School Food Service Fund	
	School Fund	Fund	Fund	
STATE OF TENNESSEE				
Basic Education Program	30,443,866	-	-	30,443,866
Early Childhood Education	157,184	-	-	157,184
Driver Education	39,513	-	-	39,513
Mixed Drink	3,451	-	-	3,451
TVA Replacement	1,150,766	-	-	1,150,766
Career Ladder	256,695	-	-	256,695
Extended Contract	90,600	-	-	90,600
Other Federal Through State	83,742	-	-	83,742
Other State Revenues	562,845	-	38,786	601,631
TOTAL STATE OF TENNESSEE	32,788,662	0	38,786	32,827,448
FEDERAL GOVERNMENT				
School Lunch Funds	-	-	1,652,711	1,652,711
School Breakfast Funds	-	-	525,583	525,583
USDA Commodities	-	-	191,130	191,130
R.O.T.C.	149,920	-	-	149,920
Title I Funds	8,504	1,455,381	-	1,463,885
Title II-A Funds	1,847	317,256	-	319,103
Title III Funds	53	7,791	-	7,844
Carl Perkins	1,010	-	-	1,010
Preschool and IDEA	10,993	1,771,589	-	1,782,582
Education Handicapped Act - IDEA	40,381	-	-	40,381
Race to the Top	-	395,649	-	395,649
Program Improvement	-	121,285	-	121,285
State Discretionary	-	25,000	-	25,000
TOTAL FEDERAL GOVERNMENT	212,708	4,093,951	2,369,424	6,676,083
TOTAL REVENUES	\$ 60,059,008	4,093,951	3,556,021	67,708,980

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, 2013**

COUNTY GENERAL FUND		
COUNTY COMMISSION		
Compensation	\$ 113,525	
Per Diem Allowance	1,200	
Social Security	5,162	
State Retirement	9,003	
Employee and Dependent Insurance	124,325	
Employer Medicare	1,379	
Contracts with Other Public Agencies	12,913	
Dues and Memberships	7,270	
Travel	4,399	
TOTAL COUNTY COMMISSION		279,176
BOARD OF EQUALIZATION		
Fees	4,750	
Social Security	294	
Employer Medicare	69	
TOTAL BOARD OF EQUALIZATION		5,113
COUNTY MAYOR		
Administrative Salaries	152,899	
Social Security	9,311	
State Retirement	21,880	
Employee and Dependent Insurance	22,822	
Employer Medicare	2,177	
Communication	4,172	
Dues and Memberships	2,981	
Freight	450	
Travel	2,950	
Duplicating Supplies	400	
Office Supplies	968	
Other Charges	30	
TOTAL COUNTY MAYOR		221,040
COUNTY ATTORNEY		
Compensation	149,260	
In-Service Training	997	
Social Security	9,161	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

COUNTY ATTORNEY (CONTINUED)

State Retirement	16,719	
Employee and Dependent Insurance	6,980	
Employer Medicare	2,143	
Communication	3,181	
Data Processing Services	788	
Dues and Memberships	2,219	
Freight	147	
Legal Notices, Recording and Court Costs	17,736	
Maintenance Agreements	450	
Postal Charges	500	
Printing, Stationery and Forms	500	
Travel	5,931	
Data Processing Supplies	5,229	
Office Supplies	1,732	
Periodicals	617	
Other Charges	4,100	
TOTAL COUNTY ATTORNEY	228,390	228,390

ELECTION COMMISSION

Personnel Salaries	345,660
Election Commission	18,000
Election Workers	111,333
In-Service Training	2,405
Social Security	21,083
State Retirement	31,980
Employee and Dependent Insurance	57,981
Employer Medicare	5,044
Communication	8,965
Data Processing Services	19,326
Dues and Memberships	300
Freight Expenses	1,077
Legal Notices	27,135
Maintenance and Repair	17,582
Postal Charges	41,932
Printing, Stationery and Forms	22,940
Rentals	12,532
Travel	7,403
Other Contracted Services	21,975
Data Processing Supplies	5,137
Duplicating Supplies	1,234
Equipment Parts	237
Instruction Supplies	943
Office Supplies	5,505

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)		
ELECTION COMMISSION (CONTINUED)		
Periodicals	54	
Other Supplies and Materials	240	
Other Charges	<u>910</u>	
TOTAL ELECTION COMMISSION		788,913
REGISTER OF DEEDS		
Personnel Salaries	302,335	
Social Security	18,060	
State Retirement	41,158	
Employee and Dependent Insurance	57,557	
Employer Medicare	4,224	
Communication	4,493	
Dues and Memberships	734	
Freight	744	
Maintenance and Repair	23,900	
Postal Charges	1,782	
Rentals	1,420	
Travel	243	
Duplicating Supplies	737	
Office Supplies	8,032	
Periodicals	49	
Surety Bond	280	
Other Charges	<u>139</u>	
TOTAL REGISTER OF DEEDS		465,887
PLANNING AND ZONING		
Board and Committee Members Fees	6,600	
Social Security	409	
Employer Medicare	96	
Contracts with Government Agencies	<u>13,500</u>	
TOTAL PLANNING AND ZONING		20,605
CODES COMPLIANCE		
Salaries and Wages	276,069	
In-Service Training	3,043	
Social Security	16,485	
State Retirement	36,894	
Employee and Dependent Insurance	64,865	
Employer Medicare	3,856	
Communication	10,245	
Data Processing Services	3,400	
Dues and Memberships	525	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

CODES COMPLIANCE (CONTINUED)

Freight	749
Legal Notices	1,850
Maintenance Agreements	4,217
Maintenance and Repair	2,630
Postal Charges	2,000
Rentals	13,852
Travel	257
Data Processing Supplies	17,000
Duplicating Supplies	1,500
Gasoline	4,357
Office Supplies	12,914
Periodicals	3,740
Uniforms	1,799
Other Supplies and Materials	1,916
Other Charges	300
Motor Vehicles	25,019

TOTAL CODES COMPLIANCE	509,482
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COUNTY BUILDING

Maintenance and Repair Services - Buildings	5,237
Electricity	7,299
Water and Sewer	574
Other Charges	350
Other Capital Outlay	25,441

TOTAL COUNTY BUILDING	38,901
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OTHER GENERAL ADMINISTRATION

Personnel	93,290
In-Service Training	400
Social Security	5,400
State Retirement	13,350
Employee and Dependent Insurance	38,662
Employer Medicare	1,263
Professional Services	15,000
Bank Charges	133,000
Communication	9,326
Consultants	22,500
Contracts with Public Agencies	23,166
Data Processing Services	387
Freight Expense	214
Legal Fees	82,467
Legal Notices	6,399
Maintenance Agreements	35,491
Maintenance and Repair	19,619

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

OTHER GENERAL ADMINISTRATION (CONTINUED)

Medical and Dental Services	123
Pest Control	2,125
Printing	4,000
Rentals	13,574
Travel	887
Remittance of Revenue Collected	8,448
Other Contracted Services	800
Custodial Supplies	19,755
Utilities	228,193
Other Supplies and Materials	7,034
Building and Contents Insurance	530,046
Liability Insurance	48,696
Trustee's Commission	474,506
Workman's Compensation Insurance	201,959
Tax Relief Program	248,754
Other Charges	26,446

TOTAL OTHER GENERAL ADMINISTRATION		2,315,280
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PRESERVATION OF RECORDS

Salaries	51,072
Social Security	3,055
State Retirement	7,308
Employee and Dependent Insurance	14,618
Employer Medicare	715
Architects	7,000
Communications	534
Freight	6,478
Travel	3,435
Office Supplies	681
Other Supplies and Materials	4,262
Other Charges	340
Building Improvements	77,381
Furniture and Fixtures	58,076

TOTAL PRESERVATION OF RECORDS		234,955
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ACCOUNTING AND BUDGETING

Salaries	181,831
Social Security	10,964
State Retirement	26,020
Employee and Dependent Insurance	23,668
Employer Medicare	2,564
Communications	4,755
Freight	126

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING (CONTINUED)

Maintenance Agreements	8,798	
Maintenance and Repairs	167	
Postal Charges	4,966	
Travel	75	
Data Processing Supplies	9,251	
Duplicating Supplies	741	
Office Supplies	910	
Premiums on Corporate Surety Bonds	343	
TOTAL ACCOUNTING AND BUDGETING		275,179

PURCHASING

Administrative Salaries	120,002	
Social Security	7,255	
State Retirement	17,173	
Employee and Dependent Insurance	14,870	
Employer Medicare	1,697	
Communications	2,109	
Legal Notices	2,860	
Maintenance Agreements	9,014	
Postal Charges	350	
Data Processing Supplies	3,855	
Duplicating Supplies	45	
Office Supplies	1,107	
Surety Bonds	100	
TOTAL PURCHASING		180,437

PROPERTY ASSESSOR

Salaries	276,710	
Social Security	16,228	
State Retirement	39,597	
Employee and Dependent Insurance	63,671	
Employer Medicare	3,795	
Communications	6,088	
Data Processing Services	31,827	
Dues and Memberships	3,601	
Freight	52	
Legal Notices	131	
Maintenance and Repair	4,622	
Postal Charges	2,000	
Rentals	881	
Travel	1,381	
Data Processing Supplies	767	
Duplicating Supplies	140	
Gasoline	3,128	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Office Supplies	2,383	
Publications and Books	226	
Surety Bonds	569	
Other Charges	396	
TOTAL PROPERTY ASSESSOR		458,193

REAPPRAISAL PROGRAM

Salaries	195,236	
Social Security	10,748	
State Retirement	25,791	
Employee and Dependent Insurance	58,856	
Employer Medicare	2,700	
Audit Service - Property	45,000	
Communication	2,666	
Data Processing Services	11,341	
Freight	70	
Maintenance and Repair	715	
Postal Charges	5,000	
Data Processing Supplies	4,676	
Duplicating Supplies	1,646	
Gasoline	3,275	
Office Supplies	6,417	
TOTAL REAPPRAISAL PROGRAM		374,137

COUNTY TRUSTEE

Salaries	260,063
Social Security	14,441
State Retirement	34,951
Employee and Dependent Insurance	35,103
Employer Medicare	3,607
Communication	6,598
Data Processing Services	1,032
Dues and Memberships	749
Freight	47
Legal Notices	2,044
Maintenance and Repair	9,739

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

COUNTY TRUSTEE (CONTINUED)

Postal Charges	24,530	
Rentals	25,796	
Travel	524	
Other Contracted Services	5,856	
Data Processing Supplies	649	
Duplicating Supplies	472	
Utilities	2,066	
Office Supplies	7,094	
Premiums on Corporate Surety Bonds	712	
Other Charges	583	
TOTAL COUNTY TRUSTEE	436,656	436,656

COUNTY CLERK

Salaries	524,032	
Social Security	31,269	
State Retirement	74,123	
Employee and Dependent Insurance	127,009	
Employer Medicare	7,333	
Communications	9,111	
Dues and Memberships	774	
Freight	87	
Maintenance and Repair	21,504	
Postal Charges	32,000	
Rentals	27,300	
Travel	1,106	
Other Contracted Services	5,856	
Duplicating Supplies	1,971	
Utilities	2,066	
Office Supplies	9,039	
Premium on Corporate Surety Bonds	855	
Other Charges	612	
TOTAL COUNTY CLERK	876,047	876,047

CIRCUIT COURT

Salaries	1,110,141
Overtime	5,855
Social Security	66,312
State Retirement	139,592
Employee and Dependent Insurance	284,430
Employer Medicare	15,508

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

Communication	14,656	
Dues and Memberships	694	
Freight	216	
Maintenance and Repair	44,141	
Postal Charges	20,000	
Printing, Stationery and Forms	4,313	
Rentals	6,036	
Travel	749	
Data Processing Supplies	12,911	
Duplicating Supplies	5,958	
Office Supplies	25,330	
Periodicals	400	
Premiums on Corporate Surety Bonds	1,820	
Other Charges	278	
	<hr/>	
TOTAL CIRCUIT COURT		1,759,340

GENERAL SESSIONS JUDGE

Salaries	388,953	
Social Security	18,555	
State Retirement	54,661	
Employer and Dependent Insurance	26,152	
Employer Medicare	5,565	
Communication	1,159	
Dues and Memberships	2,914	
Freight	72	
Travel	6,691	
Duplicating Supplies	96	
Office Supplies	1,243	
Periodicals	281	
Other Charges	1,034	
	<hr/>	
TOTAL GENERAL SESSIONS JUDGE		507,376

DRUG COURT

Remittance of Revenue	16,155	
	<hr/>	
TOTAL DRUG COURT		16,155

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

CHANCERY COURT

Salaries	436,321
Social Security	26,116
State Retirement	62,438
Employee and Dependent Insurance	98,399
Employer Medicare	6,107
Communication	6,257
Dues and Memberships	694
Freight	398
Maintenance and Repair	14,115
Postal Charges	2,200
Rentals	3,399
Travel	2,381
Data Processing Services	942
Duplicating Supplies	1,594
Office Supplies	11,908
Periodicals	1,135
Other Charges	242

TOTAL CHANCERY COURT 674,646

DISTRICT ATTORNEY GENERAL

Other Contracted Services	80,000
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TOTAL DISTRICT ATTORNEY GENERAL 80,000

JUDICIAL COURT

Other Salaries	27,282
Jury and Witness Fees	31,045
Other Per Diem and Fees	6,236
Social Security	1,577
Employee and Dependent Insurance	10,545
Employer Medicare	369
Evaluation	6,550
Legal Notices	85,791
Printing and Stationery	398
Office Supplies	150

TOTAL JUDICIAL COURT 169,943

COURTROOM SECURITY

Salaries	388,051
Social Security	23,155
Employer Medicare	5,415
Employee and Dependent Insurance	113,328
State Retirement	49,265

