



# **WASHINGTON COUNTY, TENNESSEE**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**2014**

**WASHINGTON COUNTY, TENNESSEE**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2014**

**WASHINGTON COUNTY, TENNESSEE**  
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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**

December 12, 2014

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, 2014 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. These 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 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 Division of Local Government.

### **Budgeting Controls**

Washington County operates under the County Fiscal Procedure Law of 1957 and as such is subject to the budgetary controls set forth in this act. The objective of these budgetary controls is to set forth 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 Funds and Capital Project Fund 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 committees, and confirming appointments of the County Mayor. 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, while continuing to experience modest growth, appears to be slowing. Retail sales for 2014 increased .4% over 2013 versus .09% growth from 2012 to 2013. The small overall increase reflected modest retail sales gains in 8 of 12 months of the fiscal year.

The unemployment rate stood at 7.0% in June 2014 as compared to 8.1% in June 2013, 7.5% in June 2012, 8.9% in June 2011, and a high of 9.8% in January 2010. Local unemployment at fiscal year-end was slightly higher than the state average of 6.6%. It should be noted the unemployment rate also reflects a declining trend in the Labor Participation Rate.

According to the Bureau of Economic Analysis, Washington County ranked 91<sup>st</sup> of the 95 counties in Tennessee with a .2% increase in per capita income in 2013, following a 3.2% gain in 2012.

Building permits for the first three quarters of calendar year 2014 were down approximately 25% over the prior period.

2014 was the property reassessment year for Washington County. Based on 2013 appraised values, Washington County's total assessed value of the tax base declined by approximately 3.5% over the preceding five years.

Healthy reserves and conservative management and budgeting have allowed Washington County to maintain its strong financial position in 2014 and continue the current level of services for the near-term. However, leading economic indicators do not project meaningful growth in our local economy. This concern will be a factor as revenue projections are considered during the fiscal year 2016 budget process.

As we look at ways to overcome anticipated constraints on the County's revenue stream, strategic opportunities to invest in school facilities, retail development, public infrastructure and other economic development initiatives that stimulate long term growth in the sales and property tax bases, create or retain jobs and improve the quality of our work force must be strongly considered.

### **Long-term Financial Planning**

In September 2013, the Washington County Board of Education adopted 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 a year and continue incrementally over the next several years.

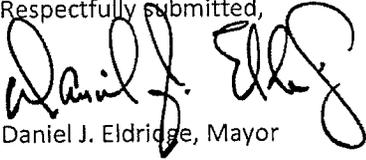
Using a projected cost of \$110 million plus Johnson City's share we are facing a potential debt issuance of \$214 million. The county bonding capacity, calculated as 10% of the county wide tax base, is \$290 million. Subtracting current debt of approximately \$155 million, we have \$135 million, in remaining bonding capacity. Capacity issues are further constrained by slow amortization of the \$135 million debt offering in 2007.

Regardless, the county is \$80 million short of having the capacity to fund the schools long range facilities plans as presented. This shortfall does not take into consideration other funding priorities of the County. Therefore the scope and priorities of the Long Range Facilities Plan should be reconsidered by the School Board after receiving guidance from the County Budget Committee regarding the amount of project funding expected to be available.

## Acknowledgements

The preparation of this Comprehensive Annual Financial Report (CAFR) could not have been accomplished without the effort and dedication of 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 fluid and cursive, with a large, stylized initial "D".

Daniel J. Eldridge, Mayor

**WASHINGTON COUNTY, TENNESSEE  
ROSTER OF COUNTY OFFICIALS  
June 30, 2014**

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

Board of Commissioners

Ben Bowman	Greg Matherly
Alpha Bridger	Richard Matherly
Lee Chase	Mitch Meredith
Doyle Cloyd	Roger Nave
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, 2014 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.

### ***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, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America and the respective budgetary comparison for the General Fund and the Highway fund.

### ***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 9 through 18 and 78 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *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. 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.

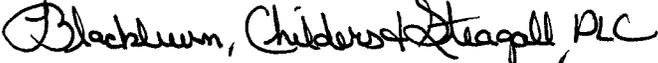
The supplementary information, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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.

Washington County, Tennessee  
Independent Auditors' Report

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 December 12, 2014, 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

December 12, 2014

## WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

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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, 2014. 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 and deferred inflows of the Washington County Primary Government exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$55,209,879 (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 decreased by \$3,971,857.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$37,979,653, an increase of \$4,876,209 in comparison with the prior year. Approximately 46 percent of this total amount, \$17,318,952, *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 \$17,318,952, 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 and deferred inflows at the close of the most recent fiscal year by \$90,967,236. Of this amount, \$560,668 (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 \$1,278,535.

### 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

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**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Washington County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Washington County Government's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Washington County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Washington County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Washington County include general government, finance, administration of justice, public safety, highways and streets, public health and welfare, and culture and recreation. The activities of the Washington County Board of Education, a component unit, are governmental in nature. The business-type activities of Washington County include Washington County Emergency Communications District, a component unit.

The government-wide financial statements can be found on pages 19 and 20 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Washington County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Washington County can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

**WASHINGTON COUNTY TENNESSEE**  
**Management's Discussion and Analysis**

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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, capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other four 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 21-24 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Washington County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 29 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 30 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 page 78 and 79 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 80-81 of this report.

Financial statements for the Washington County School Board of Education are presented immediately following the non-major funds on pages 90-99 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 assets may serve over time as a useful indicator of a government's financial position. In the case of Washington County, combined with the Board of Education, assets exceeded liabilities by \$35,757,357 at the close of the most recent fiscal year.

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

**Washington County Net Position**

	Primary		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2014	2013	2014	2013
Current and Other Assets	\$ 75,754,447	\$ 70,577,694	\$ 18,621,710	\$ 18,393,735
Capital Assets	69,146,397	69,818,985	88,995,360	90,173,162
Total Assets	<u>144,900,844</u>	<u>140,396,679</u>	<u>107,617,070</u>	<u>108,566,897</u>
Deferred Outflows of Resources				
Deferred Charge of Refunding	406,399	488,541		
Total Deferred Outflows of Resources	<u>406,399</u>	<u>488,541</u>		
Long-Term Liabilities Outstanding	158,884,362	153,011,382	3,281,900	2,851,600
Other Liabilities	7,077,501	4,731,697	807,113	1,115,535
Total Liabilities	<u>165,961,863</u>	<u>157,743,079</u>	<u>4,089,013</u>	<u>3,967,135</u>
Deferred Inflows of Resources				
Deferred Revenues - Current				
Property Taxes	34,355,259	34,380,163	12,560,821	12,353,991
Total Deferred Inflows of Resources	<u>34,355,259</u>	<u>34,380,163</u>	<u>12,560,821</u>	<u>12,353,991</u>
Net Position				
Net Investment in Capital Assets	43,818,988	49,387,797	88,995,360	90,173,162
Restricted	17,522,004	11,549,974	1,411,208	701,658
Unrestricted	(116,550,871)	(112,175,793)	560,668	1,370,951
Total Net Position	<u>\$ (55,209,879)</u>	<u>\$ (51,238,022)</u>	<u>\$ 90,967,236</u>	<u>\$ 92,245,771</u>

In fiscal year 2013-2014, \$17,522,004 is subject to external restrictions on Washington County's net assets.

**WASHINGTON COUNTY TENNESSEE**  
**Management's Discussion and Analysis**

The primary government's net assets decreased by \$3,971,857 during the current fiscal year. The Board of Education's net assets decreased by \$1,278,535.

Key elements of these changes are as follows:

**Washington County Government's Changes in Net Position**

	Primary Government		Component Unit	
	Governmental		Washington County	
	Activities		Board of Education	
	2014	2013	2014	2013
<b>Revenues</b>				
Program Revenues:				
Charges for services	9,830,264	8,631,646	1,626,865	1,866,828
Operating grants and contributions	3,914,088	3,901,001	7,779,365	7,378,562
Capital grants and contributions	245,149	950,756	3,912,176	103,227
General Revenues:				
Property taxes	34,970,600	35,196,657	12,611,741	11,915,764
Other taxes	1,584,082	3,504,155	14,456,770	14,104,247
Grants and contributions not restricted to specific programs	4,118,658	2,175,986	32,468,725	32,273,489
Other	55,808	44,239	36,094	27,640
<b>Total Revenues</b>	<b>54,718,649</b>	<b>54,404,440</b>	<b>72,891,736</b>	<b>67,669,757</b>
<b>Expenses</b>				
General government	5,619,498	5,663,601	-	-
Finance	2,564,200	2,603,951	-	-
Administration of Justice	3,803,354	3,826,432	-	-
Public safety	18,596,830	17,537,321	-	-
Highway / streets	8,784,888	7,544,044	-	-
Public Health and Welfare	5,397,355	5,286,431	-	-
Social, Cultural and Recreation	893,752	870,939	-	-
Agriculture and Natural Resources	421,188	438,009	-	-
Other Operations	747,336	1,606,024	-	-
Debt Service	6,901,927	6,606,429	-	-
Education	4,849,517	161,881	74,179,298	73,231,968
<b>Total Expenses</b>	<b>58,579,845</b>	<b>52,145,062</b>	<b>74,179,298</b>	<b>73,231,968</b>
Increase (Decrease) in net position before transfers & special items	(3,861,196)	2,259,378	(1,287,562)	(5,562,211)
Special Items	-	-	9,027	(21,724)
Transfers	-	-	-	-
<b>Increase (Decrease) in net position</b>	<b>(3,861,196)</b>	<b>2,259,378</b>	<b>(1,278,535)</b>	<b>(5,583,935)</b>
Net position, Beginning	(51,238,022)	(52,255,826)	97,829,706	97,829,706
Prior Period Adjustment	(110,661)	(1,241,574)	-	-
<b>Net position, Ending</b>	<b>(55,209,879)</b>	<b>(51,238,022)</b>	<b>96,551,171</b>	<b>92,245,771</b>

**WASHINGTON COUNTY TENNESSEE**  
**Management's Discussion and Analysis**

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- 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 2013-2014. As a result of that reappraisal, the certified tax rate was set at \$1.9798 on each \$100.00 of assessed value. Property taxes provide the majority of revenue for the operation of the County. A summary of Washington County's property tax rates for the past ten years can be found on Schedule 6 of the statistical schedule of these financial statements.
- The budgets are reviewed by the Board of County Commissioners before a decision is made on the tax levy. The level of reserves and the ability to raise unlimited property taxes provide the county with significant financial flexibility for the foreseeable future.
- Capital grants for governmental activities decreased by \$705,607, mostly as a result of a decrease 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Washington County's governmental funds reported combined ending fund balances of \$37,979,653, an increase of \$4,876,209 in comparison with the prior year. Approximately 46 percent of this total amount, or \$17,318,952 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 \$1,625,590 (2) Debt Service \$7,470,558, or (3) a variety of other restricted purposes \$4,431,497 and (4) to liquidate contracts and purchase orders of the prior period \$7,133,056.

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 \$17,318,952, while total fund balance reached \$19,611,305. 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 49 percent of total general fund expenditures, while total fund balance represents 56 percent of that same amount.

The fund balance of Washington County's general fund increased by \$1,046,772 during the current fiscal year.

**WASHINGTON COUNTY TENNESSEE**  
**Management's Discussion and Analysis**

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The debt service fund has a total fund balance of \$7,233,518, all of which is assigned for the payment of debt service. The fund balance increased during the current year in the debt service fund in the amount of \$827,993. The government continued to levy a portion of its property tax for debt service. This tax produced revenues of \$8,845,866 in the current fiscal year.

**General Fund Budgetary Highlights**

During the year there were various increases in appropriations in the amount of \$1,616,999 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:

- \$ 82,500 - Tobacco Grant – Health Department
- \$109,100 - Homeland Security Grants
- \$349,516 - Public Safety (Grants)
- \$859,007 - Appropriated for various operational expenses
- \$ 67,840 - Disaster Recovery (THDA)
- \$ 30 - LEPC Conference Grant
- \$148,930 - Voting Machines

Additional information on the General Fund Budgetary Highlights may be found on page 25 of this report.

**Capital Asset and Debt Administration**

**Capital Assets.** Washington County's investment in capital assets as of June 30, 2014, amounts to \$69,146,397 (net of accumulated depreciation), and \$88,995,361 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	
	2014	2013	2014	2013
Land	\$ 3,028,257	3,026,957	1,888,432	1,888,432
Library Infrastructure	728,913	757,148	-	-
Buildings and Improvements	45,335,140	45,318,105	125,028,845	124,310,093
Furniture and Fixture	235,751	175,781	1,313,642	983,769
Office Machinery and Equipment	2,191,402	1,476,241	682,442	682,442
Machinery and Equipment	19,172,953	17,275,684	16,485,000	14,448,479
Infrastructure	49,771,059	49,771,059	-	-
Construction in Progress	468,213	350,340	5,439	5,439
Less: Accumulated Depreciation	(51,785,291)	(48,332,330)	(56,408,439)	(52,145,492)
<b>Total</b>	<b>\$ 69,146,397</b>	<b>69,818,985</b>	<b>88,995,361</b>	<b>90,173,162</b>

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 \$159,959,718. Of this amount, \$154,439,718 comprises debt backed by the full faith and credit of the government. The remaining \$5,520,000 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		
	2014	2013	Increase (Decrease)
General Obligation Bonds	\$ 154,439,718	152,870,302	1,569,416
Capital Outlay Notes	5,520,000	90,000	5,430,000
<b>Total</b>	<b>\$ 159,959,718</b>	<b>152,960,302</b>	<b>6,999,416</b>

## WASHINGTON COUNTY TENNESSEE Management's Discussion and Analysis

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- Washington County's total bonded debt and notes payable increased a net of \$6,999,416 during the current fiscal year. This amount reflects new debt of \$11,800,000 for schools and the retirement of \$10,625,000 of General Obligation Bonds.
- The principal on the general bonded debt increased \$1,175,000 and notes payable increased \$5,520,000 with the retirement of \$90,000.