TOTAL COURTROOM SECURITY 579,214

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

SHERIFF'S DEPARTMENT

Salaries	3,675,698	
State Salary Supplement	47,400	
Employee Training	26,165	
Social Security	220,497	
State Retirement	526,575	
Employee and Dependent Insurance	918,942	
Employer Medicare	51,567	
Communication	51,508	
Dues and Memberships	4,814	
Freight	2,945	
Licenses	775	
Maintenance and Repair	61,762	
Medical and Dental Service	500	
Postal Charges	4,640	
Printing, Stationery and Forms	5,115	
Rentals	40,572	
Travel	17,675	
Veterinary Services	1,211	
Other Contracted Services	90,492	
Animal Food and Supplies	1,110	
Data Processing Supplies	28,706	
Duplicating Supplies	1,334	
Garage Supplies	7,387	
Gasoline	321,418	
Instructional Supplies and Materials	1,310	
Law Enforcement Supplies	52,478	
Lubricants	7,703	
Office Supplies	4,976	
Periodicals	3,815	
Tires and Tubes	29,197	
Uniforms	65,181	
Vehicle Parts	32,985	
Other Supplies and Materials	4,135	
Other Charges	5,784	
Motor Vehicles	236,214	
TOTAL SHERIFF'S DEPARTMENT	6,552,586	

JAIL

Salaries	3,290,870
In-Service Training	1,040
Social Security	195,209
Employer Medicare	45,653

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

JAIL (CONTINUED)

State Retirement	414,566	
Employee and Dependent Insurance	781,456	
Communication	48,862	
Contracts with Private Agencies	1,073,783	
Dues and Memberships	300	
Freight	6,550	
Maintenance and Repair	256,716	
Medical and Dental Services	8,900	
Pest Control	5,500	
Postal Charges	300	
Printing, Stationery and Forms	1,965	
Rentals	9,489	
Transportation - Prisoners	4,221	
Travel	9,307	
Disposal Fees	9,037	
Other Contracted Services	1,890	
Custodial Supplies	73,364	
Data Processing Supplies	33,019	
Diesel Fuel	861	
Food Preparation Supplies	15,706	
Duplicating Supplies	4,903	
Utilities	478,034	
Food Supplies	543,778	
Uniforms	40,772	
Law Enforcement Supplies	6,229	
Office Supplies	13,425	
Prisoners Clothing	26,447	
Chemicals	200	
Other Supplies and Materials	77,316	
Other Charges	2,387	
Building Improvement	5,840	
TOTAL JAIL	7,487,895	

JUVENILE SERVICES

Salaries	184,283
Social Security	11,154
Employer Medicare	2,609
State Retirement	26,371
Employee and Dependent Insurance	38,286
Communication	6,001
Contracts with Government Agencies	4,500
Contracts with Public Agencies	185,038

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)		
JUVENILE SERVICES (CONTINUED)		
Dues and Memberships	1,138	
Freight	49	
Rentals	624	
Travel	4,170	
Duplicating Supplies	494	
Gasoline	448	
Office Supplies	7,829	
Postal Charges	1,500	
Maintenance and Repairs	1,230	
Other Supplies and Materials	68	
TOTAL JUVENILE SERVICES	475,792	475,792
WORK RELEASE PROGRAM		
Board and Committee Member Fees	9,060	
Social Security	341	
Employer Medicare	404	
Employee and Dependent Insurance	3,461	
State Retirement	127	
TOTAL WORK RELEASE PROGRAM	13,393	13,393
FEDERAL ASSET FORFEITURE		
Freight	21	
Law Enforcement Supplies	19,496	
TOTAL FEDERAL ASSET FORFEITURE	19,517	19,517
OTHER PUBLIC SAFETY		
Salaries	2,431	
Social Security	148	
State Retirement	347	
Employer Medicare	35	
Travel	228	
Contributions	645,233	
TOTAL OTHER PUBLIC SAFETY	648,422	648,422
PUBLIC SAFETY - LAW ENFORCEMENT		
Travel	229	
TOTAL PUBLIC SAFETY - LAW ENFORCEMENT	229	229
FIRE PROTECTION AND CONTROL		
Contributions	815,000	
Other Charges	7,366	
TOTAL FIRE PROTECTION AND CONTROL	822,366	822,366

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)

CIVIL DEFENSE		
Matching Grant	109,058	
TOTAL CIVIL DEFENSE		109,058
HAZARDOUS MATERIALS		
Communication	1,388	
Freight	78	
Liability Insurance	373	
Other Charges	6,788	
TOTAL HAZARDOUS MATERIALS		8,627
RESCUE SQUAD		
Contributions	84,300	
TOTAL RESCUE SQUAD		84,300
OTHER EMERGENCY MANAGEMENT		
Freight Expense	588	
Contributions to Other Governments	63,413	
Other Supplies and Materials	34,233	
Other Capital Outlay	28,641	
TOTAL OTHER EMERGENCY MANAGEMENT		126,875
COUNTY CORONER		
Contracts with Private Agencies	30,000	
Other Charges	132,708	
TOTAL COUNTY CORONER		162,708
SCHOOL RESOURCE OFFICER GRANT		
Communication	7,630	
Freight Expenses	165	
Motor Vehicles	32,098	
TOTAL SCHOOL RESOURCE OFFICER GRANT		39,893
COUNTY HEALTH CENTER		
Salaries	440,423	
Social Security	26,205	
State Retirement	58,741	
Employee and Dependent Insurance	123,695	
Employee Medicare	6,122	
Communication	25,948	
Contract with Governmental Agencies	17,097	
Freight	1,342	
Maintenance and Repair	25,360	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)		
COUNTY HEALTH CENTER (CONTINUED)		
Pest Control	432	
Postal Charges	3,000	
Printing, Stationery and Forms	190	
Rentals	8,295	
Travel	1,941	
Other Contracted Services	35,750	
Custodial Supplies	12,355	
Drugs and Medical Supplies	78,418	
Utilities	63,487	
Office Supplies	7,856	
Periodicals	140	
Other Supplies and Materials	9,509	
Building and Contents Insurance	9,532	
Other Charges	23,582	
Other Capital Outlay	<u>6,800</u>	
TOTAL COUNTY HEALTH CENTER		986,220
LOCAL HEALTH CENTER STATE GRANT		
Salaries	652,201	
Social Security	39,008	
State Retirement	61,323	
Employee Insurance	150,723	
Medicare	9,123	
Travel	10,930	
Liability Insurance	8,230	
Other Charges	<u>50</u>	
TOTAL LOCAL HEALTH CENTER STATE GRANT		931,588
RABIES AND ANIMAL CONTROL		
Contributions	<u>158,000</u>	
TOTAL RABIES AND ANIMAL CONTROL		158,000
AMBULANCE SERVICE		
Contributions	<u>1,435,272</u>	
TOTAL AMBULANCE SERVICE		1,435,272

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)		
ALCOHOL AND DRUG PROGRAM		
Investigators	2,500	
Social Security	155	
State Retirement	358	
Employer Medicare	<u>36</u>	
TOTAL ALCOHOL AND DRUG PROGRAM		3,049
PUBLIC WELFARE		
Contributions	51,000	
Pauper Burials	<u>25,155</u>	
TOTAL PUBLIC WELFARE		76,155
AID TO DEPENDENT CHILDREN		
Contributions	<u>13,500</u>	
TOTAL AID TO DEPENDENT CHILDREN		13,500
SANITATION EDUCATION		
Personnel Salaries	29,631	
Social Security	1,737	
Employee Medicare	406	
Freight	229	
Employee and Dependent Insurance	4,654	
State Retirement	4,240	
Maintenance and Repair	1,721	
Other Contracted Services	15,200	
Vehicle Parts	745	
Other Supplies and Materials	<u>8,233</u>	
TOTAL SANITATION EDUCATION		66,796
SENIOR CITIZEN'S ASSISTANCE		
Contributions	<u>120,977</u>	
TOTAL SENIOR CITIZEN'S ASSISTANCE		120,977
LIBRARIES		
Salaries	313,782	
Social Security	18,834	
State Retirement	34,694	
Employee and Dependent Insurance	49,037	
Employer Medicare	4,405	
Communication	12,540	
Contracts with Private Agencies	11,528	
Freight	321	
Maintenance and Repairs	4,495	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

COUNTY GENERAL FUND (CONTINUED)

LIBRARIES (CONTINUED)

Pest Control	480
Postal Charges	1,070
Rentals	3,019
Travel	381
Custodial Supplies	2,547
Data Processing Supplies	67,458
Utilities	18,429
Instructional Supplies and Materials	838
Office Supplies	8,910
Periodicals	2,233
Other Supplies and Materials	6,635
Other Charges	1,360
Building and Contents Insurance	1,491
Workman's Compensation Insurance	228
Library Books	<u>35,611</u>

TOTAL LIBRARIES 600,326

SOCIAL, CULTURAL AND RECREATIONAL

Contributions - Museum	<u>21,000</u>
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TOTAL SOCIAL, CULTURAL AND RECREATIONAL 21,000

AGRICULTURE EXTENSION SERVICE

Salaries	192,610
Social Security	11,942
State Retirement	28,063
Employee and Dependent Insurance	5,879
Life Insurance	173
Unemployment Compensation	366
Employer Medicare	2,793
Communication	5,210
Dues and Memberships	240
Freight	151
Maintenance and Repair	2,278
Pest Control	540
Rentals	4,014
Travel	7,191
Custodial Supplies	422
Utilities	4,452
Office Supplies	976
Other Supplies and Materials	5,480
Liability Insurance	406

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

COUNTY GENERAL FUND (CONTINUED)		
AGRICULTURE EXTENSION SERVICE (CONTINUED)		
Workman's Compensation Insurance	202	
Other Charges	<u>2,108</u>	
TOTAL AGRICULTURE EXTENSION SERVICE		275,496
FOREST SERVICE		
Forest Resource Services	<u>1,500</u>	
TOTAL FOREST SERVICE		1,500
SOIL CONSERVATION		
Secretary	23,078	
Other Salary and Wages	23,656	
Social Security	2,791	
Employer Medicare	653	
Employee and Dependent Insurance	12,838	
State Retirement	5,023	
Contributions	<u>15,065</u>	
TOTAL SOIL CONSERVATION		83,104
STORM WATER MANAGEMENT		
Consultants	36,000	
Licenses	3,460	
Other Contracted Services	20,914	
Office Supplies	<u>3,040</u>	
TOTAL STORM WATER MANAGEMENT		63,414
AGRICULTURE AND NATURAL RESOURCES		
Salaries	7,841	
Social Security	486	
Employer Medicare	114	
Freight	15	
Repairs and Maintenance	36	
Travel	32	
Utilities	1,099	
Custodial Supplies	69	
Other Supplies and Materials	1,095	
Other Charges	<u>1,004</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		11,791
TOURISM		
Contributions	<u>6,971</u>	
TOTAL TOURISM		6,971

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COUNTY GENERAL FUND (CONTINUED)		
INDUSTRIAL DEVELOPMENT		
Contributions	146,206	
TOTAL INDUSTRIAL DEVELOPMENT		146,206
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions	25,000	
Contracts with Government Agencies	266,882	
Other Charges	5,750	
Other Capital Outlay	2,269	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		299,901
TRANSPORTATION - AIRPORT		
Contributions	15,464	
TOTAL TRANSPORTATION - AIRPORT		15,464
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	53,757	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		53,757
EMPLOYEE BENEFITS		
Dental and Vision Insurance	103	
Life Insurance	22,379	
Unemployment	12,529	
TOTAL EMPLOYEE BENEFITS		35,011
DIASASTER RELIEF - DRY CREEK FLOOD		
HUD - Other Contracted Services	140,115	
Stream Remediation - Other Contracted Services	908,600	
DIASASTER RELIEF - DRY CREEK FLOOD		1,048,715
DISASTER RELIEF		
Travel	24	
Remittance of Revenues Collected	794	
TOTAL DISASTER RELIEF		818
NETWORK COORDINATOR GRANT		
Travel	635	
TOTAL NETWORK COORDINATOR GRANT		635

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

COUNTY GENERAL FUND (CONTINUED)

OTHER LIBRARIES

Contributions	100,000	
Library Books	<u>27,500</u>	
TOTAL OTHER LIBRARIES		127,500

LEPC CONFERENCE GRANT

Postal Charges	500	
Food Supplies	<u>1,772</u>	
TOTAL LEPC CONFERENCE GRANT		2,272

SAFE TEEN DRIVING SKILLS

Data Processing Supplies	<u>1,500</u>	
TOTAL SAFE TEEN DRIVING SKILLS		1,500

JAG LAW ENFORCEMENT SUPPLIES

Data Processing Supplies	<u>6,723</u>	
TOTAL JAG LAW ENFORCEMENT SUPPLIES		6,723

TOTAL COUNTY GENERAL FUND		<u>\$ 34,640,387</u>
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(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

SPECIAL REVENUE FUNDS

HIGHWAY FUND

ADMINISTRATION

Salaries	\$ 271,650	
Employee Benefits	94,559	
Communication	8,373	
Dues and Memberships	4,100	
Freight	44	
Licenses	293	
Maintenance and Repair	7,251	
Other Contracted Services	5,934	
Postal Charges	184	
Travel	3,815	
Office Supplies	5,325	
Other Supplies	1,745	
Liability Insurance	34,536	
Utilities	6,964	
Premiums on Corporate Surety Bonds	1,244	
Workman's Compensation	100,773	
Other Charges	<u>5,579</u>	
TOTAL ADMINISTRATION		552,369

TRAFFIC CONTROL

Salaries	64,999	
Employee Benefits	38,014	
Freight	691	
Road Signs	43,700	
Small Tools	491	
Chemicals	2,432	
Other Supplies and Materials	1,902	
Other Charges	<u>373</u>	
TOTAL TRAFFIC CONTROL		152,602

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,181,136	
Employee Benefits	557,810	
Communication	3,046	
Freight	293	
Maintenance and Repair	365	
Rentals	1,057	
Other Contracted Services	33,638	
Engineering Services	1,080	
Disposal Fees	(183)	
Concrete and Crushed Stone	60,561	
Diesel Fuel	101,098	
Gasoline	114,051	
Utilities	9,519	
Equipment Parts	1,091	
Fertilizer, Lime and Seed	1,323	
General Construction Material	827	
Ice	275	
Metal Pipe	17,046	
Salt	21,862	
Small Tools	670	
Other Supplies and Materials	50,159	
Other Charges	16,063	
	2,172,787	2,172,787

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	301,520
Employee Benefits	108,296
Communication	2,395
Freight	8,153
Maintenance and Repair	41,139
Rentals	5,152
Tow-In Services	550
Other Contracted Services	1,068
Electricity	6,453
Equipment Parts	235,282
Garage Supplies	14,789

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Lubricants	22,447
Office Supplies	93
Propane Gas	12,081
Small Tools	3,995
Tires and Tubes	46,009
Vehicle Parts	2,061
Other Supplies and Materials	37,747
Other Charges	41

TOTAL OPERATION AND MAINTENANCE

OF EQUIPMENT	849,271
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ASPHALT PLANT OPERATIONS

Salaries	799,004
Employee Benefits	416,312
Overtime	726
Communication	1,124
Freight	15,053
Maintenance and Repair - Equipment	165
Other Contracted Services	875
Asphalt	864,075
Crushed Stone	196,742
Diesel Fuel	132,179
Electricity	28,749
Equipment and Machinery Parts	7,895
Fuel Oil	116,446
Lubricants	4,839
Natural Gas	981
Sand	34,686
Water and Sewer	1,285
Other Supplies and Materials	5,443

TOTAL ASPHALT PLANT OPERATIONS

2,626,579

OTHER CHARGES

Trustee's Commission	116,733
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TOTAL OTHER CHARGES

116,733

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	19,326	
Life Insurance	3,178	
Dental and Vision Insurance	(283)	
Unemployment Compensation	(400)	
TOTAL EMPLOYEE BENEFITS	21,821	21,821

CAPITAL OUTLAY

Bridge Construction	60,000	
Motor Vehicles	455,835	
Other Equipment	264,040	
TOTAL CAPITAL OUTLAY	779,875	779,875

TOTAL HIGHWAY FUND

7,272,037

SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Salaries	418,869	
Employee Benefits	76,502	
Employee and Dependent Insurance	100,152	
Life Insurance	3,386	
Disposal Fees	381,052	
Trustee Commission	24,998	
Communication	5,046	
Freight	403	
Maintenance and Repair	58,058	
Rentals	7,758	
Travel	513	
Gasoline	9,684	
Lubricants	1,610	
Tires	15,188	
Diesel Fuel	88,933	
Utilities	10,005	
Supplies and Materials	31,203	
Building and Contents Insurance	124	
Judgments	645	
Postal Charges	400	
Dues and Memberships	100	
Workman's Compensation Insurance	16,886	
Other Charges	3,209	
Other Contracted Services	1,127	
Liability Insurance	4,127	
Solid Waste Equipment	113,300	
TOTAL SANITATION OPERATIONS	1,373,278	1,373,278

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

SOLID WASTE / SANITATION FUND (CONTINUED)

TIRE CENTER OPERATIONS

Salaries	77,438	
Employee Benefits	5,749	
Retirement	8,509	
Employee and Dependent Insurance	13,290	
Life Insurance	73	
Communication	2,683	
Permits	172	
Travel	462	
Other Contracted Services	360	
Utilities	1,259	
Supplies and Materials	1,797	
Postal Charges	400	
Worker's Compensation Insurance	2,776	
Contracts with Private Agency	<u>119,117</u>	
TOTAL TIRE CENTER OPERATIONS		234,085

TOTAL SOLID WASTE / SANITATION FUND

1,607,363

DRUG FINES FUND

Training	8,500	
Contributions	1,000	
Freight	1,771	
Repairs and Maintenance	5,796	
Uniforms	2,764	
Supplies	90,757	
Equipment	19,625	
Trustee's Commission	1,289	
Motor Vehicles	74,475	
Vehicle Parts	8,310	
Other Charges	<u>14,181</u>	
TOTAL DRUG FINES FUND		228,468

CONSTITUTIONAL OFFICERS - FEES FUNDS

Special Commissioner Fees	20,793	
Bank Charges	12,063	
Postage	<u>64</u>	

TOTAL CONSTITUTIONAL OFFICERS - FEES FUNDS

32,920

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

SPECIAL REVENUE FUNDS (CONTINUED)

DISTRICT ATTORNEY GENERAL FUND

Salaries	7,811
Training	150
Employee Benefits	598
Dues and Memberships	5,095
Office Supplies	1,019
Rentals	74
Postal Charges	47
Trustee's Commission	485
Travel	3,103

TOTAL DISTRICT ATTORNEY GENERAL FUND

18,382

TOTAL SPECIAL REVENUE FUNDS

\$ 9,159,170

CAPITAL PROJECTS FUND

General Government - Building	\$ 69,277
General Government - Other Capital Outlay	82,666
General Government - Other Charges	1,799
Education - Building	11,154
Education - Architect	19,964
Education - Transportation	92,074
Education - Debt Issuance Costs	38,689
Public Safety - Other Capital Outlay	15,982
Public Health and Welfare - Building	34,474

TOTAL CAPITAL PROJECTS FUND

\$ 366,079

DEBT SERVICE FUND

Bond Principal	\$ 2,320,000
Note Principal	90,000
Interest on Bonds	6,864,887
Interest on Notes	4,112
Trustee's Commission	208,642
Fees	9,305

TOTAL DEBT SERVICE FUND

\$ 9,496,946

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

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

CLASSROOM

Teachers	\$ 20,318,556	
Career Ladder Program	153,275	
Career Ladder Extended Contract	43,000	
Homebound Teachers	18,635	
Educational Assistants	1,080,864	
Substitute Teachers	137,202	
Non-Certified Substitute Teachers	294,959	
Social Security	1,300,569	
State Retirement	1,983,823	
Life Insurance	14,500	
Medical Insurance	4,848,694	
Unemployment Compensation	44,622	
Employer Medicare	305,563	
Other Fringe Benefits	70,440	
Maintenance and Repair	211,295	
Other Contracted Services	2,997,097	
Instructional Supplies and Materials	199,913	
Textbooks	91,292	
Other Supplies and Materials	176,203	
Other Charges	395,980	
TOTAL CLASSROOM	34,686,482	

ADMINISTRATION

Supervisors	225,045	
Career Ladder Program	10,000	
Career Ladder Extended Contract	14,000	
Librarians	722,944	
Instructional Computer Personnel	110,007	
Secretary and Clerical	136,155	
Other Salaries and Wages	100,188	
Social Security	73,741	
State Retirement	129,538	
Life Insurance	826	
Medical Insurance	154,521	
Employer Medicare	18,209	
Other Fringe Benefits	374	
Maintenance and Repair	19,818	
Travel	44,123	
Library Books	95,082	
In-Service Workshops	10,086	
Other Supplies and Materials	77,487	
TOTAL ADMINISTRATION	1,942,144	

TOTAL REGULAR INSTRUCTION

36,628,626

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

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

SPECIAL EDUCATION

CLASSROOM

Teachers	2,152,880	
Career Ladder Program	18,000	
Homebound Teachers	19,994	
Educational Assistants	221,087	
Speech Pathologist	172,218	
Other Salaries and Wages	128,869	
Substitute Teachers	10,000	
Non-Certified Substitute Teachers	40,000	
Social Security	159,763	
State Retirement	249,583	
Life Insurance	1,734	
Medical Insurance	413,195	
Employer Medicare	37,363	
Other Fringe Benefits	1,076	
Other Contracted Services	845	
Instructional Supplies and Materials	18,842	
Other Charges	1,498	
TOTAL CLASSROOM	3,646,947	3,646,947

ADMINISTRATION

Supervisor/Director	81,311	
Career Ladder Program	3,000	
Psychological Personnel	47,617	
Career Ladder Extended Contract	2,000	
Assessment Personnel	207,581	
Secretary	26,146	
Speech Pathologist	173,033	
Other Salaries and Wages	28,370	
Social Security	34,291	
State Retirement	53,493	
Life Insurance	303	
Medical Insurance	31,758	
Employer Medicare	8,020	
Other Fringe Benefits	170	
Other Contracted Services	28,919	
Travel	15,236	
In-Service / Staff Development	4,189	
Other Supplies and Materials	1,624	
TOTAL ADMINISTRATION	747,061	747,061

TOTAL SPECIAL EDUCATION

4,394,008

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

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

VOCATIONAL EDUCATION

CLASSROOM

Teachers	1,409,605	
Career Ladder Program	4,630	
Educational Assistants	17,399	
Substitute Teachers	5,000	
Non-Certified Substitute Teachers	20,000	
Social Security	83,875	
State Retirement	127,972	
Life Insurance	870	
Medical Insurance	236,455	
Employer Medicare	19,616	
Other Fringe Benefits	503	
Instructional Supplies and Materials	<u>93,277</u>	
TOTAL CLASSROOM		2,019,202

ADMINISTRATION

Supervisor and Director	40,656	
Career Ladder Program	3,000	
Career Ladder Extended Contract	4,000	
Secretary	26,374	
Social Security	4,195	
State Retirement	8,006	
Life Insurance	44	
Medical Insurance	9,000	
Employer Medicare	981	
Other Fringe Benefits	17	
Maintenance and Repair	9,466	
Travel	26,016	
Other Supplies and Materials	<u>2,171</u>	
TOTAL ADMINISTRATION		<u>133,926</u>

TOTAL VOCATIONAL EDUCATION

2,153,128

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION		
Teacher	2,178	
Social Security	53	
State Retirement	105	
Employer Medicare	12	
Instructional Supplies and Materials	2,525	
	<hr/>	
TOTAL ADULT EDUCATION		4,873
ATTENDANCE		
Supervisor and Director	64,510	
Career Ladder Program	1,000	
Secretary and Clerical	23,302	
Social Security	5,205	
State Retirement	9,152	
Life Insurance	44	
Medical Insurance	13,000	
Employer Medicare	1,217	
Other Fringe Benefits	17	
Travel	5,670	
Other Supplies and Materials	987	
	<hr/>	
TOTAL ATTENDANCE		124,104
HEALTH SERVICES		
Medical Personnel	188,892	
Other Salaries and Wages	276,004	
Social Security	26,285	
State Retirement	65,888	
Life Insurance	362	
Medical Insurance	144,367	
Employer Medicare	6,147	
Other Fringe Benefits	81	
Travel	7,006	
Other Contracted Services	106,753	
Other Supplies and Materials	20,864	
Other Charges	9,979	
	<hr/>	
TOTAL HEALTH SERVICES		852,628

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SERVICES		
Career Ladder Program	3,000	
Guidance Personnel	822,843	
Social Security	49,729	
State Retirement	72,485	
Life Insurance	486	
Medical Insurance	112,000	
Employer Medicare	11,431	
Other Fringe Benefits	292	
Contracts with Other Public Agencies	90,000	
Evaluation and Testing	37,903	
Other Supplies and Materials	1,721	
TOTAL OTHER STUDENT SERVICES	1,201,890	1,201,890
BOARD OF EDUCATION		
Board and Committee Fees	27,015	
Social Security	1,675	
State Retirement	2,114	
Medical Insurance	53,350	
Employer Medicare	392	
Audit Services	44,000	
Dues and Memberships	17,124	
Legal Services	23,956	
Travel	22,184	
Other Contracted Services	3,900	
Premiums on Corporate Surety Bonds	350	
Trustee Commission	487,223	
Workman's Compensation	1,019	
Other Charges	13,699	
TOTAL BOARD OF EDUCATION	698,001	698,001
OFFICE OF THE DIRECTOR		
Director of Schools	116,615	
Career Ladder Program	1,000	
Secretary and Clerical	140,931	
Other Salaries and Wages	32,032	
Social Security	16,889	
State Retirement	39,817	
Life Insurance	157	
Medical Insurance	44,000	
Employer Medicare	4,031	
Other Fringe Benefits	17	
Communications	72,901	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OFFICE OF THE DIRECTOR (CONTINUED)		
Postal Charges	13,997	
Travel	8,356	
Other Contracted Services	68,756	
Office Supplies	4,914	
TOTAL OFFICE OF THE DIRECTOR		564,413
OFFICE OF THE PRINCIPAL		
Principals	902,836	
Career Ladder	25,000	
Career Ladder Extended Contract	10,000	
Assistant Principals	846,010	
Secretary and Clerical	602,585	
Other Salaries and Wages	94,897	
Social Security	146,009	
State Retirement	257,889	
Life Insurance	1,302	
Medical Insurance	324,578	
Employer Medicare	34,148	
Other Fringe Benefits	493	
Communications	18,200	
Travel	2,965	
Other Supplies and Materials	75,729	
Other Charges	56,670	
TOTAL OFFICE OF THE PRINCIPAL		3,399,311
FISCAL SERVICES		
Supervisor/Director	70,522	
Clerical Personnel	69,389	
Social Security	8,185	
State Retirement	20,021	
Life Insurance	60	
Medical Insurance	17,800	
Employer Medicare	1,914	
Travel	794	
Other Contracted Services	11,298	
Other Supplies and Materials	978	
TOTAL FISCAL SERVICES		200,961
OPERATION OF PLANT		
Custodial Personnel	630,567	
Other Salaries and Wages	146,448	
Social Security	45,794	