Moody's Investors Service reviewed Washington County's outstanding debt in December 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 2014 increased .4% over 2013. The small overall increase reflected modest retail sales improvement in 8 of 12 months of the fiscal year.

The unemployment rate stood at 7.0% in June 2014 as compared to 8.1% in June 2013, 7.5% in June 2012, 8.9% in June 2011, and a high of 9.8% in January 2010. Local unemployment at fiscal year-end was slightly higher than the state average of 6.6%. The relative stability of Washington County's employment picture can be attributed to the County's diversified and stable job base. However the unemployment rate does also reflect a modest decline in the Labor Participation Rate.

According to the Bureau of Economic Analysis, Washington County experienced a .2% increase in per capita income in 2013 following a 3.2% gain in 2012. 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.

2014 was the property reassessment year for Washington County. Based on 2013 appraised values, Washington County's total assessed value of the tax base declined by approximately 3.5% over the preceding five years.

**WASHINGTON COUNTY TENNESSEE**  
**Management's Discussion and Analysis**

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Healthy reserves, conservative management and budgeting and a diverse and stable tax base and local economy allowed Washington County to maintain its strong financial position in 2014 and continue the current level of services for the near-term.

**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, 2014**

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
<b>ASSETS</b>			
Equity in Pooled Cash and Deposits	\$ 37,302,959	2,530,723	-
Cash and Cash Equivalents	215,651	-	1,754,135
Certificates of Deposit	-	-	249,500
Due from Federal Government	235,379	352,146	-
Due from State of Tennessee	752,671	56,633	-
Due from Other Local Governments	105,424	-	-
Due from Others	37,228	13,809	179,181
Sales Tax Receivable	-	2,346,673	-
Taxes Receivable	37,140,756	13,208,161	-
Allowance for Uncollectibles	(35,621)	(12,947)	-
Inventories	-	126,512	-
Prepaid Expenses	-	-	64,842
Capital Assets Not Being Depreciated:			
Land	3,028,257	1,888,432	-
Construction in Progress	728,913	5,439	-
Library Infrastructure	468,213	-	-
Capital Assets, Net of Accumulated Depreciation	64,921,014	87,101,489	726,856
<b>TOTAL ASSETS</b>	<b>144,900,844</b>	<b>107,617,070</b>	<b>2,974,514</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	406,399	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>406,399</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
Accounts Payable	243,792	320,591	2,167
Accrued Expenses	1,552,046	1,470	62,733
Due to Other Governments	5,661	-	-
Due to Others	97,377	172,253	-
Long-Term Liabilities			
Due Within One Year	5,178,625	312,799	323,745
Due Within More Than One Year	158,884,362	3,281,900	239,352
<b>TOTAL LIABILITIES</b>	<b>165,961,863</b>	<b>4,089,013</b>	<b>627,997</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Current Property Taxes	34,555,259	12,560,821	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>34,555,259</b>	<b>12,560,821</b>	<b>0</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	43,818,988	88,995,360	726,856
Restricted for Capital Outlay	4,146,668	-	-
Restricted for Finance	11,281	-	-
Restricted for Public Safety	491,965	-	-
Restricted for Social, Cultural and Recreational	75,918	-	-
Restricted for Highways	5,325,614	-	-
Restricted for Debt Service	7,470,558	-	-
Restricted for Education	-	1,411,208	-
Unrestricted	(116,550,871)	560,668	1,619,661
<b>TOTAL NET POSITION</b>	<b>\$ (55,209,879)</b>	<b>90,967,236</b>	<b>2,346,517</b>

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



**WASHINGTON COUNTY, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014**

	General Fund	Highway Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Deposits	\$ 19,015,525	5,053,008	7,416,806	4,251,537	1,566,083	37,302,959
Cash and Cash Equivalents	100	-	-	-	215,551	215,651
Due from Federal Government	235,379	-	-	-	-	235,379
Due from State of Tennessee	734,228	-	-	-	18,443	752,671
Due from Other Local Governments	102,350	-	-	-	3,074	105,424
Due from Others	1,755	-	-	-	36,147	37,902
Taxes Receivable	21,152,840	5,129,961	9,937,160	-	920,795	37,140,756
Allowance for Uncollectibles	(20,367)	(4,615)	(9,737)	-	(902)	(35,621)
Due from Other Funds	376,823	-	53,498	10,200	237,040	677,561
<b>TOTAL ASSETS</b>	<b>\$ 41,598,633</b>	<b>10,178,354</b>	<b>17,397,727</b>	<b>4,261,737</b>	<b>2,996,231</b>	<b>76,432,682</b>
<b>LIABILITIES</b>						
Accounts Payable	145,702	21,150	623	39,312	5,056	211,843
Retainages Payable	-	-	-	31,950	-	31,950
Accrued Expenses	635,637	129,309	3,700	-	22,648	791,294
Due to Others	98,051	-	-	-	-	98,051
Due to Other Governments	5,661	-	-	-	-	5,661
Due to Other Funds	10,200	-	237,040	53,498	376,823	677,561
<b>TOTAL LIABILITIES</b>	<b>895,251</b>	<b>150,459</b>	<b>241,363</b>	<b>124,760</b>	<b>404,527</b>	<b>1,816,360</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Current Property Taxes	19,876,523	4,459,395	9,445,747	-	875,248	34,656,913
Unavailable Revenue	1,215,554	242,886	477,099	-	44,217	1,979,756
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,092,077</b>	<b>4,702,281</b>	<b>9,922,846</b>	<b>0</b>	<b>919,465</b>	<b>36,636,669</b>
<b>FUND BALANCES</b>						
Restricted for:						
Restricted for Capital Outlay	9,691	-	-	4,136,977	-	4,146,668
Restricted for Finance	11,281	-	-	-	-	11,281
Restricted for Public Safety	285,044	-	-	-	206,921	491,965
Restricted for Highways	-	5,325,614	-	-	-	5,325,614
Restricted for Debt Service	-	-	7,233,518	-	237,040	7,470,558
Restricted for Social, Cultural and Recreational	75,918	-	-	-	-	75,918
Committed for:						
Committed for General Government	1,625,590	-	-	-	-	1,625,590
Committed for Public Health and Welfare	-	-	-	-	1,228,278	1,228,278
Assigned for:						
Assigned for Public Safety	75,929	-	-	-	-	75,929
Assigned for General Government	172,120	-	-	-	-	172,120
Assigned for Public Health and Welfare	15,720	-	-	-	-	15,720
Assigned for Agriculture and Natural Resources	1,060	-	-	-	-	1,060
Assigned for Other Operations	20,000	-	-	-	-	20,000
Unassigned	17,318,952	-	-	-	-	17,318,952
<b>TOTAL FUND BALANCES</b>	<b>19,611,305</b>	<b>5,325,614</b>	<b>7,233,518</b>	<b>4,136,977</b>	<b>1,672,239</b>	<b>37,979,653</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 41,598,633</b>	<b>10,178,354</b>	<b>17,397,727</b>	<b>4,261,737</b>	<b>2,996,231</b>	<b>76,432,682</b>

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

**WASHINGTON COUNTY, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2014**

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 37,979,653
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 \$120,931,688 and the accumulated depreciation is \$51,785,291.	69,146,397
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,081,411
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(760,752)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(163,656,588)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (55,209,879)</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, 2014**

	General Fund	Highway Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 21,865,923	4,749,201	10,279,931	-	950,963	37,846,018
Licenses and Permits	567,564	677	1,498	-	168	569,907
Fines, Forfeitures and Penalties	916,519	-	-	-	25,940	942,459
Charges for Current Services	492,756	367,102	-	-	78,748	938,606
Other Local Revenues	228,660	183,730	17,566	2,060	419,005	851,021
Revenue from State of Tennessee	4,140,326	2,343,489	-	-	115,460	6,599,275
Revenue from Federal Government	470,657	-	-	-	-	470,657
Revenue from Other Governments and Citizens Groups	1,688,066	-	-	-	5,617,541	7,305,607
<b>TOTAL REVENUES</b>	<b>30,370,471</b>	<b>7,644,199</b>	<b>10,298,995</b>	<b>2,060</b>	<b>7,207,825</b>	<b>55,523,550</b>
<b>EXPENDITURES</b>						
General Government	5,862,651	-	-	357,593	78,195	6,298,439
Finance	2,560,244	-	-	-	-	2,560,244
Administration of Justice	3,842,678	-	-	-	-	3,842,678
Public Safety	17,125,994	-	-	288,407	-	17,414,401
Highways	-	8,912,894	-	-	-	8,912,894
Public Health and Welfare	3,897,314	-	-	52,455	1,425,639	5,375,408
Social, Cultural and Recreational	839,846	-	-	-	-	839,846
Agriculture and Natural Resources	417,339	-	-	-	-	417,339
Other Operations	747,336	-	-	-	-	747,336
Debt Service	-	-	18,036,874	-	22,960	18,059,834
Education	-	-	-	4,030,270	-	4,030,270
<b>TOTAL EXPENDITURES</b>	<b>35,293,402</b>	<b>8,912,894</b>	<b>18,036,874</b>	<b>4,728,725</b>	<b>1,526,794</b>	<b>68,498,689</b>
Excess (Deficiency) of Revenues over Expenditures	(4,922,931)	(1,268,695)	(7,737,879)	(4,726,665)	5,681,031	(12,975,139)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond Proceeds	-	-	7,785,000	4,015,000	-	11,800,000
Note Proceeds	-	-	-	5,520,000	-	5,520,000
Capital Lease Proceeds	673,166	-	-	-	-	673,166
Premium on Bonds Issued	-	-	447,385	340,705	-	788,090
Contribution to Johnson City Schools	-	-	-	(819,247)	-	(819,247)
Transfers to Other Funds	(48,981)	(231,000)	-	(2,178,506)	(5,345,518)	(7,804,005)
Transfers from Other Funds	5,345,518	2,125,000	333,487	-	-	7,804,005
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,969,703</b>	<b>1,894,000</b>	<b>8,565,872</b>	<b>6,877,952</b>	<b>(5,345,518)</b>	<b>17,962,009</b>
Net Change in Fund Balances	1,046,772	625,305	827,993	2,151,287	335,513	4,986,870
Fund Balances, July 1, 2013	18,564,533	4,700,309	6,405,525	1,985,690	1,447,387	33,103,444
Prior Period Adjustment - Accounting Change	-	-	-	-	(110,661)	(110,661)
<b>Fund Balances, June 30, 2014</b>	<b>\$ 19,611,305</b>	<b>5,325,614</b>	<b>7,233,518</b>	<b>4,136,977</b>	<b>1,672,239</b>	<b>37,979,653</b>

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, 2014**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,986,870
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 \$3,141,321 is less than depreciation of \$3,784,581 in the period.	(643,260)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(29,328)
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 \$2,065,957 and the current year amount of \$2,081,411.	15,454
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.	(220,207)
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.	(266,389)
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.	242,870
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.	<u>(7,947,206)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (3,861,196)</u>

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2014**

	Actual GAAP Basis	Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>REVENUES</b>							
Taxes	\$ 21,865,923	-	-	21,865,923	21,641,977	21,641,977	223,946
Licenses and Permits	567,564	-	-	567,564	522,000	522,000	45,564
Fines, Forfeitures and Penalties	916,519	-	-	916,519	875,700	875,700	40,819
Charges for Current Services	492,756	-	-	492,756	460,360	460,360	32,396
Other Local Revenues	228,660	-	-	228,660	144,500	146,500	82,160
Revenue from State of Tennessee	4,140,326	-	-	4,140,326	3,471,054	3,722,403	417,923
Revenue from Federal Government	470,657	-	-	470,657	38,000	570,480	(99,823)
Revenue from Other Governments and Citizens Groups	1,688,066	-	-	1,688,066	1,650,437	1,650,537	37,529
<b>TOTAL REVENUES</b>	<b>30,370,471</b>	<b>0</b>	<b>0</b>	<b>30,370,471</b>	<b>28,804,028</b>	<b>29,589,957</b>	<b>780,514</b>
<b>EXPENDITURES</b>							
<b>General Government</b>							
County Commission	271,784	-	-	271,784	297,463	297,963	26,179
Board of Equalization	6,100	-	-	6,100	7,345	7,345	1,245
County Mayor	224,066	-	-	224,066	226,738	226,738	2,672
County Attorney	241,168	1,480	-	239,688	313,823	313,823	74,135
Election Commission	677,691	-	-	677,691	688,538	839,008	161,317
Register of Deeds	498,584	-	8,922	507,506	530,605	560,539	53,033
Planning and Zoning	19,636	-	-	19,636	26,641	26,641	7,005
Codes Compliance	482,305	-	2,323	484,628	512,962	512,962	28,334
County Building	760,567	9,135	11,827	763,259	48,700	104,913	(658,346)
Other General Administration	2,614,795	150,275	149,048	2,613,568	2,496,480	2,702,580	89,012
Preservation of Records	65,198	17,185	-	48,013	133,154	133,154	85,141
Miscellaneous	757	-	-	757	-	760	3
<b>Finance</b>							
Accounting and Budgeting	222,117	1,652	-	220,465	298,669	298,669	78,204
Purchasing	169,429	-	-	169,429	185,155	185,155	15,726
Property Assessor	468,394	-	-	468,394	513,877	513,877	45,483
Reappraisal Program	361,444	-	-	361,444	420,294	420,294	58,850
County Trustee	450,408	-	-	450,408	457,020	483,290	32,882
County Clerk	888,452	2,609	-	885,843	924,358	924,358	38,515
<b>Administration of Justice</b>							
General Sessions Judge	615,628	-	-	615,628	642,332	642,332	26,704
Drug Court	5,000	-	-	5,000	18,000	9,000	4,000
Circuit Court	1,795,544	-	-	1,795,544	1,898,384	1,908,384	112,840
Chancery Court	686,523	48	-	686,475	701,852	703,352	16,877
District Attorney General	80,076	-	-	80,076	80,000	80,076	-
Judicial Court	170,494	-	-	170,494	180,046	233,546	63,052
Courtroom Security	489,413	-	-	489,413	617,828	617,828	128,415

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2014**

	Actual GAAP Basis	Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>EXPENDITURES (CONTINUED)</b>							
<b>Public Safety</b>							
Sheriff's Department	6,963,033	33,720	40,045	6,969,358	7,080,849	7,318,118	348,760
Substance Abuse Program Grant	-	-	-	-	-	5,889	5,889
Jail	7,558,935	15,737	30,091	7,573,289	7,881,414	7,889,414	316,125
Juvenile Services	491,966	-	-	491,966	486,302	511,302	19,336
Work Release Program	11,093	-	-	11,093	16,727	16,727	5,634
Federal Asset Forfeiture	18,932	-	3,250	22,182	28,000	28,000	5,818
JAG Grant (Law Enforcement Supplies)	25,962	-	-	25,962	-	25,962	-
Fire Protection and Control	822,500	-	-	822,500	820,000	827,500	5,000
Civil Defense	109,058	-	-	109,058	109,058	109,058	-
Hazardous Materials	8,035	-	1,985	10,020	11,400	11,400	1,380
Other Emergency Management	107,636	-	558	108,194	-	109,100	906
2013 LEPC Conference Grant	6,440	7,328	-	(888)	-	60	948
Rescue Squad	164,300	-	-	164,300	84,300	164,300	-
County Coroner	155,707	-	-	155,707	162,708	162,708	7,001
School Resource Officer Grant	-	-	-	-	20,600	20,600	20,600
Other Public Safety	678,045	-	-	678,045	704,309	704,309	26,264
Safe Teen Driving Skills	3,185	-	-	3,185	-	24,835	21,650
Public Safety - Law Enforcement	1,167	-	-	1,167	-	2,620	1,453
EMA District Command Post	-	-	-	-	-	2,000	2,000
<b>Public Health and Welfare</b>							
County Health Center	998,134	2,836	15,420	1,010,718	1,024,518	1,042,137	31,419
Local Health Center State Grant	882,639	-	-	882,639	1,129,890	1,129,890	247,251
Health Center Tobacco Grant	15,185	-	300	15,485	-	82,500	67,015
Rabies and Animal Control	314,750	-	-	314,750	158,000	314,750	-
Ambulance Service	1,528,802	-	-	1,528,802	1,435,272	1,528,802	-
Public Welfare	66,900	-	-	66,900	70,900	70,900	4,000
Aid to Dependent Children	12,150	-	-	12,150	12,150	21,150	9,000
Alcohol and Drug Program	3,049	-	-	3,049	6,105	6,105	3,056
Sanitation Education	58,705	-	-	58,705	61,029	61,029	2,324
Regional Mental Health Center	17,000	-	-	17,000	-	17,000	-
<b>Social, Cultural and Recreational</b>							
Senior Citizen's Assistance	112,877	-	-	112,877	112,877	112,877	-
Libraries	578,219	759	-	577,460	618,591	624,685	47,225
Libraries (Other)	127,500	-	-	127,500	127,500	127,500	-
Social, Cultural and Recreational	21,250	-	-	21,250	18,900	21,250	-

(Continued)

WASHINGTON COUNTY, TENNESSEE  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2014**

	Actual GAAP Basis	Less:	Add:	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
		Encumbrances 6/30/2013	Encumbrances 6/30/2014		Original	Final	
<b>EXPENDITURES (CONTINUED)</b>							
Agriculture and Natural Resources							
Agriculture Extension Service	281,471	-	1,060	282,531	286,575	286,575	4,044
Forest Service	1,500	-	-	1,500	1,500	1,500	-
Soil Conservation	88,317	-	-	88,317	89,256	89,256	939
Storm Water Management	35,010	-	-	35,010	45,653	45,653	10,643
Agriculture and Natural Resources	11,041	-	-	11,041	12,340	12,660	1,619
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	399,433	-	20,000	419,433	325,000	419,438	5
Transportation - Airport	16,599	-	-	16,599	17,706	17,706	1,107
Contributions to Other Agencies	53,243	-	-	53,243	56,694	56,694	3,451
Employee Benefits	57,044	-	-	57,044	45,000	60,000	2,956
Disaster Relief - Dry Creek Flood	67,840	-	-	67,840	-	67,840	-
<b>TOTAL EXPENDITURES</b>	<b>35,293,402</b>	<b>242,764</b>	<b>284,829</b>	<b>35,335,467</b>	<b>35,434,564</b>	<b>37,051,563</b>	<b>1,716,096</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,922,931)	(242,764)	284,829	(4,964,996)	(6,630,536)	(7,461,606)	2,496,610
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from Constitutional Officers - Fees Fund	5,345,518	-	-	5,345,518	5,050,000	5,050,000	295,518
Capital Lease Proceeds	673,166	-	-	673,166	-	-	673,166
Transfer to Other Funds	(48,981)	-	-	(48,981)	-	-	(48,981)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,969,703</b>	<b>0</b>	<b>0</b>	<b>5,969,703</b>	<b>5,050,000</b>	<b>5,050,000</b>	<b>919,703</b>
Net Change in Fund Balance	1,046,772	(242,764)	284,829	1,004,707	(1,580,536)	(2,411,606)	3,416,313
Fund Balance, July 1, 2013	18,564,533	242,764	-	19,504,696	19,504,696	19,504,696	-
Fund Balance, June 30, 2014	<u>\$ 19,611,305</u>	<u>0</u>	<u>284,829</u>	<u>20,509,403</u>	<u>17,924,160</u>	<u>17,093,090</u>	<u>3,416,313</u>

NOTE: 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, 2014**

	Actual GAAP Basis	Less: Encumbrances 6/30/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>REVENUES</b>							
Taxes	\$ 4,749,201	-	-	4,749,201	4,620,147	4,620,147	129,054
Licenses and Permits	677	-	-	677	500	500	177
Charges for Current Services	367,102	-	-	367,102	-	100,000	267,102
Other Local Revenues	183,730	-	-	183,730	130,000	130,000	53,730
Revenue from State of Tennessee	2,343,489	-	-	2,343,489	2,751,000	3,076,000	(732,511)
<b>TOTAL REVENUES</b>	<b>7,644,199</b>	<b>0</b>	<b>0</b>	<b>7,644,199</b>	<b>7,501,647</b>	<b>7,926,647</b>	<b>(282,448)</b>
<b>EXPENDITURES</b>							
General Government							
Administration	575,923	-	4,478	580,401	627,051	620,151	39,750
Traffic Control	140,171	-	2,417	142,588	160,727	160,727	18,139
Highway and Bridge Maintenance	2,334,350	25,000	10,375	2,319,725	2,959,674	2,880,074	560,349
Operation and Maintenance of							
Equipment	794,937	499	2,493	796,931	940,993	957,493	160,562
Asphalt Plant Operations	3,268,802	-	-	3,268,802	3,717,513	4,133,213	864,411
Other Charges	117,995	-	-	117,995	121,000	121,000	3,005
Employee Benefits	37,398	-	-	37,398	38,000	47,000	9,602
Capital Outlay	1,643,318	1,615	-	1,641,703	1,700,000	2,111,300	469,597
<b>TOTAL EXPENDITURES</b>	<b>8,912,894</b>	<b>27,114</b>	<b>19,763</b>	<b>8,905,543</b>	<b>10,264,958</b>	<b>11,030,958</b>	<b>2,125,415</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,268,695)	27,114	19,763	(1,261,344)	(2,763,311)	(3,104,311)	1,842,967
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer to Other Funds	(231,000)	-	-	(231,000)	(231,000)	(231,000)	-
Transfer from Other Funds	2,125,000	-	-	2,125,000	-	-	2,125,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,894,000</b>	<b>0</b>	<b>0</b>	<b>1,894,000</b>	<b>(231,000)</b>	<b>(231,000)</b>	<b>2,125,000</b>
Net Change in Fund Balance	625,305	27,114	19,763	632,656	(2,994,311)	(3,335,311)	3,967,967
Fund Balance, July 1, 2013	4,700,309	(27,114)	-	4,673,195	4,673,195	4,673,195	-
<b>Fund Balance, June 30, 2014</b>	<b>\$ 5,325,614</b>	<b>0</b>	<b>19,763</b>	<b>5,305,851</b>	<b>1,678,884</b>	<b>1,337,884</b>	<b>3,967,967</b>

NOTE: 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, 2014

	Agency Funds
<b>ASSETS</b>	
Cash on Hand and in Bank	\$ 4,663,172
Equity in Pooled Cash and Deposits	324,854
Accounts Receivable	31,366
Taxes Receivable	11,211,550
Allowance for Uncollectibles	(10,984)
Sales Tax Receivable	5,771,175
<b>TOTAL ASSETS</b>	<b>\$ 21,991,133</b>
 <b>LIABILITIES</b>	
Due to Other Governments	\$ 17,302,917
Due to State	854,276
Due to Litigants, Heirs and Others	3,833,940
<b>TOTAL LIABILITES</b>	<b>\$ 21,991,133</b>

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

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Washington County, Tennessee (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described as follows:

**A. Reporting Entity**

Washington County, Tennessee, is a political subdivision of the State of Tennessee governed by an elected twenty-five member board. As required by GAAP, these financial statements present Washington County, Tennessee, and its component units. 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 Board 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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

Complete financial statements of WCECD may be obtained from their administrative offices at:

Washington County Emergency Communications District  
P.O. Box 448  
Johnson City, Tennessee 37605

**Joint Ventures and Jointly Governed Organizations** - The County is a participant with the City of Johnson City in joint ventures to operate the Washington County-Johnson City Animal Control Center, the Washington County-Johnson City Emergency Medical Services, Inc. - Ambulance Division and the Economic Development Council. 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, 2014**

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**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) and the Rural 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 (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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Certain revenues are required to be recognized as a receivable at June 30 either as revenue or deferred 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 *capital projects fund* accounts for financial resources used for the acquisition of major capital facilities related to the operation of the County.

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

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 five agency funds: Johnson City Schools Fund, Cities Sales Tax Fund, Constitutional Officers, District Attorney General 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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The discretely presented component unit, Washington County Board of Education, reports the following major governmental fund:

*General Purpose School Fund* – This fund is the primary operating fund for the Board of Education.

Additionally, the Washington County Board of Education reports the following fund type:

*Special Revenue Funds* – The funds account for the proceeds of specific revenue sources that are legally restricted for a specific purpose.