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OPERATION OF PLANT (CONTINUED)		
State Retirement	104,793	
Life Insurance	695	
Medical Insurance	123,333	
Employer Medicare	10,709	
Other Contracted Services	102,868	
Custodial Supplies	108,144	
Janitorial Services	631,565	
Disposal Fees	119,644	
Electricity	2,031,602	
Natural Gas	68,445	
Water and Sewer	213,715	
Other Supplies and Materials	54,566	
Other Charges	9,855	
TOTAL OPERATION OF PLANT		4,402,743
MAINTENANCE OF PLANT		
Supervisor and Director	62,652	
Maintenance Personnel	886,834	
Social Security	55,463	
State Retirement	129,912	
Life Insurance	481	
Medical Insurance	155,000	
Employer Medicare	12,971	
Communication	2,512	
Maintenance and Repair	56,825	
Other Contracted Services	455	
Other Supplies and Materials	451,401	
Other Charges	10,947	
TOTAL MAINTENANCE OF PLANT		1,825,453
TRANSPORTATION		
Supervisor and Director	49,130	
Mechanics	191,198	
Bus Drivers	936,253	
Social Security	70,157	
State Retirement	166,620	
Life Insurance	1,517	
Medical Insurance	338,068	
Employer Medicare	16,407	
Communication	551	

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	4,615	
Gasoline	171,518	
Diesel	507,891	
Garage Supplies	27,464	
Tires and Tubes	109,410	
Vehicle Parts	139,158	
Other Supplies and Materials	5,381	
Other Charges	9,428	
TOTAL TRANSPORTATION		2,744,766
CENTRAL AND OTHER		
Supervisor/Director	57,418	
Clerical Personnel	20,569	
Other Salaries and Wages	14,097	
Social Security	5,390	
State Retirement	10,059	
Life Insurance	76	
Medical Insurance	16,999	
Employer Medicare	1,261	
Office Supplies	862	
Other Charges	4,420	
TOTAL CENTRAL AND OTHER		131,151
FOOD SERVICE		
Supervisor/Director	49,130	
Social Security	2,815	
State Retirement	7,030	
Life Insurance	1,647	
Medical Insurance	247,000	
Employer Medicare	658	
Other Fringe Benefits	18	
TOTAL FOOD SERVICE		308,298
COMMUNITY SERVICE		
Supervisor	33,412	
Secretaries	26,104	
Other Salaries and Wages	272,531	
Social Security	21,323	

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
COMMUNITY SERVICE (CONTINUED)		
State Retirement	8,229	
Medical Insurance	10,500	
Employer Medicare	4,671	
Travel	2,115	
Food Supplies	27,397	
Other Supplies and Materials	16,778	
Other Charges	10,400	
TOTAL COMMUNITY SERVICE		433,460
EARLY CHILDHOOD EDUCATION		
Teachers	123,183	
Educational Assistants	35,884	
Social Security	9,362	
State Retirement	15,544	
Medical Insurance	23,599	
Employer Medicare	2,189	
Travel	1,309	
Instructional Supplies and Materials	2,953	
Other Supplies and Materials	5,004	
In-Service / Staff Development	57	
Other Charges	5,918	
TOTAL EARLY CHILDHOOD EDUCATION		225,002
CAPITAL OUTLAY		
Transportation Equipment	668,986	
Architects	66,500	
Building Improvements	299,105	
Other Capital Outlay	156,464	
TOTAL CAPITAL OUTLAY		1,191,055
TOTAL GENERAL PURPOSE SCHOOL FUND		<u>\$ 61,483,871</u>
SCHOOL FEDERAL PROJECTS FUND		
REGULAR INSTRUCTION		
CLASSROOM		
Teachers	\$ 681,494	
Educational Assistants	184,200	
Other Salaries and Wages	12,400	
Substitute Teachers	1,440	
Social Security and Medicare	62,207	
State Retirement	84,973	
Medical Insurance	255,650	
Instructional Supplies and Materials	9,707	
Other Supplies and Materials	4,213	
TOTAL CLASSROOM		1,296,284

(Continued)

WASHINGTON COUNTY, TENNESSEE
 SCHEDULE OF DETAILED EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNIT
 For the Fiscal Year Ended June 30, 2013

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)		
REGULAR INSTRUCTION (CONTINUED)		
ADMINISTRATION		
Supervisor / Director	65,670	
Secretary and Clerical	25,896	
Other Salaries and Wages	418,767	
Certified Substitute Teachers	28,830	
Social Security and Medicare	33,746	
Medical Insurance	46,499	
State Retirement	40,715	
Travel	34,353	
In-Service Workshops	13,617	
Other Supplies and Materials	119,381	
Indirect Cost	10,404	
TOTAL ADMINISTRATION	837,878	
TOTAL REGULAR INSTRUCTION		2,134,162
SPECIAL EDUCATION		
CLASSROOM		
Teachers	83,335	
Educational Assistants	689,859	
Speech Pathologist	32,887	
Other Salaries and Wages	7,181	
Social Security and Medicare	54,062	
State Retirement	106,468	
Medical Insurance	282,253	
TOTAL CLASSROOM	1,256,045	
ADMINISTRATION		
Other Salaries and Wages	67,982	
Social Security and Medicare	4,851	
State Retirement	5,631	
Medical Insurance	4,900	
Other Contracted Services	27,667	
In-Service Workshops	12,277	
Other Supplies and Materials	23,415	
Travel	2,200	
Indirect Cost	10,992	
TOTAL ADMINISTRATION	159,915	
TOTAL SPECIAL EDUCATION		1,415,960
VOCATIONAL EDUCATION		
Teachers		34,500
Social Security and Medicare		2,639
State Retirement		3,122

(Continued)

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF DETAILED EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
For the Fiscal Year Ended June 30, 2013**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)		
VOCATIONAL EDUCATION (CONTINUED)		
Medical Insurance	4,659	
Instructional Supplies and Materials	40,615	
Other Charges	3,124	
Indirect Costs	1,010	
TOTAL VOCATIONAL EDUCATION	89,669	89,669
OTHER STUDENT SUPPORT		
Other Salaries and Wages	19,281	
Social Security and Medicare	1,474	
State Retirement	2,759	
Travel	25,574	
Other Supplies and Materials	19,120	
Other Charges	135	
TOTAL OTHER STUDENT SUPPORT	68,343	68,343
TRANSPORTATION		
Bus Drivers	244,666	
Social Security and Medicare	18,020	
State Retirement	35,685	
Medical Insurance	82,004	
TOTAL TRANSPORTATION	380,375	380,375
TOTAL SCHOOL FEDERAL PROJECTS FUND	\$ 4,088,509	
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	\$ 1,781,480	
Food Purchases	1,635,297	
Supplies and Materials	276,862	
Utilities	5,605	
Other Contracted Services	50,413	
Miscellaneous Expenses and Repairs	10,244	
TOTAL SCHOOL FOOD SERVICE FUND	\$ 3,759,901	
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION	\$ 69,332,281	

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2013

	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	\$ 37,084,999	-	-	-	-	-	-	-	37,084,999
Cash on Hand	400	1,100	1,050	1,349	-	200	100	3,695	7,894
Cash in Bank	-	646,982	133,110	27,246	821,061	493,216	269,716	8,006	2,399,337
Investments	4,550,000	-	806,665	39,933	908,186	1,426,509	-	-	7,731,293
Receivables	8,158	-	-	-	-	-	1,585	21,970	31,713
Due from State	7,973,085	-	-	-	-	-	-	-	7,973,085
TOTAL ASSETS	\$ 49,616,642	648,082	940,825	68,528	1,729,247	1,919,925	271,401	33,671	55,228,321
LIABILITIES									
Due to State of Tennessee									
Business and Gross Receipts Tax	\$ -	503	-	-	-	-	-	-	503
Marriage Licenses	-	4,034	-	-	-	-	-	-	4,034
Motor Vehicle Registration	-	190,136	-	-	-	-	-	-	190,136
Sales and Use Tax	-	293,493	-	-	-	-	-	-	293,493
Manufactured Home Installation Permit	-	37	-	-	-	-	-	-	37
Realty Transfer and Mortgage Transfer Tax	-	-	-	-	-	-	204,648	-	204,648
County Officials Retirement Tax	-	-	-	-	-	-	5,159	-	5,159
Due to Litigants, Heirs and Others									
Donor Awareness	-	391	-	-	-	-	-	-	391
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	85	-	-	-	-	-	-	85
Court Funds and Costs	-	-	40,659	4,857	812,635	306,196	-	-	1,164,347
Deposits	-	-	806,665	39,933	908,186	1,426,534	-	-	3,181,318

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2013

	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	-	-	-	-	-	186,835	-	-	186,835
Publications	-	-	-	-	-	360	-	-	360
Cash Bonds	-	-	10,750	25,748	8,500	-	-	-	44,998
Escrow and Refunds	-	-	-	-	-	-	2,996	-	2,996
Drug Program	-	-	-	-	-	-	-	3,595	3,595
Vendors	-	-	-	-	-	-	-	30,076	30,076
Due to Johnson City Schools	1,954,213	-	-	-	-	-	-	-	1,954,213
Due to Sales Tax Fund	3,669,947	-	-	-	-	-	-	-	3,669,947
Due to General Purpose School Fund	2,269,194	-	-	-	-	-	-	-	2,269,194
FUNDS									
General	18,258,393	-	-	-	-	-	-	-	18,258,393
Solid Waste / Sanitation	1,207,509	-	-	-	-	-	-	-	1,207,509
Highway	4,555,184	-	-	-	-	-	-	-	4,555,184
General Purpose School	8,304,598	-	-	-	-	-	-	-	8,304,598
School Federal Projects	152,427	-	-	-	-	-	-	-	152,427
School Food Service	284,235	-	-	-	-	-	-	-	284,235
Debt Service	6,376,222	-	-	-	-	-	-	-	6,376,222
Capital Projects	2,001,508	-	-	-	-	-	-	-	2,001,508
Drug Fines	115,479	-	-	-	-	-	-	-	115,479
District Attorney	117,993	-	-	-	-	-	-	-	117,993
Judicial District Drug	187,149	-	-	-	-	-	-	-	187,149
Commission Account	162,591	158,303	82,751	(2,010)	(74)	-	58,598	-	460,159
TOTAL LIABILITIES	<u>\$ 49,616,642</u>	<u>648,082</u>	<u>940,825</u>	<u>68,528</u>	<u>1,729,247</u>	<u>1,919,925</u>	<u>271,401</u>	<u>33,671</u>	<u>55,228,321</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
 For the Fiscal Year Ended June 30, 2013

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 178,972,280	-	-	-	-	-	-	-	178,972,280
State of Tennessee	-	7,012,960	112,845	793,367	24,835	16,505	2,796,652	-	10,757,164
Litigants, Heirs and Others	-	7,082	370,920	2,282,316	2,725,348	2,184,571	4,895	122,955	7,698,087
County Revenue Clearing Account	-	643,975	75,092	1,266,267	84,860	1,275,450	-	28,169	3,373,813
Fee and Commission Account	1,877,106	1,097,614	77,775	875,990	249,695	383,558	679,462	-	5,241,200
TOTAL RECEIPTS	180,849,386	8,761,631	636,632	5,217,940	3,084,738	3,860,084	3,481,009	151,124	206,042,544
DISBURSEMENTS	179,666,320	8,809,913	1,693,110	4,371,841	2,916,144	3,748,129	3,497,493	151,630	204,854,580
Excess of Receipts Over (Under)									
Disbursements	1,183,066	(48,282)	(1,056,478)	846,099	168,594	111,955	(16,484)	(506)	1,187,964
Transfers from Sessions and Law to Circuit Court	-	-	1,125,435	(875,740)	(249,695)	-	-	-	-
Cash Balance, July 1, 2012	40,452,333	696,364	871,868	98,169	1,810,348	1,807,970	286,300	12,207	46,035,559
Cash Balance, June 30, 2013	\$ 41,635,399	648,082	940,825	68,528	1,729,247	1,919,925	269,816	11,701	47,223,523

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, 2013

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	\$ 9,077	64,710	719,130	450	793,367
County Revenue Clearing Account	27,738	373,042	863,036	2,451	1,266,267
Litigants, Heirs and Others	108,083	1,730,308	406,176	37,749	2,282,316
Fee and Commission Account	16,925	277,951	563,226	17,888	875,990
TOTAL RECEIPTS	161,823	2,446,011	2,551,568	58,538	5,217,940
DISBURSEMENTS	144,996	2,164,483	2,014,662	47,700	4,371,841
Excess of Receipts Over (Under) Disbursements	16,827	281,528	536,906	10,838	846,099
Transfers from Sessions to Circuit Court	(16,925)	(277,951)	(562,993)	(17,871)	(875,740)
Cash Balance, July 1, 2012	403	1,542	49,239	46,985	98,169
Cash Balance, June 30, 2013	\$ 305	5,119	23,152	39,952	68,528

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, 2013**

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 8,326	8,179	16,505
Washington County	480,825	794,625	1,275,450
Litigants, Heirs and Others	846,290	1,338,281	2,184,571
Fee and Commission Account	137,993	245,565	383,558
TOTAL RECEIPTS	1,473,434	2,386,650	3,860,084
DISBURSEMENTS	1,351,100	2,397,029	3,748,129
Excess of Receipts Over (Under)			
Disbursements	122,334	(10,379)	111,955
Transfers from Jonesborough to Johnson City	(125,366)	125,366	-
Balance, July 1, 2012	1,326,109	481,861	1,807,970
Balance, June 30, 2013	\$ 1,323,077	596,848	1,919,925