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 then 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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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 three 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, 2014, the County had \$130,815,579 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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Net Position and Fund Balance (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, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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	\$ (149,500,000)	-
Less: Deferred Charge on Refunding (net of accumulated amortization of \$772,147 recorded as interest expense)	406,398	-
Add: Bond Premium (net of accumulated amortization of \$2,713,884 recorded as interest expense)	(4,939,718)	-
Capital Outlay Notes	(5,520,000)	-
Capital Lease	(554,117)	-
Other Post-Employment Benefits	(1,873,776)	(3,434,900)
Compensated Absences	<u>(1,675,376)</u>	<u>(159,799)</u>
 Net adjustment to reduce <i>fund balance governmental funds</i> to arrive at <i>net position-governmental activities</i>	 \$ <u>(163,656,589)</u>	 <u>(3,594,699)</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**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	\$ 1,745,384	634,393
Federal Prisoner Board	115,381	-
Income Tax	102,549	-
Beer Tax	15,898	-
Local Tax Revenue	102,200	-
Net adjustment to increase <i>fund balance-governmental funds</i> to arrive at <i>net position-governmental activities</i>	\$ 2,081,412	634,393

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances-governmental funds* and *change in net 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(decrease) 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	\$ 20,595	2,950,844
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.	(49,923)	(14,069)
Net adjustment to increase(decrease) <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (29,328)	2,936,775

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

**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	\$(11,800,000)
Less: Premium	(788,089)
Issuance of Notes	(5,520,000)
Issuance of Capital Lease	(673,166)
Principal Repayments:	
General Obligation Debt	10,625,000
Capital Lease	119,049
Capital Outlay Notes	<u>90,000</u>
Net adjustment to decrease <i>net change in fund balances - governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (7,947,206)</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	\$ 692,091
Current Year Accrued Interest	(760,752)
Amortization of Bond Premiums	393,672
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>\$ 242,870</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor, County Attorney, Election Commission, etc.). 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 GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2014, 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	\$ 117,585

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**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 it's 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	\$ 37,302,959	2,530,723	-
Cash and Cash Equivalents	<u>215,651</u>	<u>-</u>	<u>1,754,135</u>
	<u>\$ 37,518,610</u>	<u>2,530,723</u>	<u>1,754,135</u>

***Agency Funds***

Equity in Pooled Cash and Deposits	\$ 324,854
Cash on Hand and in Bank	<u>4,663,172</u>
	<u>\$ 4,988,026</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 on Hand and in Bank" 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:

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

DEPOSITS - Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must be equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

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 \$40,374,087 and the bank balance was \$50,917,976. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2014.

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>
<b><i>Primary Government:</i></b>		
Cash in Bank - Others (Elected Officials Accounts)	<u>\$4,870,606</u>	<u>5,625,398</u>
<b><i>Component Unit:</i></b>		
Washington County Emergency Communications District	<u>\$1,754,135</u>	<u>1,782,386</u>

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

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

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, 2014**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

**Primary Government**

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 3,026,957	1,300	-	-	3,028,257
Library Infrastructure	757,148	71,009	(99,244)	-	728,913
Construction in Progress	350,340	117,873	-	-	468,213
Total Capital Assets, Not Being Depreciated	<u>4,134,445</u>	<u>190,182</u>	<u>(99,244)</u>	<u>0</u>	<u>4,225,383</u>
Capital Assets, Being Depreciated					
Buildings and Improvements	45,318,105	685,313	-	(668,278)	45,335,140
Furniture and Fixtures	175,781	389,843	-	(329,873)	235,751
Office Machinery and Equipment	1,476,241	715,161	-	-	2,191,402
Machinery and Equipment	17,275,684	4,182,675	(332,713)	(1,952,693)	19,172,953
Roads and Bridges	49,771,059	-	-	-	49,771,059
Total Capital Assets, Being Depreciated	<u>114,016,870</u>	<u>5,972,992</u>	<u>(332,713)</u>	<u>(2,950,844)</u>	<u>116,706,305</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(10,772,846)	(1,217,789)	-	-	(11,990,635)
Furniture and Fixtures	(86,623)	(12,042)	-	-	(98,665)
Office Machinery and Equipment	(1,415,599)	(102,383)	-	-	(1,517,982)
Machinery and Equipment	(13,652,808)	(1,218,436)	331,620	-	(14,539,624)
Roads and Bridges	(22,404,454)	(1,233,931)	-	-	(23,638,385)
Total Accumulated Depreciation	<u>(48,332,330)</u>	<u>(3,784,581)</u>	<u>331,620</u>	<u>0</u>	<u>(51,785,291)</u>
Total Capital Assets, Being Depreciated, Net	<u>65,684,540</u>	<u>2,188,411</u>	<u>(1,093)</u>	<u>(2,950,844)</u>	<u>64,921,014</u>
Governmental Activities Capital Assets, Net	<u>\$ 69,818,985</u>	<u>2,378,593</u>	<u>(100,337)</u>	<u>(2,950,844)</u>	<u>69,146,397</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 adjustment is due to transfer of capital assets from the Primary Government to the Discretely Presented Component Unit - Washington County Board of Education.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets (Continued)**

**Primary Government (Continued)**

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

Governmental Activities:

General Government	\$ 919,176
Public Safety	1,202,180
Highways	1,581,173
Public Health and Welfare	60,790
Social, Cultural and Recreational	<u>21,262</u>

Total Depreciation Expense-Governmental Activities \$ 3,784,581

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**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	5,439	-	-	-	5,439
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,893,871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,893,871</b>
Capital Assets, Being Depreciated					
Buildings and Improvements	124,310,093	50,474	-	668,278	125,028,845
Furniture and Fixtures	983,769	-	-	329,873	1,313,642
Office Machinery and Equipment	682,442	-	-	-	682,442
Machinery and Equipment	14,448,479	232,919	(149,091)	1,952,693	16,485,000
<b>Total Capital Assets Being Depreciated</b>	<b>140,424,783</b>	<b>283,393</b>	<b>(149,091)</b>	<b>2,950,844</b>	<b>143,509,929</b>
Less Accumulated Depreciation for					
Buildings and Improvements	(38,631,499)	(3,829,186)	-	-	(42,460,685)
Furniture and Fixtures	(974,960)	(1,483)	-	-	(976,443)
Office Machinery and Equipment	(600,508)	(28,758)	-	-	(629,266)
Machinery and Equipment	(11,938,525)	(538,541)	135,021	-	(12,342,045)
<b>Total Accumulated Depreciation</b>	<b>(52,145,492)</b>	<b>(4,397,968)</b>	<b>135,021</b>	<b>0</b>	<b>(56,408,439)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>88,279,291</b>	<b>(4,114,575)</b>	<b>(14,070)</b>	<b>2,950,844</b>	<b>87,101,490</b>
<b>Washington County Board of Education Capital Assets, Net</b>	<b>\$ 90,173,162</b>	<b>(4,114,575)</b>	<b>(14,070)</b>	<b>2,950,844</b>	<b>88,995,361</b>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**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	\$ 531,587	14,238	-	545,825
Vehicles	51,618	-	-	51,618
Office Equipment	1,265,846	25,213	-	1,291,059
Furniture and Fixtures	59,616	-	-	59,616
Total Capital Assets, Being Depreciated	<u>1,908,667</u>	<u>39,451</u>	<u>0</u>	<u>1,948,118</u>
Less Accumulated Depreciation for				
Building Improvements	(344,308)	(18,978)	-	(363,286)
Vehicles	(45,066)	(3,931)	-	(48,997)
Office Equipment	(614,440)	(139,961)	-	(754,401)
Furniture and Fixtures	(52,654)	(1,924)	-	(54,578)
Total Accumulated Depreciation	<u>(1,056,468)</u>	<u>(164,794)</u>	<u>0</u>	<u>(1,221,262)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 852,199</u>	<u>(125,343)</u>	<u>0</u>	<u>726,856</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Operating Leases**

The 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, 2014 amount to \$103,924. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2015	\$ 108,215
2016	87,747
2017	23,330
2018	6,252
2019	2,315
Total	<u>\$ 227,859</u>

Washington County Board of Education is committed under a lease for a copier. The lease is considered for accounting purposes to be an operating lease. Lease expenditures for the fiscal year ended June 30, 2014 amount to \$2,235. Future minimum lease payments are as follows:

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

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**D. Capital Leases**

During 2014, the County entered into a lease agreement for a county-wide phone system. The lease agreement qualifies as a capital lease for accounting purposes (bargain purchase option) and has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

County-Wide Telephone System	\$ 673,166
Less: Accumulated Depreciation	<u>(67,317)</u>
Total	<u><u>\$ 605,849</u></u>

The net present value of the minimum lease payments as of June 30, 2014 is as follows:

Lease Payable	Date Issued	Date Matures	Amount Issued	Interest Rate	Outstanding June 30, 2014
County-Wide Telephone System	8/1/2014	7/1/2018	\$ 673,166	1.75%	\$ 554,117

The future minimum lease obligations as of June 30, 2014, are as follows.

Fiscal Year Ending Ending June 30	Principal	Interest	Total
2015	\$ 132,066	8,641	140,707
2016	134,396	6,311	140,707
2017	136,767	3,940	140,707
2018	139,180	1,528	140,708
2019	<u>11,708</u>	<u>17</u>	<u>11,725</u>
Total	<u><u>\$ 554,117</u></u>	<u><u>20,437</u></u>	<u><u>574,554</u></u>

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt**

The following is a summary of bonds, notes and other long-term obligations comprising general long-term debt for the fiscal year ended June 30, 2014.

	Balance Beginning of Year	Additions	Retirements/ Reductions	Balance End of Year	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 148,325,000	11,800,000	(10,625,000)	149,500,000	4,200,000
Add: For Issuance of Premium	4,545,302	788,088	(393,672)	4,939,718	-
Total General Obligation Bonds	<u>152,870,302</u>	<u>12,588,088</u>	<u>(11,018,672)</u>	<u>154,439,718</u>	<u>4,200,000</u>
Capital Outlay Notes	90,000	5,520,000	(90,000)	5,520,000	590,000
Capital Lease	-	673,166	(119,049)	554,117	132,066
Other Post-Employment Benefits	1,607,387	327,831	(61,442)	1,873,776	62,000
Compensated Absences	<u>1,455,169</u>	<u>220,207</u>	<u>-</u>	<u>1,675,376</u>	<u>194,559</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u><u>\$ 156,022,858</u></u>	<u><u>19,329,292</u></u>	<u><u>(11,289,163)</u></u>	<u><u>164,062,987</u></u>	<u><u>5,178,625</u></u>
<b>Component Unit - WCBOE</b>					
Compensated Absences	\$ 157,768	2,031	-	159,799	159,799
Other Post-Employment Benefits	<u>3,019,600</u>	<u>415,300</u>	<u>-</u>	<u>3,434,900</u>	<u>153,000</u>
<b>WCBOE Long-Term Liabilities</b>	<u><u>\$ 3,177,368</u></u>	<u><u>417,331</u></u>	<u><u>0</u></u>	<u><u>3,594,699</u></u>	<u><u>312,799</u></u>
<b>Component Unit - WCECD</b>					
Compensated Absences	\$ 302,604	21,141	-	323,745	323,745
Other Post-Employment Benefits	<u>182,639</u>	<u>56,713</u>	<u>-</u>	<u>239,352</u>	<u>-</u>
<b>WCBOE Long-Term Liabilities</b>	<u><u>\$ 485,243</u></u>	<u><u>77,854</u></u>	<u><u>0</u></u>	<u><u>563,097</u></u>	<u><u>323,745</u></u>

The County issued \$7,785,000 of Series 2014 General Obligation School Refunding Bonds for the purpose of the current refunding of the School and Public Improvement Refunding Bonds, series 2004. The county issued \$1,385,000 of Taxable Series 2013 General Obligation School Bonds for the purpose of providing funds for the acquisition of; (1) school buses, (2) land for design, constructing, renovating and equipping of County Schools, (3) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the forgoing, (4) reimbursement to the appropriate fund of the County for prior expenditures, (5) payment of funds to the City of Johnson City, TN and (6) payment of costs incident to the issuance and sale of the bonds. The County, also, issued \$2,630,000 of Series 2013 Rural School Bonds for the purpose of providing funds for the acquisition of; (1) land for design, constructing, renovating and equipping of County Schools located outside the territorial limits of the City of Johnson City, TN, (2) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the forgoing, (3) reimbursement to the appropriate fund of the County for prior expenditures and (4) payment of costs incident to the issuance and sale of the bonds.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

**Bonds Payable**

	Date <u>Issued</u>	Date <u>Matures</u>	Amount <u>Issued</u>	<u>Interest Rate</u>	Outstanding <u>June 30, 2014</u>
School Construction Bonds	01/23/07	06/01/37	\$105,675,000	4.37-5.00%	\$105,675,000
Refunding Bonds Justice Center	01/23/07	06/01/18	4,275,000	4.37-5.00%	3,690,000
Construction Bonds	01/23/07	06/01/35	20,410,000	4.37-5.00%	19,615,000
School Refunding Bonds	06/27/11	04/01/22	6,895,000	2.00-4.00%	4,330,000
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%	1,520,000
Rural School Bonds	09/13/13	06/30/26	2,630,000	2.00-3.00%	2,630,000
General Obl. School Bonds	09/13/13	07/25/25	1,385,000	2.00-3.80%	1,385,000
School Construction Bonds	04/01/14	04/01/18	7,785,000	1.50-5.00%	<u>7,785,000</u>
<b>Total</b>					<b>\$ <u>149,500,000</u></b>

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,420,000	4,929,256	8,349,256
2020-2024	19,700,000	22,057,332	41,757,332
2025-2029	25,075,000	16,672,419	41,747,419
2030-2034	31,645,000	10,111,225	41,756,225
2035-2037	25,835,000	2,421,007	28,256,007
	<u>\$105,675,000</u>	<u>75,908,263</u>	<u>181,583,263</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

**Bonds Payable (Continued)**

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

Fiscal Year Ending June 30	Principal	Interest	Total
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>\$ 3,690,000</u>	<u>540,100</u>	<u>4,230,100</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
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	730,000	871,531	1,601,531
2020-2024	4,195,000	3,805,757	8,000,757
2025-2029	5,340,000	2,660,219	8,000,219
2030-2034	6,745,000	1,261,782	8,006,782
2035	1,535,000	67,156	1,602,156
	<u>\$ 19,615,000</u>	<u>12,286,819</u>	<u>31,901,819</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

**Bonds Payable (Continued)**

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	335,000	39,300	374,300
2020-2022	975,000	58,200	1,033,200
	<u>\$ 4,330,000</u>	<u>518,500</u>	<u>4,848,500</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
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	280,000	67,642	347,642
2020-2023	1,540,000	171,395	1,711,395
	<u>\$ 2,870,000</u>	<u>575,375</u>	<u>3,445,375</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. 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
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	260,000	10,600	270,600
2020	270,000	5,400	275,400
	<u>\$ 1,520,000</u>	<u>108,400</u>	<u>1,628,400</u>

Rural School Bonds issued September 13, 2013, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 190,000	65,850	255,850
2016	195,000	62,000	257,000
2017	200,000	58,050	258,050
2018	205,000	54,000	259,000
2019	210,000	49,850	259,850
2020-2024	1,130,000	157,525	1,287,525
2025-2026	500,000	15,150	515,150
	<u>\$ 2,630,000</u>	<u>462,425</u>	<u>3,092,425</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

**Bonds Payable (Continued)**

General Obligation School Bonds issued September 13, 2013, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 130,000	37,710	167,710
2016	125,000	35,160	160,160
2017	130,000	32,610	162,610
2018	130,000	29,848	159,848
2019	130,000	26,760	156,760
2020-2024	575,000	75,467	650,467
2025-2026	165,000	6,365	171,365
	<u>\$ 1,385,000</u>	<u>243,920</u>	<u>1,628,920</u>

School Construction Refunding Bonds issued April 1, 2014, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 2,010,000	264,206	2,274,206
2016	2,090,000	182,550	2,272,550
2017	1,845,000	119,850	1,964,850
2018	1,840,000	27,600	1,867,600
	<u>\$ 7,785,000</u>	<u>594,206</u>	<u>8,379,206</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Debt (Continued)**

**Bonds Payable (Continued)**

Total bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 4,200,000	6,667,558	10,867,558
2016	4,740,000	6,522,967	11,262,967
2017	4,890,000	6,359,707	11,249,707
2018	5,080,000	6,146,438	11,226,438
2019	5,365,000	5,994,939	11,359,939
2020-2024	28,385,000	26,331,076	54,716,076
2025-2029	31,080,000	19,354,153	50,434,153
2030-2034	38,390,000	11,373,007	49,763,007
2035-2037	27,370,000	2,488,163	29,858,163
	<u>\$149,500,000</u>	<u>91,238,008</u>	<u>240,738,008</u>

**Capital Outlay Notes**

	Date Issued	Maturity Date	Amount Issued	Interest Rate	Outstanding June 30, 2014
General Obligation	09/13/13	07/15/25	\$5,520,000	2.00-3.00%	\$ 5,520,000

General Obligation Capital Outlay Note issued September 13, 2013, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 590,000	137,875	727,875
2016	595,000	126,025	721,025
2017	605,000	114,025	719,025
2018	605,000	98,900	703,900
2019	565,000	81,350	646,350
2020-2024	2,010,000	209,288	2,219,288
2025-2026	550,000	16,650	566,650
	<u>\$ 5,520,000</u>	<u>784,113</u>	<u>6,304,113</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2014 is as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	-	-	376,823	376,823
Debt Service Fund	-	-	53,498	-	53,498
Capital Projects	10,200	-	-	-	10,200
Nonmajor Governmental	-	237,040	-	-	237,040
	<u>\$ 10,200</u>	<u>237,040</u>	<u>53,498</u>	<u>376,823</u>	<u>677,561</u>

**Interfund Transfers**

Transfer Out	Transfer In			Total
	General Fund	Highway Fund	Debt Service Fund	
Primary Government				
General Fund	\$ -	-	48,981	48,981
Highway Fund	-	-	231,000	231,000
Capital Projects Fund	-	2,125,000	53,506	2,178,506
Constitutional Officers	5,345,518	-	-	5,345,518
	<u>\$ 5,345,518</u>	<u>2,125,000</u>	<u>333,487</u>	<u>7,804,005</u>

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

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 5 - OTHER INFORMATION**

**A. Joint Ventures**

Johnson City and Washington County, Tennessee, jointly own an animal shelter operated by the Washington County-Johnson City Animal Control Center. The County is responsible for funding 50% of any deficits from operations and has no equity interest. Washington County contributed \$314,750 to the operations during the fiscal year ended June 30, 2014.

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 \$1,528,802 to the operations during the fiscal year and has no equity interest as of June 30, 2014.

Washington County is responsible for funding at least 30% of operations of the Washington County Economic Development Council. The County contributed \$98,103 to the operations during the fiscal year and has no equity interest as of June 30, 2014.

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 \$198,593 to the operations during the fiscal year and has no equity interest as June 30, 2014. 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](http://www.uhsinc.com).

The most recent audited information is summarized below. The information reflected is for the fiscal year ending June 30, 2013 except for the Economic Development Council which is for the fiscal year ending June 30, 2014. 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

Washington County Economic Development Council  
300 East Main Street #406  
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, 2014**

**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	Economic Development Council
Operating Revenues	\$ 86,617	6,900,235	1,137,211
Operating Expenses	(555,597)	(9,430,410)	(619,677)
Other Income (Expense)	464,817	2,820,921	-
Net Income (Loss) or Excess of Revenues and Other Sources over Expenditures Transferred to Fund Equity	(4,163)	290,746	517,534
Total Fund Equity, Beginning	760,451	2,893,536	305,202
Total Fund Equity, Ending	\$ 756,288	3,184,282	822,736
Total Assets	\$ 791,190	6,229,589	927,788
Total Deferred Inflows of Resources	-	-	83,334
Total Liabilities	34,902	3,045,307	21,718
Total Net Position	\$ 756,288	3,184,282	822,736

**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, 2014**

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**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, 2012	\$ 1,970
June 30, 2013	645
June 30, 2014	550

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Retirement Plan**

**Plan Description**

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

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

**Funding Policy**

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

The County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014 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, 2014 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, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Retirement Plan (Continued)**

**Annual Pension Cost**

For the fiscal year ending June 30, 2014, the County's annual pension cost of \$3,503,113 to TCRS was equal to the County's required and actual contributions and the WCECD's annual pension cost of \$190,290 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 Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 20, 2014	\$ 3,503,113	100%	\$ 0
June 20, 2013	3,510,604	100%	0
June 30, 2012	3,422,976	100%	0

**WCECD**

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 190,920	100%	\$ 0
June 30, 2013	192,421	100%	0
June 30, 2012	192,318	100%	0

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Retirement Plan (Continued)**

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the County's plan was 97.13% funded. The actuarial accrued liability for benefits was \$80.72 million, and the actuarial value of assets was \$78.40 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.32 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.88 million, and the ratio of the UAAL to the covered payroll was 9.69%. The WCECD's plan was 86.41% funded. The actuarial accrued liability for benefits was \$4.36 million, and the actuarial value of assets was \$3.77 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 \$1.55 million, and the ratio of the UAAL to the covered payroll was 38.11%.

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)						
<b>Washington County</b>						
	(a)	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a) (UAAL) Unfunded AAL	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a % of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets					
July 1, 2013	\$ 78,401	\$ 80,716	\$ 2,315	97.13%	\$ 23,884	9.69%
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%
<b>WCECD</b>						
	(a)	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a) (UAAL) Unfunded AAL	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a % of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets					
July 1, 2013	\$ 3,766	\$ 4,358	\$ 592	86.41%	\$ 1,554	38.11%
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%

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**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](http://www.tn.gov/treasury/tcrs/Schools).

**Funding Policy**

Most teachers are required by state statute to contribute 5.00% of salary to the plan. The employer contribution rate for Washington County Schools is established at an actuarially determined rate. The employer rate for the fiscal year ending June 30, 2014 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, 2014, 2013, and 2012 were \$2,648,436, \$2,646,862, and \$2,633,245 respectively, equal to the required contributions for each year.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**E. Post-Employment Healthcare Plan**

**Washington County**

**Plan Description**

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

The County offers post-employment benefits for full-time regular employees retiring under the Tennessee Consolidated Retirement System (TCRS) guidelines. The minimum age requirement is 60 years of age and 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	\$6,350	(single coverage)
PPO	\$12,810	(employee plus spouse 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, 2014**

**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)	\$ 333,120
Interest on Net OPEB Obligation	36,295
Adjustment to ARC	(41,584)
Annual OPEB Cost (Expense)	<u>327,831</u>
Contribution Made (assumed end of year)	(61,442)
Increase (Decrease) in Net OPEB Obligation	<u>266,389</u>
Net OPEB Obligation - Beginning of Year	<u>1,607,387</u>
Net OPEB Obligation - End of Year	<u><u>\$ 1,873,776</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
6/30/2014	\$ 327,831	6.8%	\$ 1,873,776	\$ 17,569,525	1.9%
6/30/2013	309,880	7.1%	1,607,387	17,382,005	1.8%
6/30/2012	368,830	16.9%	1,417,272	16,313,765	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%	\$ 16,313,765	13.6%
7/1/2010	-	2,235,068	2,235,068	0.00%	15,256,094	14.7%

**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, 2014**

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**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 plan is an 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     \$346 to \$566 (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     \$496 to \$703 (single coverage)

Washington County Board of Education will pay all but \$1,038 of the annual premium for individual coverage and \$4,140 for family coverage for active employees.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**E. Post-Employment Healthcare Plan (Continued)**

**Washington County Board of Education (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

Annual Required Contribution (ARC)	\$ 857,000
Interest on Net OPEB Obligation	121,000
Adjustment to ARC	(117,700)
Annual OPEB Cost (Expense)	<u>860,300</u>
Contribution Made	<u>(445,000)</u>
Increase (Decrease) in Net OPEB Obligation	415,300
Net OPEB Obligation - Beginning of Year	<u>3,019,600</u>
Net OPEB Obligation - End of Year	<u><u>\$ 3,434,900</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	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2014	Teacher & Local Government Plan	\$ 860,300	52%	\$ 3,434,900
6/30/2013	Teacher & Local Government Plan	1,098,000	44%	3,019,600
6/30/2012	Teacher & Local Government Plan	1,089,800	33%	2,401,100

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2014 was as follows:

Actuarial Valuation Date	July 1, 2013
Actuarial Accrued Liability (AAL)	\$ 7,163,000
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,163,000
Actuarial Value of Assets as a % of the AAL	0%
Covered Payroll	\$ 38,816,500
UAAL as a Percentage of Covered Payroll	18%

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014**

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**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, 2013 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 7.50% for fiscal year 2014. The trend will decrease to 7.00% in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.70% by fiscal year 2044. All rates 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. Payroll is assumed to grow at a rate of 3 percent.

**Washington County Emergency Communications District**

**Plan Description**

WCECD 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, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**E. Post-Employment Healthcare Plan (Continued)**

**Washington County Emergency Communications District (Continued)**

**Plan Description (Continued)**

WCECD 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, 2014**

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**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	2,370
Adjustment to ARC	<u>1,575</u>
Annual OPEB Cost (Expense)	61,619
Contribution Made (assumed end of year)	<u>4,906</u>
Increase in Net OPEB Obligation	56,713
Net OPEB Obligation - Beginning of Year	<u>182,639</u>
Net OPEB Obligation - End of Year	<u><u>\$ 239,352</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 is as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 61,619	0%	\$ 239,352
6/30/2013	57,538	0%	182,639
6/30/2012	57,674	0%	130,018

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**E. Post-Employment Healthcare Plan (Continued)**

**Washington County Emergency Communications District (Continued)**

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2011, the date of the actuarial valuation, was as follows:

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual 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, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**F. On-Behalf Payments**

As required by the Governmental Accounting Standards Board, the on-behalf payments have been recorded for the teacher group insurance plan. The State of Tennessee makes a contribution (on-behalf payment) for retired teachers who participate in the State-administered Teacher Group Insurance Plan through TCRS as described in Note 5. E. The on-behalf payment for 2014 was \$302,535 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, 2014**

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**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**I. Purchasing Laws (Continued)**

**Office of the Director of Schools**

Purchasing procedures for the discretely presented component unit, Washington County Board of Education, are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, T.C.A., which provides for the County Board of Education, through its executive committee (School Superintendent and Chairman of the Board of Education), to make all purchases. This statute requires that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$5,000.