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, 2013

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
Business and Gross Receipts Tax	\$ 920	5,562	-	-	5,979	503
Marriage Licenses	3,905	44,385	-	653	43,603	4,034
Motor Vehicle Registration	232,522	3,424,903	-	-	3,467,289	190,136
Manufactured Home Installation Permits	74	333	-	-	370	37
Sales and Use Tax	298,163	3,320,842	-	166,042	3,159,470	293,493
Building Permits - State	3,695	14,750	-	375	18,070	-
Motor Vehicle Titles	-	202,185	-	-	202,185	-
TOTAL STATE OF TENNESSEE	539,279	7,012,960	0	167,070	6,896,966	488,203
WASHINGTON COUNTY						
Business Tax and Marriage Licenses	-	8,710	-	436	8,274	-
Beer Tax	-	325,859	-	16,293	309,566	-
Building Permits	-	106,220	-	5,311	100,909	-
Archive Fees	-	191,544	-	-	191,544	-
Data Processing Fee	-	11,642	-	-	11,642	-
TOTAL WASHINGTON COUNTY	-	643,975	0	22,040	621,935	0
LITIGANTS, HEIRS AND OTHERS						
Notary Seals and Commissions	80	2,070	-	-	2,065	85
Donor Awareness	362	4,299	-	-	4,270	391
Helping Schools	93	713	-	-	806	-
Due to County Clerk	1,100	-	-	-	-	1,100
TOTAL LITIGANTS, HEIRS AND OTHERS	1,635	7,082	0	0	7,141	1,576
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	155,450	908,504	189,110	-	1,094,761	158,303
TOTAL FEE AND COMMISSION ACCOUNT	155,450	908,504	189,110	0	1,094,761	158,303
TOTAL ALL ACCOUNTS	\$ 696,364	8,572,521	189,110	189,110	8,620,803	648,082

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	69,947	-	2,838	67,109	-
Department of Safety	-	3,781	-	189	3,592	-
Tennessee Bureau of Investigations	-	6,659	-	333	6,326	-
Public Defender	-	22,266	-	1,113	21,153	-
Attorney General	-	10,192	-	510	9,682	-
TOTAL STATE OF TENNESSEE	0	112,845	0	4,983	107,862	0
WASHINGTON COUNTY						
County Litigation Tax	-	6,809	-	460	6,349	-
Special Litigation Tax	-	463	-	31	432	-
Litigation Tax / Jail	-	5,440	-	367	5,073	-
Litigation Tax / Court House Security	-	5,159	-	348	4,811	-
County Fines	-	18,891	-	939	17,952	-
Drug Fines	-	9,462	-	473	8,989	-
Drug Court Fund	-	2,851	-	144	2,707	-
County Officer's Cost	-	10,472	-	524	9,948	-
Jail Fees	-	8,148	-	407	7,741	-
Other Collections	-	2,982	-	-	2,982	-
Archive and Records Management Fee	-	641	-	32	609	-
Data Processing Fee	-	1,687	-	-	1,687	-
Court Security Fee	-	2,087	-	104	1,983	-
TOTAL WASHINGTON COUNTY	0	75,092	0	3,829	71,263	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	30,762	253,492	-	-	243,595	40,659
Cash Bonds	8,707	13,250	-	-	11,207	10,750
Deposits	733,812	72,853	-	-	-	806,665
Alimony/Child Support	-	4,200	-	-	4,200	-
Fines and Arrest Fees - Jonesborough	-	6,651	-	333	6,318	-
Fines and Arrest Fees - Johnson City	-	12,623	-	631	11,992	-
Drug Fines - Johnson City	-	7,851	-	393	7,458	-
TOTAL LITIGANTS, HEIRS AND OTHERS	773,281	370,920	0	1,357	284,770	858,074
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	98,587	1,193,041	10,169	-	1,219,046	82,751
TOTAL FEE AND COMMISSION ACCOUNT	98,587	1,193,041	10,169	0	1,219,046	82,751
TOTAL ALL ACCOUNTS	\$ 871,868	1,751,898	10,169	10,169	1,682,941	940,825

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	4,987	-	159	4,828	-
Department of Safety	-	2,264	-	113	2,151	-
Tennessee Bureau of Investigations	-	758	-	38	720	-
Public Defender	-	968	-	48	920	-
Attorney General	-	100	-	5	95	-
TOTAL STATE OF TENNESSEE	0	9,077	0	363	8,714	0
WASHINGTON COUNTY						
County Litigation Tax	-	1,598	-	108	1,490	-
Special Litigation Tax	-	1,372	-	71	1,301	-
Litigation Tax / Jail	-	1,029	-	69	960	-
Litigation Tax / Courtroom Security	-	658	-	44	614	-
Booking Fees	-	296	-	14	282	-
County Fines	-	2,417	-	122	2,295	-
Drug Fines	-	1,556	-	79	1,477	-
Drug Court Fund	-	370	-	19	351	-
County Officer's Cost	-	4,460	-	223	4,237	-
Jail Fees	-	13,404	-	670	12,734	-
Other Collections	-	188	-	9	179	-
Archive and Records Management Fee	-	5	-	-	5	-
Data Processing Fee	-	190	-	-	190	-
Criminal Littering Fine	-	25	-	-	25	-
Court Security Fee	-	170	-	9	161	-
TOTAL WASHINGTON COUNTY	0	27,738	0	1,437	26,301	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	98	105,626	-	-	105,724	-
Cash Bonds	250	250	-	-	250	250
Constable's Cost	-	60	-	3	57	-
Fines and Arrest Fees - Jonesborough	-	2,147	-	107	2,040	-
TOTAL LITIGANTS, HEIRS AND OTHERS	348	108,083	0	110	108,071	250
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	55	15,015	1,910	-	16,925	55
TOTAL FEE AND COMMISSION ACCOUNT	55	15,015	1,910	0	16,925	55
TOTAL ALL ACCOUNTS	\$ 403	159,913	1,910	1,910	160,011	305

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	64,710	-	4,368	60,342	-
TOTAL STATE OF TENNESSEE	0	64,710	0	4,368	60,342	0
WASHINGTON COUNTY						
County Litigation Tax	-	46,486	-	3,139	43,347	-
Special Litigation Tax	-	70,787	-	3,668	67,119	-
Litigation Tax / Jail	-	90,929	-	6,138	84,791	-
Litigation Tax / Courtroom Security	-	90,939	-	6,138	84,801	-
County Officer's Cost	-	40,298	-	2,015	38,283	-
Archive and Records Management Fee	-	18,225	-	911	17,314	-
Data Processing Fee	-	14,462	-	-	14,462	-
Court Security Fee	-	916	-	46	870	-
TOTAL WASHINGTON COUNTY	0	373,042	0	22,055	350,987	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	1,462	1,699,127	-	-	1,696,050	4,539
Alimony/Child Support	-	1,900	-	-	1,900	-
Cash Bond	-	500	-	-	-	500
Constable's Cost	-	28,781	-	1,439	27,342	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,462	1,730,308	0	1,439	1,725,292	5,039
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	80	250,089	27,862	-	277,951	80
TOTAL FEE AND COMMISSION ACCOUNT	80	250,089	27,862	0	277,951	80
TOTAL ALL ACCOUNTS	\$ 1,542	2,418,149	27,862	27,862	2,414,572	5,119

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, 2013**

Account	Balance	Receipts	Transfers		Disbursements	Balance
	7/1/2012		To	From		6/30/2013
STATE OF TENNESSEE						
State Litigation Tax	\$ -	447,491	-	19,602	427,889	-
Wildlife Resources	-	2,251	-	125	2,126	-
Department of Safety	-	142,604	-	7,130	135,474	-
Tennessee Bureau of Investigation	-	18,363	-	918	17,445	-
Public Defender	-	80,802	-	4,040	76,762	-
Motor Vehicle Enforcement	-	20	-	1	19	-
Attorney General	-	26,081	-	1,305	24,776	-
Alcohol	-	137	-	7	130	-
AOC Private Attorney Fee	-	1,381	-	69	1,312	-
TOTAL STATE OF TENNESSEE	0	719,130	0	33,197	685,933	0
WASHINGTON COUNTY						
County Litigation Tax	-	146,318	-	9,876	136,442	-
Special Litigation Tax	-	102,156	-	5,284	96,872	-
Litigation Tax / Jail	-	129,016	-	8,709	120,307	-
Litigation Tax / Courtroom Security	-	124,099	-	8,377	115,722	-
Booking Fees	-	46,834	-	2,342	44,492	-
County Fines	-	55,249	-	2,765	52,484	-
Drug Fines	-	17,170	-	858	16,312	-
Drug Court Fund	-	13,528	-	676	12,852	-
County Officer's Cost	-	53,576	-	2,679	50,897	-
Jail Fees	-	120,758	-	6,038	114,720	-
Archive and Records Management Fee	-	21,499	-	1,075	20,424	-
Data Processing Fee	-	17,579	-	-	17,579	-
Court Security Fee	-	5,850	-	292	5,558	-
Other Collections	-	9,404	-	467	8,937	-
TOTAL WASHINGTON COUNTY	0	863,036	0	49,438	813,598	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	4,186	138,083	-	-	141,951	318
Cash Bonds	47,450	123,856	-	-	146,308	24,998
Constable's Cost	-	208	-	10	198	-
Fines and Arrest Fees - Jonesborough	-	14,590	-	730	13,860	-
Fines and Arrest Fees - Johnson City	-	129,439	-	6,472	122,967	-
TOTAL LITIGANTS, HEIRS AND OTHERS	51,636	406,176	0	7,212	425,284	25,316
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	(2,397)	473,379	89,847	-	562,993	(2,164)
TOTAL FEE AND COMMISSION ACCOUNT	(2,397)	473,379	89,847	0	562,993	(2,164)
TOTAL ALL ACCOUNTS	\$ 49,239	2,461,721	89,847	89,847	2,487,808	23,152

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	100	-	5	95	-
Wildlife Resources	-	25	-	-	25	-
Attorney General	-	325	-	16	309	-
TOTAL STATE OF TENNESSEE	0	450	0	21	429	0
WASHINGTON COUNTY						
County Fines	-	750	-	39	711	-
County Officer's Cost	-	1,701	-	86	1,615	-
TOTAL WASHINGTON COUNTY	0	2,451	0	125	2,326	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	-	33,286	-	-	33,286	-
Deposits	46,983	2,000	-	-	9,050	39,933
Fines and Arrest Fees - Jonesborough	-	2,463	-	123	2,340	-
TOTAL LITIGANTS, HEIRS AND OTHERS	46,983	37,749	0	123	44,676	39,933
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	2	17,619	269	0	17,871	19
TOTAL FEE AND COMMISSION ACCOUNT	2	17,619	269	0	17,871	19
TOTAL ALL ACCOUNTS	\$ 46,985	58,269	269	269	65,302	39,952

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	24,835	-	1,676	23,159	-
TOTAL STATE OF TENNESSEE	0	24,835	0	1,676	23,159	0
WASHINGTON COUNTY						
County Litigation Tax	-	12,307	-	830	11,477	-
Special Litigation Tax	-	2,090	-	142	1,948	-
Litigation Tax / Jail	-	26,103	-	1,763	24,340	-
Litigation Court	-	25,999	-	1,756	24,243	-
Court Security	-	520	-	26	494	-
County Officer's Cost	-	7,328	-	366	6,962	-
Archive and Records Management Fee	-	5,188	-	259	4,929	-
Contempt Fine	-	50	-	3	47	-
Data Processing Fee	-	5,275	-	-	5,275	-
TOTAL WASHINGTON COUNTY	0	84,860	0	5,145	79,715	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	972,891	2,628,338	-	-	2,788,594	812,635
Cash Bonds	11,768	5,500	-	-	8,768	8,500
Deposits	825,763	82,423	-	-	-	908,186
Alimony/Child Support	-	6,062	-	-	6,062	-
Constable's Cost	-	3,025	-	151	2,874	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,810,422	2,725,348	0	151	2,806,298	1,729,321
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	(74)	242,723	6,972	-	249,695	(74)
TOTAL FEE AND COMMISSION ACCOUNT	(74)	242,723	6,972	0	249,695	(74)
TOTAL ALL ACCOUNTS	\$ 1,810,348	3,077,766	6,972	6,972	3,158,867	1,729,247

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, 2013**

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
Litigation Tax	\$ -	8,326	-	562	7,764	-
TOTAL STATE OF TENNESSEE	0	8,326	0	562	7,764	0
WASHINGTON COUNTY						
County Litigation Tax	-	4,130	-	279	3,851	-
Special Litigation Tax	-	706	-	48	658	-
Litigation Tax / Jail	-	8,795	-	594	8,201	-
Litigation Tax / Court Security	-	8,775	-	592	8,183	-
County Officer's Cost	-	501	-	25	476	-
Non-Resident Notice	-	899	-	-	899	-
Notice of Sale	-	739	-	-	739	-
Archive Fee	-	1,825	-	91	1,734	-
Delinquent Taxes	-	319,686	-	15,984	303,702	-
Delinquent Taxes - Penalty and Interest	-	127,796	-	6,390	121,406	-
Delinquent Taxes - Court Costs	-	5,325	-	-	5,325	-
Data Processing Fee	-	1,530	-	-	1,530	-
Court Security Fee	-	118	-	-	118	-
TOTAL WASHINGTON COUNTY	0	480,825	0	24,003	456,822	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	101,582	518,972	-	-	424,954	195,600
Deposits	1,223,867	60,198	-	-	156,948	1,127,117
Publications	660	18,248	-	-	18,548	360
Alimony/ Child Support	-	21,438	-	-	21,438	-
Constables, Legal Process	-	12,668	-	-	12,668	-
Attorney's Fees and Commissions -						
Delinquent Tax	-	67,952	-	-	67,952	-
City Delinquent Taxes	-	78,901	-	3,945	74,956	-
City Delinquent Taxes - Penalty and Interest	-	50,022	-	2,501	47,521	-
City Delinquent Tax - Court Costs	-	1,290	-	-	1,290	-
Jonesborough Delinquent Taxes	-	11,169	-	558	10,611	-
Jonesborough Delinquent Taxes -						
Penalty and Interest	-	4,952	-	248	4,704	-
Jonesborough Delinquent Taxes -						
Court Costs	-	480	-	-	480	-
TOTAL LITIGANTS, HEIRS AND OTHERS	1,326,109	846,290	0	7,252	842,070	1,323,077
FEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	93,549	31,817	-	125,366	-
Special Commissioner Fees	-	12,627	-	-	12,627	-
TOTAL FEE AND COMMISSION ACCOUNT	0	106,176	31,817	0	137,993	0
TOTAL ALL ACCOUNTS	\$ 1,326,109	1,441,617	31,817	31,817	1,444,649	1,323,077

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, 2013

Account	Balance 7/1/2012	Receipts	Transfers		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	8,179	-	552	7,627	-
TOTAL STATE OF TENNESSEE	0	8,179	0	552	7,627	0
WASHINGTON COUNTY						
County Litigation Tax	-	4,027	-	272	3,755	-
Special Litigation Tax	-	682	-	46	636	-
Litigation Tax / Jail	-	8,348	-	564	7,784	-
Litigation Tax / Court Security	-	8,210	-	554	7,656	-
Archive Fee	-	1,928	-	97	1,831	-
County Officer's Cost	-	3,327	-	166	3,161	-
Delinquent Taxes	87,722	500,645	-	25,032	378,932	184,403
Delinquent Taxes - Penalty and Interest	-	242,365	-	12,118	230,247	-
Delinquent Tax - Court Costs	-	22,958	-	-	22,958	-
Data Processing Fee	-	1,820	-	-	1,820	-
Court Security Fee	-	315	-	-	315	-
TOTAL WASHINGTON COUNTY	87,722	794,625	0	38,849	659,095	184,403
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	145,762	534,756	-	-	569,922	110,596
Deposits	245,945	211,066	-	-	157,594	299,417
Alimony/ Child Support	-	66,235	-	-	66,235	-
Constables, Legal Process	-	11,498	-	-	11,498	-
Attorney's Fees and Commissions - Delinquent Tax	-	129,036	-	-	129,036	-
City Delinquent Taxes	2,432	223,483	-	10,965	212,518	2,432
City Delinquent Taxes - Penalty and Interest	-	144,268	-	7,214	137,054	-
City Delinquent Taxes - Court Costs	-	4,073	-	-	4,073	-
Jonesborough Delinquent Taxes	-	8,734	-	436	8,298	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	4,437	-	222	4,215	-
Jonesborough Delinquent Taxes - Court Costs	-	285	-	-	285	-
Publications	-	410	-	-	410	-
TOTAL LITIGANTS, HEIRS AND OTHERS	394,139	1,338,281	0	18,837	1,301,138	412,445
FEEES AND COMMISSION ACCOUNT						
Fees and Commissions	-	179,161	58,238	-	237,399	-
Special Commissioner Fees	-	8,166	-	-	8,166	-
TOTAL FEE AND COMMISSION ACCOUNT	0	187,327	58,238	0	245,565	0
TOTAL ALL ACCOUNTS	\$ 481,861	2,328,412	58,238	58,238	2,213,425	596,848

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
REGISTER
For the Fiscal Year Ended June 30, 2013

Account	Balance 7/1/2012	Receipts	Transfer		Disbursements	Balance 6/30/2013
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 223,271	2,796,652	-	67,108	2,748,167	204,648
County Officials' Retirement Tax	5,629	-	-	-	470	5,159
TOTAL STATE OF TENNESSEE	<u>228,900</u>	<u>2,796,652</u>	<u>0</u>	<u>67,108</u>	<u>2,748,637</u>	<u>209,807</u>
DUE TO HEIRS AND OTHERS	<u>2,561</u>	<u>6,283</u>	<u>-</u>	<u>-</u>	<u>5,848</u>	<u>2,996</u>
FEEES AND COMMISSION ACCOUNT	<u>55,036</u>	<u>612,354</u>	<u>67,108</u>	<u>-</u>	<u>675,900</u>	<u>58,598</u>
TOTAL ALL ACCOUNTS	<u>\$ 286,497</u>	<u>3,415,289</u>	<u>67,108</u>	<u>67,108</u>	<u>3,430,385</u>	<u>271,401</u>

See Independent Auditors' Report

WASHINGTON COUNTY, TENNESSEE
CONSTITUTIONAL OFFICERS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
SHERIFF
For the Fiscal Year Ended June 30, 2013

Cash Balance, 7/1/2012		\$ 12,207
RECEIPTS		
Officers Costs	28,169	
Cash Bonds - Various Courts	90,304	
Fingerprinting	1,300	
Handgun Permits	5,640	
Inmate Deposits	110	
Sexual Offender Registry Fees	5,401	
Reimbursement	3,800	
Incentives	16,400	
 TOTAL RECEIPTS	 151,124	
DISBURSEMENTS		
BY CHECK		
Officers Costs Reported to County	27,558	
Cash Bonds - Various Courts	90,915	
Payments for Inmates	341	
Handgun Permits	5,640	
Incentives	16,400	
Fingerprinting	1,300	
Sexual Offender Registry	5,401	
BY CASH		
Drug Buy	<u>4,075</u>	
 TOTAL DISBURSEMENTS	 <u>151,630</u>	
Receipts Over (Under) Disbursements		<u>(506)</u>
Cash Balance, 6/30/2013		<u>\$ 11,701</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS
 For the Fiscal Year Ended June 30, 2013**

	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	\$ -	908,219	67,606	756,102	242,723	272,710	612,310	-	2,859,670
Special Commissioner Fees	-	-	-	-	-	20,793	-	-	20,793
Interest Earned	-	285	-	-	-	-	44	-	329
Commissions	1,877,106	189,110	10,169	119,888	6,972	90,055	67,108	-	2,360,408
TOTAL REVENUE	1,877,106	1,097,614	77,775	875,990	249,695	383,558	679,462	0	5,241,200
OTHER SOURCES									
OPERATING TRANSFERS									
General Sessions - Jonesborough	-	-	16,925	-	-	-	-	-	16,925
General Sessions - Civil Court - Johnson City	-	-	277,951	-	-	-	-	-	277,951
General Sessions - State Court - Johnson City	-	-	562,993	-	-	-	-	-	562,993
General Sessions - Juvenile Court Law Court	-	-	17,871	-	-	-	-	-	17,871
	-	-	249,695	-	-	-	-	-	249,695
TOTAL REVENUE AND OTHER SOURCES	1,877,106	1,097,614	1,203,210	875,990	249,695	383,558	679,462	0	6,366,635
EXPENDITURES AND OTHER USES									
EXPENDITURES									
Special Commissioner Fees	-	-	-	-	-	20,793	-	-	20,793
Bank Charges	-	-	12,063	-	-	-	-	-	12,063
Postage	-	-	-	-	-	-	64	-	64
TOTAL EXPENDITURES	0	0	12,063	0	0	20,793	64	0	32,920

(Continued)

WASHINGTON COUNTY, TENNESSEE
 CONSTITUTIONAL OFFICERS
 COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS
 For the Fiscal Year Ended June 30, 2013

	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)	-	-	12,063	-	-	20,793	64	-	32,920
OTHER USES									
Fees & Commissions to County General Fund	1,877,106	1,097,614	1,191,147	250	-	362,765	679,398	-	5,208,280
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	875,740	249,695	-	-	-	1,125,435
TOTAL EXPENDITURES AND OTHER USES	<u>1,877,106</u>	<u>1,097,614</u>	<u>1,203,210</u>	<u>875,990</u>	<u>249,695</u>	<u>383,558</u>	<u>679,462</u>	<u>0</u>	<u>6,366,635</u>
Excess Fees, June 30, 2013									
Add: Due to County General Fund - Excess Fees	162,591	158,303	80,667	-	-	-	58,598	-	460,159
Due to General Sessions - State Court - Johnson City	-	-	2,164	-	-	-	-	-	2,164
Due to Law Court	-	-	74	-	-	-	-	-	74
Less: Due from General Sessions - Civil Court - Johnson City	-	-	(80)	-	-	-	-	-	(80)
Due from General Sessions - Juvenile	-	-	(19)	-	-	-	-	-	(19)
Due to General Sessions - Jonesborough	-	-	(55)	-	-	-	-	-	(55)
Less: Due from Circuit Court Clerk	-	-	-	(2,010)	(74)	-	-	-	(2,084)
Cash Balance, June 30, 2013	<u>\$ 162,591</u>	<u>158,303</u>	<u>82,751</u>	<u>(2,010)</u>	<u>(74)</u>	<u>0</u>	<u>58,598</u>	<u>0</u>	<u>460,159</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance July 1, 2012	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2013
PRIMARY GOVERNMENT								
GENERAL FUND								
16.600	N/A	Federal Boarding of Prisoners ****	U.S. Marshalls	\$ 324,614	1,238,504	1,232,418	-	318,528
PASS-THROUGH STATE OF TENNESSEE								
16.005	2012-DJ-BX-0083	U.S. Treasury Technology Enhancement	U.S. Department of Justice	-	16,965	6,723	(16)	(10,258)
16.710	Z-00-002567-00	Bullet Proof Vests	U.S. Department of Justice	-	2,547	2,547	-	-
20.703	34101-19313	LEPC Contract Homeland Security Program	U.S. Department of Homeland Security	-	-	9,600	-	9,600
97.067	GG-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	52	-	-	(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	186,842	117	-	-
97.067	34101-000-000-5845	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	30,000	73,065	-	43,065
97.067	34101-000-000-9243	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	-	45,240	46,825	-	1,585
97.067	GG-09-27493	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	6,682	-	-	-	6,682
TOTAL DEPARTMENT OF HOMELAND SECURITY				199,694	262,082	120,007	(3,287)	54,332
20.600	Z-13-GHS383	Safe Teen Driver Skills	Tennessee Department of Transportation	-	4,465	11,354	-	6,889
20.600	Z-13-GHS382	Rural Strategies for Comp. Imp. Driver	Tennessee Department of Transportation	-	9,937	13,156	-	3,219
20.600	Z-10-220118-00	Network Law Enforcement Grant	Tennessee Department of Transportation	319	-	-	-	319
20.600	Z-12-GHS354	Pract. Mobiliz. By Saturation	Tennessee Department of Transportation	6,702	20,232	13,530	-	-
20.600	Z-12-GHS355	High Visibility Law Enforcement	Tennessee Department of Transportation	1,613	3,200	1,587	-	-
20.600	Z-12-GHS353	Network Coordinator	Tennessee Department of Transportation	4,425	8,626	4,201	-	-
20.600	PT-13-51	Network Coordinator	Tennessee Department of Transportation	-	1,949	2,775	-	826
TOTAL DEPARTMENT OF TRANSPORTATION				13,059	48,409	46,603	0	11,253
14.228	GG-12-37966	Lighting Retrofits	Tennessee Department of Economic and Community Development	79,604	100,000	20,396	-	-
10.923	68-4741-3-002	Natural Resource Conservation Service Stream Remediation	U.S. Department of Agriculture	-	681,428	681,428	-	-
14.239	**	THDA Disaster Recovery Program Home Investment Partnership Program	U.S. Department of Housing and Urban Development	-	140,115	140,115	-	-
PASS-THROUGH OTHER AGENCIES								
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	1,725	16,078	17,613	-	3,260
TOTAL GENERAL FUND GRANTS				294,082	1,267,624	1,045,032	(3,303)	68,187
SANITATION FUND								
23.001	ARC CO-17437-302-12	Appalachian Regional Commission Grant	U.S. Department of Agriculture	-	70,000	70,000	-	-
TOTAL SANITATION FUND GRANTS				0	70,000	70,000	0	0

(Continued)

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance	Cash	Expenditures	*	***
				July 1, 2012	Receipts		Adjustments	Balance June 30, 2013
<u>CAPITAL PROJECTS FUND</u>								
10.557	GE-13-39128	Special Supplemental Nutrition Program for Women, Infants and Children	U.S. Department of Agriculture	-	35,000	35,000	-	-
TOTAL CAPITAL PROJECTS GRANT				<u>0</u>	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>0</u>
<u>AGENCY FUND</u>								
<u>JUDICIAL DISTRICT DRUG TASK FORCE</u>								
PASS-THROUGH STATE OF TENNESSEE								
16.738		Byrne Formula Grant Program	U.S. Department of Justice	7,614	7,614	32,728	-	32,728
TOTAL JUDICIAL DISTRICT DRUG TASK FORCE				<u>7,614</u>	<u>7,614</u>	<u>32,728</u>	<u>0</u>	<u>32,728</u>
<u>COMPONENT UNITS</u>								
<u>BOARD OF EDUCATION</u>								
PASS-THROUGH STATE OF TENNESSEE								
84.027	N/A	IDEA - Part B Education of Handicapped	U.S. Department of Education	-	40,381	40,381	-	-
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	3,883	46,295	43,577	-	1,165
84.027	N/A	IDEA - Part B	U.S. Department of Education	73,979	1,798,682	1,728,012	-	3,309
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	2,000	18,706	25,000	-	8,294
				<u>79,862</u>	<u>1,904,064</u>	<u>1,836,970</u>	<u>-</u>	<u>12,768</u>
84.010	N/A	Title I Funds	U.S. Department of Education	178,702	1,474,692	1,455,381	-	159,391
				<u>178,702</u>	<u>1,474,692</u>	<u>1,455,381</u>	<u>0</u>	<u>159,391</u>
84.365	N/A	Title III Funds	U.S. Department of Education	616	8,355	7,791	-	52
84.395	N/A	ARRA - Race to the Top	U.S. Department of Education	26,656	421,030	395,647	-	1,273
84.048	**	Carl Perkins - Program Improvement	U.S. Department of Education	29,513	111,045	121,285	-	39,753
84.367	N/A	Title II-A Funds	U.S. Department of Education	66,385	318,077	317,257	-	65,565
TOTAL BOARD OF EDUCATION GRANTS				<u>381,734</u>	<u>4,237,263</u>	<u>4,134,331</u>	<u>0</u>	<u>278,802</u>
<u>SCHOOL FOOD SERVICE</u>								
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	191,130	191,130	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	60,197	563,541	525,583	-	22,239
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	148,688	1,748,535	1,652,711	-	52,864
TOTAL SCHOOL FOOD SERVICE GRANTS				<u>208,885</u>	<u>2,503,206</u>	<u>2,369,424</u>	<u>0</u>	<u>75,103</u>
TOTAL FEDERAL GRANTS				<u>\$ 892,315</u>	<u>8,120,707</u>	<u>7,686,515</u>	<u>(3,303)</u>	<u>454,820</u>