**J. Prior Period Adjustment**

In prior years, the District Attorney General Fund was reported as a non-major special revenue fund. However, during 2014 the County made a reclassification of this special revenue fund to an agency fund to better reflect control of the fund by the district attorney general.

**K. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

**SECTION III**

**REQUIRED SUPPLEMENTARY INFORMATION**

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FUNDING PROGRESS - PENSION**  
**For the Fiscal Year Ended June 30, 2014**

(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, 2013	\$ 78,401	\$ 80,716	\$ 2,315	97.13%	\$ 23,884	9.69%
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%

**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, 2013	\$ 3,766	\$ 4,358	\$ 592	86.41%	\$ 1,554	38.11%
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%

See Independent Auditor's Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FUNDING PROGRESS - OPEB**  
**For the Fiscal Year Ended June 30, 2014**

(Dollar Amounts in Thousands)

**Washington County, TN**

	(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, 2012	\$ -	\$ 2,162	\$ 2,162	0.00%	\$ 16,314	13.6%
July 1, 2010	\$ -	\$ 2,235	\$ 2,235	0.00%	\$ 15,256	14.7%

**Washington County Board of Education**  
 LEA / Local Government Plan

	(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, 2013	\$ -	\$ 7,163	\$ 7,163	0.00%	\$ 38,817	18.0%
July 1, 2011	-	8,480	8,480	0.00%	38,301	22.0%
July 1, 2010	-	11,890	11,890	0.00%	71,929	16.5%

**Washington County Emergency Communications District**

	(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	\$ -	\$ 511	\$ 511	0.00%	\$ 1,730	29.50%
July 1, 2008	-	204	204	0.00%	1,611	15.00%

Additional years will be reported as data becomes available.

See Independent Auditor's Report.

**SECTION IV**

**SUPPLEMENTARY INFORMATION**

**WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2014**

	Special Revenue Funds			Rural Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers - Fee Fund		
<b>ASSETS</b>					
Equity in Pooled Cash and Deposits	\$ 1,193,847	210,964	161,272	-	1,566,083
Cash	-	-	215,551	-	215,551
Due from State of Tennessee	18,443	-	-	-	18,443
Due from Other Local Governments	3,074	-	-	-	3,074
Due from Others	36,147	-	-	-	36,147
Taxes Receivable	920,795	-	-	-	920,795
Allowance for Uncollectibles	(902)	-	-	-	(902)
Due from Other Funds	-	-	-	237,040	237,040
<b>TOTAL ASSETS</b>	<b>\$ 2,171,404</b>	<b>210,964</b>	<b>376,823</b>	<b>237,040</b>	<b>2,996,231</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,013	4,043	-	-	5,056
Accrued Expenses	22,648	-	-	-	22,648
Due to Other Funds	-	-	376,823	-	376,823
<b>TOTAL LIABILITIES</b>	<b>23,661</b>	<b>4,043</b>	<b>376,823</b>	<b>0</b>	<b>404,527</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred - Current Property Taxes	875,248	-	-	-	875,248
Unavailable Revenue	44,217	-	-	-	44,217
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>919,465</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>919,465</b>
<b>FUND BALANCES</b>					
Restricted For:					
Public Safety	-	206,921	-	-	206,921
Debt Service	-	-	-	237,040	237,040
Committed For:					
Public Health and Welfare	1,228,278	-	-	-	1,228,278
<b>TOTAL FUND BALANCES</b>	<b>1,228,278</b>	<b>206,921</b>	<b>0</b>	<b>237,040</b>	<b>1,672,239</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,171,404</b>	<b>210,964</b>	<b>376,823</b>	<b>237,040</b>	<b>2,996,231</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2014**

	Special Revenue Funds				Rural Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	District Attorney Fund	Constitutional Officers - Fee Fund		
<b>REVENUES</b>						
Taxes	950,963	-	-	-	-	950,963
Licenses and Permits	168	-	-	-	-	168
Fines, Forfeitures and Penalties	-	25,940	-	-	-	25,940
Charges for Current Services	78,748	-	-	-	-	78,748
Other Local Revenues	258,437	141,547	-	19,021	-	419,005
Revenue from State of Tennessee	115,460	-	-	-	-	115,460
Revenue from Other Governments and Citizens Groups	-	-	-	5,357,541	260,000	5,617,541
<b>TOTAL REVENUES</b>	<u>1,403,776</u>	<u>167,487</u>	<u>-</u>	<u>5,376,562</u>	<u>260,000</u>	<u>7,207,825</u>
<b>EXPENDITURES</b>						
General Government	-	47,151	-	31,044	-	78,195
Public Health and Welfare	1,425,639	-	-	-	-	1,425,639
Debt Service	-	-	-	-	22,960	22,960
<b>TOTAL EXPENDITURES</b>	<u>1,425,639</u>	<u>47,151</u>	<u>-</u>	<u>31,044</u>	<u>22,960</u>	<u>1,526,794</u>
Excess (deficiency) of Revenues over Expenditures	<u>(21,863)</u>	<u>120,336</u>	<u>-</u>	<u>5,345,518</u>	<u>237,040</u>	<u>5,681,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to Other Funds	-	-	-	(5,345,518)	-	(5,345,518)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,345,518)</u>	<u>0</u>	<u>(5,345,518)</u>
Net Change in Fund Balances	(21,863)	120,336	-	-	237,040	335,513
Fund Balance, July 1, 2013	1,250,141	86,585	110,661	-	-	1,447,387
Prior Period Adjustment - Accounting Change	-	-	(110,661)	-	-	(110,661)
<b>Fund Balance, June 30, 2014</b>	<u>\$ 1,228,278</u>	<u>206,921</u>	<u>0</u>	<u>0</u>	<u>237,040</u>	<u>1,672,239</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	917,745	917,745	950,963	33,218
Licenses and Permits	100	100	168	68
Charges for Current Services	100,000	100,000	78,748	(21,252)
Other Local Revenues	161,000	195,600	258,437	62,837
Revenue from State of Tennessee	150,000	166,923	115,460	(51,463)
<b>TOTAL REVENUES</b>	<b>1,328,845</b>	<b>1,380,368</b>	<b>1,403,776</b>	<b>23,408</b>
<b>EXPENDITURES</b>				
Sanitation Operations	1,448,271	1,515,967	1,283,301	232,666
Tire Center Operations	255,387	255,637	179,777	75,860
<b>TOTAL EXPENDITURES</b>	<b>1,703,658</b>	<b>1,771,604</b>	<b>1,463,078</b>	<b>308,526</b>
Excess (Deficiency) of Revenues over Expenditures	(374,813)	(391,236)	(59,302)	331,934
Fund Balance, July 1, 2013	1,250,141	1,250,141	1,250,141	-
Fund Balance, June 30, 2014	<u>\$ 875,328</u>	<u>858,905</u>	<u>1,190,839</u>	<u>331,934</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2014**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2013	
TOTAL REVENUES	\$ 1,403,776	-	-	1,403,776
EXPENDITURES				
Sanitation Operations	1,283,301	37,439	-	1,245,862
Tire Center Operations	179,777	-	-	179,777
TOTAL EXPENDITURES	1,463,078	37,439	0	1,425,639
Excess (Deficiency) of Revenues over Expenditures	(59,302)	37,439	-	(21,863)
Fund Balance, July 1, 2013	1,250,141	-	-	1,250,141
Fund Balance, June 30, 2014	\$ 1,190,839	37,439	0	1,228,278

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

**WASHINGTON COUNTY, TENNESSEE  
DRUG FINES FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	25,000	25,000	25,940	940
Other Local Revenues	11,450	11,450	141,547	130,097
Other Sources	20,000	20,000	-	(20,000)
TOTAL REVENUES	56,450	56,450	167,487	111,037
EXPENDITURES				
General Government	56,450	56,450	42,527	13,923
TOTAL EXPENDITURES	56,450	56,450	42,527	13,923
Excess (Deficiency) of Revenues over Expenditures	-	-	124,960	124,960
Fund Balance, July 1, 2013	81,961	81,961	81,961	-
Fund Balance, June 30, 2014	<u>\$ 81,961</u>	<u>81,961</u>	<u>206,921</u>	<u>124,960</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
DRUG FINES FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2014**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2013	
TOTAL REVENUES	\$ 167,487	-	-	167,487
EXPENDITURES				
General Government	42,527	-	4,624	47,151
TOTAL EXPENDITURES	42,527	-	4,624	47,151
Excess (Deficiency) of Revenues over Expenditures	124,960	-	(4,624)	120,336
Fund Balance, July 1, 2013	81,961	-	4,624	86,585
Fund Balance, June 30, 2014	\$ 206,921	0	0	206,921

(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, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,129,088	10,129,088	10,279,931	150,843
Licenses and Permits	1,000	1,000	1,498	498
Other Local Revenues	10,000	10,000	17,566	7,566
<b>TOTAL REVENUES</b>	<b>10,140,088</b>	<b>10,140,088</b>	<b>10,298,995</b>	<b>158,907</b>
<b>EXPENDITURES</b>				
Principal on Bonds	2,645,000	2,645,000	2,645,000	-
Bond Costs	-	-	92,026	(92,026)
Payments to Refunded Debt Escrow Agent	-	-	8,140,358	(8,140,358)
Principal on Notes	90,000	90,000	285,000	(195,000)
Interest on Bonds	6,840,474	6,840,474	6,618,013	222,461
Interest on Notes	50,750	50,750	50,732	18
Trustee Commission and Debt Issuance Costs	210,000	210,000	200,037	9,963
Fees	10,000	10,000	5,708	4,292
<b>TOTAL EXPENDITURES</b>	<b>9,846,224</b>	<b>9,846,224</b>	<b>18,036,874</b>	<b>(8,190,650)</b>
Excess (Deficiency) of Revenues over Expenditures	293,864	293,864	(7,737,879)	(8,031,743)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	-	8,232,385	8,232,385
Transfers from Other Funds	279,981	279,981	333,487	53,506
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>279,981</b>	<b>279,981</b>	<b>8,565,872</b>	<b>8,285,891</b>
Net Changes in Fund Balances	573,845	573,845	827,993	254,148
Fund Balance, July 1, 2013	6,405,525	6,405,525	6,405,525	-
Fund Balance, June 30, 2014	<b>\$ 6,979,370</b>	<b>6,979,370</b>	<b>7,233,518</b>	<b>254,148</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 June 30, 2014