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

** Information not available.

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal activity of the County and Component Units 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, 2013

Grant Number	Program Name	Grantor Agency	Balance	Cash	Expenditures	*	***
			July 1, 2012	Receipts			Balance
PRIMARY GOVERNMENT							
<u>GENERAL FUND</u>							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 48,457	1,451,978	1,716,194	-	312,673
**	Archives Development Grant	Tennessee Department of State, Library and Archives	-	4,000	4,000	-	-
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	19,552	41,037	43,165	-	21,680
**	Juvenile Grant	Tennessee Commission of Children & Youth	695	10,695	10,000	-	-
**	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	4,500	9,000	9,000	-	4,500
#Z-10-219833-00	Health Department	Tennessee Department of Health	182,940	965,271	945,088	-	162,757
TOTAL GENERAL FUND			256,144	2,481,981	2,727,447	0	501,610
<u>HIGHWAY FUND</u>							
N/A	Rural Road Program	Tennessee Department of Transportation	159,286	159,286	-	-	-
TOTAL HIGHWAY FUND			159,286	159,286	0	0	0
<u>SANITATION FUND</u>							
GG-12-37723	Used Oil Grant	Tennessee Department of Environment and Conservation	12,400	11,722	9,080	-	9,758
Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	26,557	95,427	89,971	-	21,101
TOTAL SANITATION FUND			38,957	107,149	99,051	-	30,859
TOTAL PRIMARY GOVERNMENT			454,387	2,748,416	2,826,498	-	532,469
COMPONENT UNITS							
<u>GENERAL PURPOSE SCHOOL FUND</u>							
GG-08-22128-00	Transition School to Work	Tennessee Department of Agriculture	11,113	86,954	79,005	-	3,164
TOTAL GENERAL PURPOSE SCHOOL FUND			11,113	86,954	79,005	0	3,164
<u>SCHOOL FOOD SERVICE</u>							
**	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	33,786	33,786	-	-
TOTAL SCHOOL FOOD SERVICE			0	33,786	33,786	0	0
TOTAL COMPONENT UNITS			11,113	120,740	112,791	0	3,164
TOTAL STATE GRANTS			\$ 465,500	2,869,156	2,939,289	-	535,633

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

** Grant number was not available.

*** These balances represent amounts due from the grantor.

SECTION V

**STATISTICAL SECTION
(UNAUDITED)**

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

Schedule 1

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 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	49,387,797
Restricted	(137,908)	131,927	167,986	175,741	210,752	238,327	279,334	185,073	192,689	11,549,974
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)	(112,175,793)
Total Governmental Activities Net Position	<u>\$ 19,575,809</u>	<u>23,455,314</u>	<u>23,622,743</u>	<u>16,482,995</u>	<u>(40,323,640)</u>	<u>(56,730,970)</u>	<u>(57,394,166)</u>	<u>(55,418,032)</u>	<u>(52,255,826)</u>	<u>(51,238,022)</u>

See Independent Auditors' Report.

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

	Fiscal Year										Schedule 2
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
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	5,663,601	
Finance	-	-	-	-	-	-	-	2,544,864	2,580,133	2,603,951	*
Administration of Justice	-	-	-	-	-	-	-	3,497,335	3,621,848	3,826,432	*
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	17,537,321	
Highway	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	7,544,044	
Library	342,683	384,489	455,090	616,323	546,008	617,653	491,958	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	983,279	935,650	870,939	*
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	5,286,431	
Agricultural and Natural Resources	-	-	-	-	-	-	-	384,050	403,045	438,009	*
Other Operations	-	-	-	-	-	-	-	1,314,448	875,695	1,606,024	*
Education	-	-	-	-	-	-	-	270,000	66,761	161,881	*
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	6,606,429	
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	52,145,062	
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	20,786	
Administration of Justice	-	-	-	-	-	-	-	4,452,695	4,557,262	4,474,341	*
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	3,232,248	
Highway	295,082	329,490	353,773	660,051	309,895	405,397	836,028	448,373	731,490	318,552	
Library	13,308	18,090	22,333	33,576	30,872	24,885	22,770	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	8,375	242,239	256,477	*
Public Health and Welfare	197,398	238,762	309,965	327,289	365,413	301,626	415,749	420,630	426,175	329,242	
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	238,790	
Administration of Justice	-	-	-	-	-	-	-	36,164	35,164	30,373	*
Public Safety	428,152	372,955	366,013	328,365	453,549	869,319	309,173	189,515	200,836	269,205	
Highway	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	2,311,518	
Library	7,000	7,000	7,000	21,037	15,985	36,729	30,408	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	-	113,432	-	6,976	*
Public Health and Welfare	230,347	259,938	310,367	303,938	267,659	223,586	164,564	1,157,535	1,165,292	1,044,139	
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	172,115	
Public Safety	-	-	-	-	-	-	108,100	10,559	14,720	708,641	
Highway	-	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	70,000	
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	13,483,403	

* 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 POSITION (UNAUDITED)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	(38,661,659)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
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	35,196,657
In Lieu of Taxes	369,987	354,468	382,971	407,086	505,020	506,007	543,610	580,622	625,719	613,067
Sales Taxes	-	-	-	-	-	-	-	-	-	1,011,548
Business Taxes	757,562	730,434	762,766	865,347	989,286	978,029	1,049,064	1,077,522	1,100,085	1,879,540
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	1,917,163
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	206,027
State Aid	452,819	650,023	417,082	515,918	724,903	766,454	668,585	78,043	194,656	52,796
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	44,239
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)	-	-	-	-	-	-	-	-
	<u>27,988,371</u>	<u>27,433,561</u>	<u>21,113,283</u>	<u>27,421,796</u>	<u>13,875,210</u>	<u>30,447,108</u>	<u>37,957,491</u>	<u>41,209,250</u>	<u>41,274,527</u>	<u>40,921,037</u>
CHANGE IN NET POSITION										
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	2,259,378

See Independent Auditors' Report.

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

Schedule 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Restricted	\$ -	-	-	-	-	-	-	185,073	192,689	246,894
Committed	-	-	-	-	-	-	-	1,074,741	1,521,594	1,624,729
Assigned	-	-	-	-	-	-	-	320,672	252,626	242,764
Unassigned	-	-	-	-	-	-	-	12,816,210	15,988,550	16,450,146
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	18,564,533
All Other Governmental Funds										
Restricted										
Highway Fund	\$ -	-	-	-	-	-	-	-	-	4,700,309
Debt Service Fund	-	-	-	-	-	-	-	-	-	6,405,525
Public Safety	-	-	-	-	-	-	-	-	-	197,246
Committed										
Highway Fund	-	-	-	-	-	-	-	8,111	8,111	-
Public Health and Welfare	-	-	-	-	-	-	-	894,381	1,093,416	1,250,141
Capital Projects	-	-	-	-	-	-	-	-	-	1,730,406
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	255,284
Reserved	343,182	401,990	16,929	57,968	84,431	27,929	95,228	-	-	-
Unreserved										
Highway Fund	2,582,508	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	\$ 10,670,463	10,186,093	9,337,585	123,701,761	50,241,112	18,722,777	12,942,490	10,565,406	11,568,697	14,538,911

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)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Schedule 4										
REVENUES										
Taxes	\$ 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	38,254,578
Licenses and Permits	364,663	402,569	438,950	457,549	479,878	461,441	468,330	470,975	495,487	552,117
Fines, Forfeitures and Penalties	432,207	421,533	479,370	554,028	704,110	870,337	881,800	959,209	973,459	1,049,380
Charges for Current Services	766,078	780,271	867,791	1,123,136	793,938	1,053,232	1,816,447	970,763	1,549,971	927,575
Other Local Revenues	800,987	1,113,606	1,577,698	4,602,293	5,506,319	1,911,102	1,033,664	977,206	811,291	862,523
Investment Income	-	-	-	-	-	-	142,586	30,326	13,623	-
Revenue from State of Tennessee	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	5,886,507
Revenue from Federal Government	1,217,147	766,455	1,607,853	682,143	1,146,897	759,267	1,547,527	1,127,712	1,133,676	1,201,492
Revenue from Other Governments and Citizens Groups	491,196	748,073	568,552	5,811,485	6,097,914	6,332,919	6,441,581	6,832,539	7,769,548	6,666,224
Excess Fees and Commissions	4,382,774	4,542,054	4,801,904	-	-	-	-	-	-	-
Total Revenues	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	55,400,396
EXPENDITURES										
General Government	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	5,541,254
Finance	-	-	-	-	-	-	-	2,544,864	2,573,410	2,600,650
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	16,579,592
Administration of Justice	-	-	-	-	-	-	-	3,498,568	3,545,146	3,786,673
Highway	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	7,272,037
Library	352,562	355,385	448,402	473,774	533,725	474,110	472,346	-	-	*
Social, Cultural and Recreational	-	-	-	-	-	-	-	957,385	876,769	869,803
Agriculture and Natural Resources	-	-	-	-	-	-	-	384,050	397,948	435,305
Other Operations	-	-	-	-	-	-	-	1,314,448	875,695	1,606,024
Education	-	-	-	-	-	-	-	270,000	66,761	161,881
Public Health and Welfare	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	5,312,417
Debt Service	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	9,496,946
Capital Outlay	474,351	1,672,180	1,990,077	17,027,023	48,394,518	23,346,663	4,796,873	-	-	**
Total Expenditures	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	53,662,582
Excess (Deficiency) of Revenues Over Expenditures	(609,974)	(745,217)	(186,198)	(16,234,632)	(42,121,673)	(20,197,864)	(4,342,048)	(12,448,574)	4,562,054	1,737,814
OTHER FINANCING SOURCES (USES)										
Bond Proceeds	-	-	-	126,085,000	-	-	-	-	-	1,760,000
Note Proceeds	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	-	81,474
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	(4,698,300)	(4,888,042)	(5,198,472)	(8,277,532)	(8,453,533)	(8,986,345)	(5,705,954)	(5,267,579)	(5,302,920)	(5,362,576)
Transfers from Other Funds	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	5,362,576
Transfers (to)/ from Component Unit	235,605	(255,968)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	336,605	200,028	760,000	128,171,717	(29,330,390)	(11,465,308)	(630,489)	10,449,755	0	1,841,474
Net Change in Fund Balances	\$ (273,369)	(545,189)	573,802	111,937,085	(71,452,063)	(31,663,172)	(4,972,537)	(1,998,819)	4,562,054	3,579,288
Debt Service as a Percentage of Noncapital Expenditures	17.84%	16.81%	15.88%	21.39%	23.94%	22.42%	26.68%	37.00%	18.50%	17.70%

* 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.

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

Fiscal Year Ended June 30	Tax Year	Direct Tax Rate	Schedule 5								Ratio of Total Assessed Value To Total Estimated Actual Value
			Real Property		Personal Property		Public Utility Property		Total		
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
2004	2003	1.93	5,678,678,413	1,484,262,525	463,998,970	128,009,734	164,812,776	66,149,544	6,307,490,159	1,678,421,803	26.61 %
2005	2004	1.87	6,216,575,200	1,775,653,554	453,761,487	136,132,268	175,740,355	76,710,665	6,846,077,042	1,988,496,487	29.05
2006	2005	1.87	6,418,322,100	1,825,658,837	454,424,640	136,327,392	179,076,463	78,166,876	7,051,823,203	2,040,153,105	28.93
2007	2006	2.00	7,379,209,521	1,897,627,021	463,932,604	126,013,374	169,824,285	67,130,895	8,012,966,410	2,090,771,290	26.09
2008	2007	2.35	7,711,665,342	1,982,752,004	507,336,927	137,802,856	189,552,199	69,561,225	8,408,554,468	2,190,116,085	26.05
2009	2008	2.45	8,847,771,728	2,040,498,267	507,545,280	126,365,420	176,935,758	62,775,708	9,532,252,766	2,229,639,395	23.39
2010	2009	1.91	9,559,921,000	2,699,514,396	518,161,803	155,448,541	179,889,118	79,514,718	10,257,971,921	2,934,477,655	28.61
2011	2010	1.91	9,604,337,900	2,714,899,938	503,425,100	151,027,530	185,327,675	80,895,530	10,293,090,675	2,946,822,998	28.63
2012	2011	1.91	9,663,813,900	2,726,143,300	440,761,160	132,228,348	182,833,517	79,806,830	10,287,408,577	2,938,178,478	28.56
2013	2012	1.91	9,724,255,500	2,726,143,300 *	466,930,700	132,228,348 *	183,118,117	79,931,058	10,374,304,317	2,938,302,706	28.32

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.

* Current year data was not available at the date of this report.