	Agency Funds					Total
	Johnson City Schools Fund	Cities Sales Tax Fund	Constitutional Officers	Judicial Drug Task Force	District Attorney General	
<b>ASSETS</b>						
Cash on Hand and in Bank	\$ -	-	4,662,172	1,000	-	4,663,172
Equity in Pooled Cash and Deposits	-	-	-	192,046	132,808	324,854
Accounts Receivable	-	-	24,701	5,075	1,590	31,366
Taxes Receivable	11,211,550	-	-	-	-	11,211,550
Allowance for Uncollectibles	(10,984)	-	-	-	-	(10,984)
Sales Tax Receivable	1,990,985	3,780,190	-	-	-	5,771,175
<b>TOTAL ASSETS</b>	<b><u>\$ 13,191,551</u></b>	<b><u>3,780,190</u></b>	<b><u>4,686,873</u></b>	<b><u>198,121</u></b>	<b><u>134,398</u></b>	<b><u>21,991,133</u></b>
<b>LIABILITIES</b>						
Due to Other Governments	\$ 13,191,551	3,780,190	-	197,527	133,649	17,302,917
Due to State	-	-	854,276	-	-	854,276
Due to Litigants, Heirs and Others	-	-	3,832,597	594	749	3,833,940
<b>TOTAL LIABILITIES</b>	<b><u>\$ 13,191,551</u></b>	<b><u>3,780,190</u></b>	<b><u>4,686,873</u></b>	<b><u>198,121</u></b>	<b><u>134,398</u></b>	<b><u>21,991,133</u></b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>Johnson City Schools Fund</b>				
<b>ASSETS</b>				
Taxes Receivable	\$ 11,231,612	-	20,062	11,211,550
Allowance for Uncollectibles	(11,885)	901	-	(10,984)
Sales Tax Receivable	1,954,213	36,772	-	1,990,985
<b>TOTAL ASSETS</b>	<b>\$ 13,173,940</b>	<b>37,673</b>	<b>20,062</b>	<b>13,191,551</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 13,173,940	17,611	-	13,191,551
<b>TOTAL LIABILITIES</b>	<b>\$ 13,173,940</b>	<b>17,611</b>	<b>0</b>	<b>13,191,551</b>
<b>Cities Sales Tax Fund</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ -	25,621,367	25,621,367	-
Sales Tax Receivable	3,669,947	110,243	-	3,780,190
<b>TOTAL ASSETS</b>	<b>\$ 3,669,947</b>	<b>25,731,610</b>	<b>25,621,367</b>	<b>3,780,190</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 3,669,947	110,243	-	3,780,190
<b>TOTAL LIABILITIES</b>	<b>\$ 3,669,947</b>	<b>110,243</b>	<b>0</b>	<b>3,780,190</b>
<b>Constitutional Officers</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 5,290,556	23,351,702	23,980,086	4,662,172
Accounts Receivable	23,555	1,146	-	24,701
<b>TOTAL ASSETS</b>	<b>\$ 5,314,111</b>	<b>23,352,848</b>	<b>23,980,086</b>	<b>4,686,873</b>
<b>LIABILITIES</b>				
Due to State	\$ 698,010	156,266	-	854,276
Due to Litigants, Heirs and Others	4,616,101	-	783,504	3,832,597
<b>TOTAL LIABILITIES</b>	<b>\$ 5,314,111</b>	<b>156,266</b>	<b>783,504</b>	<b>4,686,873</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>Judicial Drug Task Force</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 1,000	-	-	1,000
Equity in Pooled Cash and Deposits	168,488	285,828	262,270	192,046
Accounts Receivable	53,199	-	48,124	5,075
<b>TOTAL ASSETS</b>	<b>\$ 222,687</b>	<b>285,828</b>	<b>310,394</b>	<b>198,121</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 214,959	-	17,432	197,527
Due to Litigants, Heirs and Others	7,728	-	7,134	594
<b>TOTAL LIABILITES</b>	<b>\$ 222,687</b>	<b>0</b>	<b>24566</b>	<b>198,121</b>
<b>District Attorney General</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 116,174	48,881	32,247	132,808
Accounts Receivable	980	1,590	980	1,590
<b>TOTAL ASSETS</b>	<b>\$ 117,154</b>	<b>50,471</b>	<b>33,227</b>	<b>134,398</b>
<b>LIABILITIES</b>				
Due to Litigants, Heirs and Others	\$ 6,493	749	6,493	749
Due to Other Governments	110,661	22,988	-	133,649
<b>TOTAL LIABILITES</b>	<b>\$ 117,154</b>	<b>23,737</b>	<b>6,493</b>	<b>134,398</b>
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 5,291,556	23,351,702	23,980,086	4,663,172
Equity in Pooled Cash and Deposits	284,662	25,956,076	25,915,884	324,854
Accounts Receivable	77,734	2,736	49,104	31,366
Taxes Receivable	11,231,612	-	20,062	11,211,550
Allowance for Uncollectibles	(11,885)	901	-	(10,984)
Sales Tax Receivable	5,624,160	147,015	-	5,771,175
<b>TOTAL ASSETS</b>	<b>\$ 22,497,839</b>	<b>49,458,430</b>	<b>49,965,136</b>	<b>21,991,133</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 17,169,507	150,842	17,432	17,302,917
Due to State	698,010	156,266	-	854,276
Due to Litigants, Heirs and Others	4,630,322	749	797,131	3,833,940
<b>TOTAL LIABILITES</b>	<b>\$ 22,497,839</b>	<b>307,857</b>	<b>814,563</b>	<b>21,991,133</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>PROGRAM REVENUES</u>				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>COMPONENT UNIT</b>					
<b>GOVERNMENTAL ACTIVITIES</b>					
Regular Instruction	\$ 39,094,765	-	3,350,559	2,150,552	(33,593,654)
Special Education	6,149,299	-	1,932,409	-	(4,216,890)
Vocational Education	2,273,144	-	189,489	-	(2,083,655)
Adult Education	3,757	4,305	-	-	548
Attendance	123,998	-	-	-	(123,998)
Health Services	820,619	-	-	-	(820,619)
Other Student Support	1,305,580	-	-	-	(1,305,580)
Board of Education	1,329,556	-	-	-	(1,329,556)
Office of the Director	589,310	-	-	-	(589,310)
Office of the Principal	3,473,237	-	-	-	(3,473,237)
Fiscal Services	201,831	-	-	-	(201,831)
Operation of Plant	4,657,057	80,146	-	-	(4,576,911)
Maintenance of Plant	1,695,788	-	-	25,075	(1,670,713)
Transportation	3,242,911	-	-	1,736,549	(1,506,362)
Central and Other	133,561	-	-	-	(133,561)
Food Service	3,794,160	1,033,173	2,306,908	-	(454,079)
Community Service	402,970	509,241	-	-	106,271
Early Childhood Development	229,787	-	-	-	(229,787)
Debt Service	260,000	-	-	-	(260,000)
Depreciation - All Unallocated	4,397,968	-	-	-	(4,397,968)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 74,179,298</b>	<b>1,626,865</b>	<b>7,779,365</b>	<b>3,912,176</b>	<b>(60,860,892)</b>
<b>GENERAL REVENUES</b>					
<b>Taxes</b>					
Property Taxes					\$ 12,611,741
In Lieu of Taxes					239,463
Sales Taxes					13,833,965
Business Taxes					383,342
Miscellaneous					30,583
Other Local Governments					76,131
State Aid					32,362,011
Gain on Sale and Disposal of Assets					9,027
Unrestricted Investment Earnings					36,094
<b>TOTAL GENERAL REVENUES</b>					<b>59,582,357</b>
<b>CHANGE IN NET POSITION</b>					
					<b>(1,278,535)</b>
Net Position - Beginning					92,245,771
Net Position - Ending					<b>\$ 90,967,236</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 June 30, 2014**

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 2,350,825	-	179,898	2,530,723
Inventory - Food Service	-	-	126,512	126,512
Accounts Receivable				
Due from State of Tennessee	56,633	-	-	56,633
Due from Federal Government	25,588	291,350	35,208	352,146
Due from Other Funds	105,589	-	-	105,589
Due from Others	13,809	-	-	13,809
Sales Tax Receivable	2,346,673	-	-	2,346,673
Taxes Receivable	13,208,161	-	-	13,208,161
Allowance for Uncollectibles	(12,947)	-	-	(12,947)
<b>TOTAL ASSETS</b>	<b>\$ 18,094,331</b>	<b>291,350</b>	<b>341,618</b>	<b>18,727,299</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 320,512	80	-	320,592
Accrued Expenses	-	-	1,470	1,470
Due to Others	-	172,253	-	172,253
Due to Other Funds	-	105,589	-	105,589
<b>TOTAL LIABILITIES</b>	<b>320,512</b>	<b>277,922</b>	<b>1,470</b>	<b>599,904</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Current Property Taxes	12,560,821	-	-	12,560,821
Unavailable Revenue	634,393	-	-	634,393
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,195,214</b>	<b>0</b>	<b>0</b>	<b>13,195,214</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	126,512	126,512
Restricted for Education	1,184,144	13,428	213,636	1,411,208
Assigned for Education	113,506	-	-	113,506
Unassigned	3,280,955	-	-	3,280,955
<b>TOTAL FUND BALANCE</b>	<b>4,578,605</b>	<b>13,428</b>	<b>340,148</b>	<b>4,932,181</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 18,094,331</b>	<b>291,350</b>	<b>341,618</b>	<b>18,727,299</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
COMPONENT UNIT - BOARD OF EDUCATION  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2014

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TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 4,932,181
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 \$145,403,800 and the accumulated depreciation is \$56,408,439.	88,995,361
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.	634,393
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of compensated absences and other post-employment benefits.	<u>(3,594,699)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 90,967,236</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2014**

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>REVENUES</b>				
Taxes	\$ 27,137,990	-	-	27,137,990
Licenses and Permits	1,839	-	-	1,839
Fines, Forfeitures and Penalties	73,340	-	-	73,340
Charges for Current Services	513,546	-	1,033,173	1,546,719
Other Local Revenues	104,194	-	-	104,194
Other Local - Investment Income	36,094	-	-	36,094
Revenue from the Primary Government	961,332	-	-	961,332
Revenue from State of Tennessee	33,468,981	-	36,174	33,505,155
Revenue from Federal Government	235,818	4,165,034	2,270,734	6,671,586
<b>TOTAL REVENUES</b>	<b>62,533,134</b>	<b>4,165,034</b>	<b>3,340,081</b>	<b>70,038,249</b>
<b>EXPENDITURES</b>				
Regular Instruction	36,994,911	1,836,445	-	38,831,356
Special Education	4,447,282	1,690,442	-	6,137,724
Vocational Education	2,166,798	93,860	-	2,260,658
Adult Education	3,757	-	-	3,757
Attendance	123,226	-	-	123,226
Health Services	812,044	-	-	812,044
Other Student Support	1,235,394	63,533	-	1,298,927
Board of Education	1,326,387	-	-	1,326,387
Office of the Director	586,696	-	-	586,696
Office of the Principal	3,453,959	-	-	3,453,959
Fiscal Services	200,774	-	-	200,774
Operation of Plant	4,648,543	-	-	4,648,543
Maintenance of Plant	1,685,987	-	-	1,685,987
Transportation	2,818,828	403,590	-	3,222,418
Central and Other	132,372	-	-	132,372
Food Service	287,301	-	3,493,468	3,780,769
Community Service	402,198	-	-	402,198
Early Childhood Education	228,602	-	-	228,602
Debt Service	260,000	-	-	260,000
Capital Outlay	203,594	73,728	6,070	283,392
<b>TOTAL EXPENDITURES</b>	<b>62,018,653</b>	<b>4,161,598</b>	<b>3,499,538</b>	<b>69,679,789</b>
Excess (Deficiency) of Revenues Over Expenditures	514,481	3,436	(159,457)	358,460
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	28,022	28,022
Transfers to Other Funds	(28,022)	-	-	(28,022)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(28,022)</b>	<b>0</b>	<b>28,022</b>	<b>0</b>
Net Changes in Fund Balance	486,459	3,436	(131,435)	358,460
Fund Balance, July 1, 2013	4,092,146	9,992	471,583	4,573,721
Fund Balance, June 30, 2014	<u>\$ 4,578,605</u>	<u>13,428</u>	<u>340,148</u>	<u>4,932,181</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, 2014**

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TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 358,460
<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 \$4,397,968 exceeds capital outlay of \$283,393.	(4,114,575)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and contribution from the primary government) is to increase net position.	2,936,775
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.	(41,864)
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. The liability for OPEB increased by this amount for the current year.	(415,300)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. Compensated absences increased by this amount for the current year.	<u>(2,031)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,278,535)</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, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 26,561,156	27,009,385	27,137,990	128,605
Licenses and Permits	1,600	1,600	1,839	239
Fines, Forfeitures and Penalties	100,000	100,000	73,340	(26,660)
Charges for Current Services	521,340	520,902	513,546	(7,356)
Other Local Revenues	96,458	148,329	140,288	(8,041)
Contribution from Primary Government	-	30,406	961,332	930,926
Revenue from State of Tennessee	33,178,904	33,154,314	33,468,981	314,667
Revenue from Federal Government	205,203	205,203	235,818	30,615
<b>TOTAL REVENUES</b>	<b>60,664,661</b>	<b>61,170,139</b>	<b>62,533,134</b>	<b>1,362,995</b>
<b>EXPENDITURES</b>				
Regular Instruction	37,301,341	37,552,322	37,057,727	494,595
Special Education	4,542,195	4,546,383	4,446,510	99,873
Vocational Education	2,195,459	2,182,945	2,183,651	(706)
Adult Education	4,743	3,874	3,757	117
Attendance	123,864	125,064	123,226	1,838
Health Services	863,894	863,894	812,044	51,850
Other Student Services	1,242,290	1,252,649	1,235,394	17,255
Board of Education	1,316,009	1,345,832	1,326,444	19,388
Office of the Director	580,365	597,178	586,696	10,482
Office of the Principal	3,518,987	3,522,037	3,453,959	68,078
Fiscal Services	202,536	202,536	200,774	1,762
Operation of Plant	4,585,029	4,668,229	4,648,543	19,686
Maintenance of Plant	1,893,674	1,908,174	1,689,880	218,294
Transportation	2,859,857	2,880,057	2,818,828	61,229
Central and Other	137,110	143,434	132,372	11,062
Food Service	309,180	309,180	287,301	21,879
Community Service	516,597	510,597	402,502	108,095
Early Childhood Education	231,248	242,048	228,492	13,556
Debt Service	-	-	260,000	(260,000)
Capital Outlay	-	76,812	203,594	(126,782)
<b>TOTAL EXPENDITURES</b>	<b>62,424,378</b>	<b>62,933,245</b>	<b>62,101,694</b>	<b>831,551</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,759,717)	(1,763,106)	431,440	2,194,546
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(260,000)	(260,000)	(28,022)	231,978
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(260,000)</b>	<b>(260,000)</b>	<b>(28,022)</b>	<b>231,978</b>
Net Changes in Fund Balance	(2,019,717)	(2,023,106)	403,418	2,426,524
Fund Balance, July 1, 2013	4,061,681	4,061,681	4,061,681	-
Fund Balance, June 30, 2014	<u>\$ 2,041,964</u>	<u>2,038,575</u>	<u>4,465,099</u>	<u>2,426,524</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2014**