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Direct Rates										
General	0.66	0.63	0.63	0.63	0.82	0.83	0.65	0.65	0.71	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	0.69	0.74
Debt Service	0.31	0.23	0.23	0.36	0.47	0.50	0.39	0.39	0.32	0.33
Solid Waste/Sanitation	0.04	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04
Total Direct Rate	<u>1.93</u>	<u>1.87</u>	<u>1.87</u>	<u>2.00</u>	<u>2.35</u>	<u>2.45</u>	<u>1.91</u>	<u>1.91</u>	<u>1.91</u>	<u>1.91</u>
City Rates										
City of Johnson City	2.15	1.93	1.93	1.93	1.93	1.93	1.54	1.54	1.57	1.57
Town Rates										
Town of Jonesborough	1.75	1.54	1.54	1.54	1.54	1.54	1.18	1.18	1.28	1.28

See Independent Auditors' Report.

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

<u>Taxpayer</u>	2013			Schedule 7 2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Sprint United Management	\$ 28,116,389	1	0.96%	33,793,783	1	1.70%
Johnson City Venture	24,621,584	2	0.84%	18,516,539	2	0.93%
Wal-Mart / Sam's Club	20,739,381	3	0.71%	5,540,299	10	0.28%
Johnson City United, LP / JC Crossing, LLC	13,962,101	4	0.48%	6,967,155	7	0.35%
American Water Heater	12,152,163	5	0.41%	10,326,980	4	0.52%
Atmos Energy Corp.	11,171,600	6	0.38%	6,807,084	8	0.34%
The Haven at Knob Creek, LLC	10,749,697	7	0.37%	-	-	-
SOFHA Real Estate Partners II, LLC	10,014,000	8	0.34%	-	-	-
Lowes Home Center Inc.	7,815,529	9	0.27%	-	-	-
Hallmark Johnson City Student Housing LLC	7,563,920	10	0.26%	-	-	-
Bosch Braking Systems	-	-	-	12,378,605	3	0.62%
Superior Metals	-	-	-	7,792,409	5	0.39%
Harris Tarkett	-	-	-	7,043,633	6	0.35%
Institutional Jobbers, Co.	-	-	-	5,646,496	9	0.28%
	<u>\$ 146,906,364</u>		<u>5.02%</u>	<u>114,812,983</u>		<u>5.76%</u>

See Independent Auditors' Report.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Schedule 8 Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2004	\$ 32,440,204	\$ (10,144)	\$ 32,430,060	\$ 30,661,947	94.5%	\$ 1,240,851	\$ 31,902,798	98.4%
2005	37,184,044	70,112	37,254,156	35,123,059	94.3%	1,568,857	36,691,916	98.5%
2006	38,217,645	43,627	38,261,272	36,268,808	94.8%	1,460,031	37,728,839	98.6%
2007	41,835,939	143,193	41,979,132	39,878,098	95.0%	1,691,874	41,569,972	99.0%
2008	51,439,552	48,046	51,487,598	48,909,436	95.0%	1,898,097	50,807,533	98.7%
2009	54,637,088	11,241	54,648,329	51,526,466	94.3%	2,299,503	53,825,969	98.5%
2010	56,356,490	(167,999)	56,188,491	52,982,502	94.3%	2,146,144	55,128,646	98.1%
2011	56,420,417	44,041	56,464,458	53,129,359	94.1%	2,189,920	55,319,279	98.0%
2012	56,392,758	34,667	56,427,425	53,167,530	94.2%	2,277,564	55,445,094	98.3%
2013	56,859,917	92,771	56,952,688	53,756,290	94.4%	-	53,756,290	94.4%

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
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
2013	148,325,000	90,000	-	148,415,000	3.69%	1,186.43

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income ²	Schedule 10	
					Percentage of Actual Value ¹ of Taxable Property	Per Capita ²
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%	4.89%	1,156.44
2013	148,325,000	6,405,525	141,919,475	3.52%	4.83%	1,134.50

¹ See Schedule 5 for property value data.

² Population and personal income data can be found in Schedule 12.

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

WASHINGTON COUNTY, TENNESSEE
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
June 30, 2013

Schedule 11

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

See Independent Auditors' Report.

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

Fiscal Year	Population	Personal Income ¹	Per Capita Personal Income	Schedule 12
				Unemployment Rate
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	7.5%
2013	125,094	4,026,916,000	32,191	8.1%

¹ Personal income figures were not available for several years. The previous years figure was used for calculation of Per Capita Personal Income for these years.

Sources: 2004 - 2007: First Tennessee Development District
2008 - 2013: Tennessee Department of Labor & Workforce Development

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

<u>EMPLOYER</u>	<u>2012</u>			<u>Schedule 13 2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Mountain States Health Alliance	3,541	1	5.89%	3,541	1	6.89%
East Tennessee State University	2,330	2	3.87%	2,012	2	3.91%
Citi Cards	1,950	3	3.24%	1,817	3	3.53%
James H. Quillen VA Medical Center	1,592	4	2.65%	1,259	4	2.45%
American Water Heater Company	1,300	5	2.16%	1,200	5	2.33%
Advance Call Center	1,200	6	2.00%	-		0.00%
Washington County Schools	1,200	7	2.00%	1,150	6	2.24%
Johnson City School System	900	8	1.50%	920	7	1.79%
City of Johnson City	860	9	1.43%	824	8	1.60%
AT & T Mobility	650	10	1.08%	-		0.00%
Cingular Wireless	-		0.00%	805	9	1.57%
Siemens Industrial Automation, Inc	-		0.00%	730	10	1.42%
	<u>15,523</u>		<u>25.81%</u>	<u>14,258</u>		<u>27.73%</u>

Source: Economic Development Board and First Tennessee Development District. 2013 information was not yet available.

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.

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

Schedule 14

FUNCTION	Full-time Equivalent Employees as of June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	177	165	170	160	166	143	143	155	155	146
Public Safety	182	193	195	183	176	202	203	211	211	215
Highway	96	93	96	96	94	89	91	82	83	83
Library	9	9	9	9	9	9	12	9	9	13
Sanitation	20	21	22	14	16	14	14	14	14	13
Total	484	481	492	462	461	457	463	471	472	470

Source: Washington County Payroll Records

See Independent Auditors' Report.

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

Schedule 15

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Sheriff's Department</u>										
Jail Bookings	6,609	8,094	8,736	8,495	8,191	8,357	8,736	8,919	7,642	7,095
Average Daily Population	432	449	465	488	521	528	510	562	616	589
Physical Arrests	3,444	3,603	3,558	3,552	3,270	3,335	3,740	3,920	3,958	3,845
Warrants Processed	9,420	9,845	9,913	18,550	18,013	18,432	17,676	15,888	16,477	15,825
Warrants Served	5,120	5,640	5,987	13,386	12,852	13,513	13,234	12,199	12,118	13,138
Civil Papers Processed	9,681	9,915	10,163	*	*	*	*	*	*	*
Civil Papers Served	6,288	7,266	7,580	*	*	*	*	*	*	*
<u>Highway</u>										
Streets Maintained (miles)	754.03	757.07	762.50	766.02	767.69	769.13	769.82	769.82	760.71	788.96
Streets Resurfaced (miles)	38.70	50.80	*	21.63	12.50	10.03	32.13	34.17	21.94	31.34
<u>Library</u>										
Volumes in Circulation	113,149	105,650	113,042	98,200	136,472	158,686	166,009	146,255	146,255	153,895
<u>Sanitation</u>										
Refuse Collected (tons/day)	52.64	52.53	54.01	52.81	55.91	53.84	57.32	54.67	51.21	54.89
Recyclables Collected (tons/day)	12.95	11.37	11.46	12.01	12.85	13.23	17.25	15.34	11.23	13.47

* 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Function/Program</u>										
<u>Sheriff's Department</u>										
Correction Facility Capacity	362	362	352	352	352	578	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	31	32	34	35	36	36	36	36
Substations	2	3	3	3	3	3	3	3	3	3
<u>Highway</u>										
Bridges under 20 feet	369	369	369	369	370	372	372	372	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
<u>Library</u>										
Volumes in Collection	75,693	76,946	80,876	75,167	88,541	99,561	87,467	88,856	88,474	91,753
<u>Sanitation</u>										
Collection Trucks	3	3	4	4	4	4	4	4	4	4

Source: Various County Departments.

See Independent Auditors' Report.

SECTION VI

INTERNAL CONTROL AND COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, 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, 2013, and the related notes to the financial statements, which collectively comprise the Washington County, Tennessee's basic financial statements and have issued our report thereon dated November 22, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington County, Tennessee's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Washington County, Tennessee's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (13-1, 13-2, 11-1, 07-5 and 06-4).

To the Honorable County Mayor
and Board of Commissioners
Independent Auditors' Report on Internal Control

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County, Tennessee's financial statements are free from 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 two instances (13-1 and 11-1) of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Washington County, Tennessee's Response to Findings

Washington County, Tennessee's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Washington County, Tennessee's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 22, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Washington County, Tennessee's compliance with the types of compliance requirements described in the *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 fiscal year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Washington County, Tennessee's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Washington County, Tennessee's compliance.

To the Honorable County Mayor
and Board of Commissioners
Independent Auditors' Report on Compliance

Opinion on Each Major Federal Program

In our opinion, Washington County, Tennessee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2013.

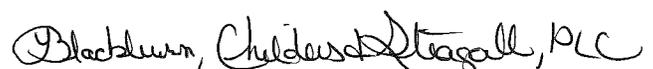
Report on Internal Control Over Compliance

Management of Washington County, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington County, Tennessee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliances, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 22, 2013

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013

Section I - Summary of Auditors' Results

1. The auditors' report expresses an unmodified 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 are considered to be a material weakness.
3. There were two instances 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 unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were as follows:

<u>Program</u>	<u>CFDA Number</u>
Title II A	84.367
Natural Resource Conservation Service	10.923
Stream Remediation Program	
Homeland Security Grant Program	97.067
National School Lunch Program	10.555
Race to the Top - ARRA	84.395

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

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013

Section II - Financial Statement Findings

Current Year Audit Findings – Significant Deficiencies

Board of Education

13-1 Unauthorized Spending

Condition: Expenditures were made on capital asset improvements during the year that were not budgeted. Bids were taken, a contract signed, and the project was completed without requesting or receiving an amendment to the budget.

Criteria: Tennessee Code Annotated states that no county funds may be expended unless authorized by the county legislative body.

Effect: Unauthorized spending results in non-compliance with the Tennessee Code Annotated. In addition, this spending compromises County cash flows.

Recommendation: We recommend that all capital, as well as non-capital, expenditures be authorized through the budget process, or that budget amendments are requested and approved before any funds are encumbered or expended and before work on capital projects begins.

Management's Comments: In the future the Board ensures that all capital, as well as non-capital, expenditures will be authorized through the budget process, or that budget amendments will be requested and approved before any funds are encumbered or expended and before work on capital projects begins.

Sheriff

13-2 Fuel Man Monitoring

Condition: Several instances were noted of noncompliance with fuel use policies outlined in the Fuel Man system, including use of prohibited grades of fuel and improper input of vehicle mileage.

Criteria: The purpose of the Fuel Man system is to accurately track fuel purchases and use in County-owned vehicles.

Effect: Improper use of the Fuel Man system causes the system not to work properly and undermines the ability of management to monitor vehicle and fuel use by department employees.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013

Section II - Financial Statement Findings (Continued)

Current Year Audit Findings – Significant Deficiencies (Continued)

Sheriff (Continued)

Recommendation: We recommend that monthly Fuel Man statements be reviewed and that vehicle and fuel usage be more closely monitored. Review of Fuel Man statements should include:

- Investigation of excessive usage of fuel or purchase of prohibited grades of fuel.
- Review of exceptions noted in the Fuel Man statements.
- Education of employees assigned vehicles on proper use of the Fuel Man System.

Management's Comments: For the past several years, we have monitored the weekly reports provided by Fuel Man. At the end of each month, each employee for whom an exception has been reported is given a copy of his/her fleet management report and must document in writing why there was an exception thereon.

In reviewing this documentation, we have determined that on most occasions when the vehicle had exceeded the daily transaction limit, the officer and the vehicle were used to transport an inmate or inmates out of our immediate local area. We also noted that when another grade of fuel was purchased, it was usually on one of these transports, and that the grade purchased may have been the only one available at that site.

Some employees have changed vehicles and their new vehicle(s) may require diesel instead of unleaded fuel. We will alert Fuel Man of this and ask them to change the restriction on the purchase of diesel fuel for the diesel-powered vehicles in our fleet.

As far as odometer entries being out of sequence, we have determined that malfunctions of the keypad at the pump may result in the machine either adding an additional digit or not picking up every digit entered on the keypad. On other occasions, human error may have resulted in the improper input of the odometer reading on the keypad.

We will reiterate with employees the importance of maintaining accurate records and continue to monitor, on a weekly basis, the reports from Fuel Man.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Not Implemented – Significant Deficiencies

County Mayor

11-1 Proper Approval of County Annual Budget (06-30-11 Report)

Condition: The annual budget for fiscal year 2013 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. The 2014 budget adoption was delayed due to a capital projects bond offering that unexpectedly extended into the month of August.

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

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. Implementation of a new enterprise financial management operating system is expected to enhance the ability to perform this function in house.

WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 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; 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: An I.D. tag system has been acquired and is currently being implemented by the purchasing department. On a going forward basis, assets are being properly identified at the time of purchase. An Asset Accounting Policy has been created, reviewed by the budget committee and recommended for adoption by the County Commission at its November 2013 meeting. This policy specifically addresses internal control concerns identified in the audit. Staffing necessary to ensure ongoing compliance with the proposed Asset Accounting Policy is being addressed as part of a reorganization of purchasing department employees currently under consideration. Guidelines of the Purchasing Act of 1957 are being followed in regard to the disposition of assets.

**WASHINGTON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2013**

Section II - Financial Statement Findings (Continued)

Prior Year Audit Findings Implemented

Significant Deficiencies	Page Number	Subject
Sheriff		
12-1	187	Collection of Fees and Timeliness of Deposits