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2013	
TOTAL REVENUES	\$ 62,533,134	-	-	62,533,134
EXPENDITURES				
Regular Instruction	37,057,727	92,015	29,199	36,994,911
Special Education	4,446,510	-	772	4,447,282
Vocational Education	2,183,651	16,853	-	2,166,798
Adult Education	3,757	-	-	3,757
Attendance	123,226	-	-	123,226
Health Services	812,044	-	-	812,044
Other Student Services	1,235,394	-	-	1,235,394
Board of Education	1,326,444	57	-	1,326,387
Office of the Director	586,696	-	-	586,696
Office of the Principal	3,453,959	-	-	3,453,959
Fiscal Services	200,774	-	-	200,774
Operation of Plant	4,648,543	-	-	4,648,543
Maintenance of Plant	1,689,880	3,893	-	1,685,987
Transportation	2,818,828	-	-	2,818,828
Central and Other	132,372	-	-	132,372
Food Service	287,301	-	-	287,301
Community Service	402,502	304	-	402,198
Early Childhood Education	228,492	384	494	228,602
Debt Service	260,000	-	-	260,000
Capital Outlay	203,594	-	-	203,594
TOTAL EXPENDITURES	62,101,694	113,506	30,465	62,018,653
Excess of Revenues Over (Under) Expenditures	431,440	113,506	(30,465)	514,481
OTHER FINANCING SOURCES (USES) Transfers to Other Funds	(28,022)	-	-	(28,022)
TOTAL OTHER FINANCING SOURCES (USES)	(28,022)	-	-	(28,022)
Net Changes in Fund Balance	403,418	113,506	(30,465)	486,459
Fund Balance, July 1, 2013	4,061,681	-	30,465	4,092,146
Fund Balance, June 30, 2014	\$ 4,465,099	113,506	0	4,578,605

(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, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Revenue From Federal Government	\$ 4,029,858	5,243,115	4,165,034	(1,078,081)
TOTAL REVENUES	<u>4,029,858</u>	<u>5,243,115</u>	<u>4,165,034</u>	<u>(1,078,081)</u>
EXPENDITURES				
Regular Instruction	1,914,623	2,642,370	1,839,568	802,802
Special Education	1,463,818	1,796,800	1,690,442	106,358
Vocational Education	154,615	167,926	167,901	25
Other Student Support	74,719	213,936	63,533	150,403
Transportation	422,083	422,083	403,590	18,493
TOTAL EXPENDITURES	<u>4,029,858</u>	<u>5,243,115</u>	<u>4,165,034</u>	<u>1,078,081</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance, July 1, 2013	-	-	-	-
Fund Balance, June 30, 2014	<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, 2014**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2013	
TOTAL REVENUES	\$ 4,165,034	-	-	4,165,034
EXPENDITURES				
Regular Instruction	1,839,568	3,123	-	1,836,445
Special Education	1,690,442	273	273	1,690,442
Vocational Education	167,901	10,032	9,719	167,588
Other Student Support	63,533	-	-	63,533
Transportation	403,590	-	-	403,590
TOTAL EXPENDITURES	4,165,034	13,428	9,992	4,161,598
Excess (Deficiency) of Revenues Over Expenditures	-	(13,428)	(9,992)	3,436
Fund Balance, July 1, 2013	-	-	9,992	9,992
Fund Balance, June 30, 2014	\$ 0	(13,428)	0	13,428

(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, 2014**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Current Services	\$ 1,491,000	1,491,000	1,033,173	(457,827)
Revenue from State of Tennessee	-	-	36,174	36,174
USDA Lunch	1,841,000	1,841,000	1,618,835	(222,165)
USDA Breakfast	570,100	570,100	459,477	(110,623)
Other USDA	-	-	192,422	192,422
<b>TOTAL REVENUES</b>	<b>3,902,100</b>	<b>3,902,100</b>	<b>3,340,081</b>	<b>(562,019)</b>
<b>EXPENDITURES</b>				
Supplies and Materials	145,500	145,500	244,444	(98,944)
Food Purchases	1,692,310	1,692,310	1,575,269	117,041
Salaries and Payroll Expenses	1,569,642	1,569,642	1,617,357	(47,715)
Utilities	6,300	6,300	5,936	364
Other Contracted Services	262,348	262,348	44,713	217,635
Miscellaneous Expenses and Repairs	152,000	152,000	5,749	146,251
Equipment	74,000	74,000	6,070	67,930
<b>TOTAL EXPENDITURES</b>	<b>3,902,100</b>	<b>3,902,100</b>	<b>3,499,538</b>	<b>402,562</b>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(159,457)	(159,457)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	28,022	28,022
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>28,022</b>	<b>28,022</b>
Net Changes in Fund Balance	0	0	(131,435)	(131,435)
Fund Balance, July 1, 2013	471,583	471,583	471,583	-
Fund Balance, June 30, 2014	\$ 471,583	471,583	340,148	(131,435)

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, 2014**

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2013	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2014	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	\$ 90,000	-	90,000	-	Ad Valorem
General Obligation Capital Outlay	Regions Bank	Sections 5-10-501 to 5-10-509, T.C.A.	5,520,000	2.00-3.00%	9/13/2013	7/15/2025	-	5,520,000	-	5,520,000	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES - PAYABLE THROUGH DEBT SERVICE FUND							<u>\$ 90,000</u>	<u>5,520,000</u>	<u>90,000</u>	<u>5,520,000</u>	

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE**  
**For the Fiscal Year Ended June 30, 2014**

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2013	Issued During Period	Paid and/or Matured During Period	Refunded	Outstanding 6/30/2014	Anticipated Source of Revenue
<b>GENERAL BONDED DEBT PAYABLE THROUGH COUNTY TRUSTEE</b>											
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	\$ 8,885,000	-	905,000	7,980,000	-	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	4,125,000	-	435,000	-	3,690,000	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	19,855,000	-	240,000	-	19,615,000	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	5,155,000	-	825,000	-	4,330,000	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	-	240,000	-	1,520,000	Ad Valorem
Rural School Bonds (2013)	Section 9-21-901 to 9-21-909, T.C.A.	2,630,000	2.00%-3.00%	9/13/2013	6/30/2026	-	2,630,000	-	-	2,630,000	Ad Valorem
General Obligation School Bonds (2013)	Section 9-21-901 to 9-21-909, T.C.A.	1,385,000	2.00%-3.80%	9/13/2013	7/25/2025	-	1,385,000	-	-	1,385,000	Ad Valorem
School Construction Refunding Bonds (2014)	Section 9-21-901 to 9-21-909, T.C.A.	7,785,000	1.50%-5.00%	4/1/2014	4/1/2018	-	7,785,000	-	-	7,785,000	Ad Valorem
<b>TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE</b>						<b>\$ 148,325,000</b>	<b>11,800,000</b>	<b>2,645,000</b>	<b>7,980,000</b>	<b>149,500,000</b>	

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE**  
**For the Fiscal Year Ended June 30, 2014**

Description of Indebtedness	Creditor	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2013	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2014
CAPITAL LEASES									
PAYABLE THROUGH COUNTY TRUSTEE									
County-Wide Telephone System	Cisco Systems Capital Corporation	\$ 673,166	1.75%	7/1/2013	7/1/2018	\$ -	673,166	119,049	554,117
TOTAL CAPITAL LEASES - PAYABLE THROUGH COUNTY TRUSTEE						<u>\$ -</u>	<u>673,166</u>	<u>119,049</u>	<u>554,117</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS BY YEAR**  
**For the Fiscal Year Ended June 30, 2014**

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 590,000	137,875	727,875
2016	595,000	126,025	721,025
2017	605,000	114,025	719,025
2018	605,000	98,900	703,900
2019	565,000	81,350	646,350
2020	450,000	66,125	516,125
2021	460,000	52,475	512,475
2022	475,000	39,638	514,638
2023	310,000	29,825	339,825
2024	315,000	21,225	336,225
2025	270,000	12,450	282,450
2026	280,000	4,200	284,200
Total	<u>\$ 5,520,000</u>	<u>784,113</u>	<u>6,304,113</u>
Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 4,200,000	6,667,558	10,867,558
2016	4,740,000	6,522,967	11,262,967
2017	4,890,000	6,359,707	11,249,707
2018	5,080,000	6,146,438	11,226,438
2019	5,365,000	5,994,939	11,359,939
2020	5,595,000	5,754,284	11,349,284
2021	5,515,000	5,544,094	11,059,094
2022	5,750,000	5,285,520	11,035,520
2023	5,960,000	5,016,398	10,976,398
2024	5,565,000	4,730,778	10,295,778
2025	5,830,000	4,458,213	10,288,213
2026	6,120,000	4,172,328	10,292,328
2027	6,070,000	3,877,888	9,947,888
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	<u>\$ 149,500,000</u>	<u>91,238,008</u>	<u>240,738,008</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS BY YEAR**  
**For the Fiscal Year Ended June 30, 2014**

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2015	\$ 132,066	8,641	140,707
2016	134,396	6,311	140,707
2017	136,767	3,940	140,707
2018	139,180	1,528	140,708
2019	11,708	17	11,725
Total	<u>\$ 554,117</u>	<u>20,437</u>	<u>574,554</u>

See Independent Auditors' Report

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF TRANSFERS - ALL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

From Fund	To Fund	Purpose	Amount
<b>OPERATING TRANSFERS</b>			
<u>Primary Government</u>			
Constitutional Officers - Fees Fund	General	Excess fees and commissions	\$ 5,345,518
General	Debt Service	Debt Service Payments	48,981
Highway	Debt Service	Debt Service Payments	231,000
Capital Projects	Highway	Asphalt Plant and Equipment	2,125,000
Capital Projects	Debt Service	Transfer excess proceeds	<u>53,506</u>
TOTAL OPERATING TRANSFERS			<u>\$ 7,804,005</u>
<u>Component Unit</u>			
General Purpose School	School Food Service	Payroll Reimbursement	<u>\$ 28,022</u>
TOTAL OPERATING TRANSFERS			<u>\$ 28,022</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS**  
**For the Fiscal Year Ended June 30, 2014**

	Authorization for Salary	Salary Paid During Period	Special Commissioner Fees	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	\$ 109,719	-	\$ 50,000	Traveler's Casualty and Surety
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	94,995	-	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.	78,508	-	2,600,000	Traveler's Casualty and Surety
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	78,508	-	50,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	78,508	-	50,000	Traveler's Casualty and Surety
CIRCUIT COURT CLERK	Section 8-24-102, T.C.A. Section 8-24-102(j)(2), T	78,508 7,851	- -	50,000	Traveler's Casualty and Surety
CLERK AND MASTER	Section 8-24-102, T.C.A. Section 8-21-801, T.C.A.	78,508 -	- 18,614	50,000 -	Traveler's Casualty and Surety
REGISTER	Section 8-24-102, T.C.A.	78,508	-	25,000	Traveler's Casualty and Surety
SHERIFF	Section 8-24-102, T.C.A. Section 8-24-111, T.C.A.	94,995 9,499	- -	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, 2014**

Source	County General	Special Revenue Funds	Rural Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
<b>TAXES</b>								
Current Property Taxes	\$ 18,503,097	5,018,028	-	-	8,845,866	32,366,991	11,761,382	44,128,373
Taxes Prior Years								
Trustee	763,487	218,429	-	-	388,258	1,370,174	466,785	1,836,959
Clerk and Master	354,019	101,419	-	-	180,065	635,503	216,251	851,754
Interest and Penalty	291,250	83,140	-	-	147,871	522,261	178,355	700,616
Pick-Up Taxes	48,760	13,325	-	-	23,512	85,597	30,831	116,428
Tax Equivalent								
Federal	2,005	544	-	-	959	3,508	2,356	5,864
Local	327,182	102,669	-	-	156,418	586,269	207,971	794,240
Other	4,239	-	-	-	2,124	6,363	29,136	35,499
Excise Tax	54,198	8,916	-	-	15,716	78,830	20,896	99,726
Local Option Sales Tax	19,379	-	-	-	-	19,379	13,833,965	13,853,344
Interstate Telecommunications	5,759	-	-	-	-	5,759	6,720	12,479
Litigation Tax	455,813	-	-	-	247,935	703,748	-	703,748
Business Tax	563,039	153,694	-	-	271,207	987,940	383,342	1,371,282
Beer Tax	322,045	-	-	-	-	322,045	-	322,045
Other Statutory Local Tax	151,651	-	-	-	-	151,651	-	151,651
<b>TOTAL TAXES</b>	<u>21,865,923</u>	<u>5,700,164</u>	<u>0</u>	<u>0</u>	<u>10,279,931</u>	<u>37,846,018</u>	<u>27,137,990</u>	<u>64,984,008</u>
<b>LICENSES AND PERMITS</b>								
Marriage Licenses	3,060	845	-	-	1,498	5,403	1,839	7,242
Cable TV Franchise	422,177	-	-	-	-	422,177	-	422,177
Building Permits	121,181	-	-	-	-	121,181	-	121,181
Handgun Permits	21,146	-	-	-	-	21,146	-	21,146
<b>TOTAL LICENSES AND PERMITS</b>	<u>567,564</u>	<u>845</u>	<u>0</u>	<u>0</u>	<u>1,498</u>	<u>569,907</u>	<u>1,839</u>	<u>571,746</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	County General	Special Revenue Funds	Rural Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
<b>FINES, FORFEITURES AND</b>								
<b>PENALTIES</b>								
Circuit Court	28,549	8,222	-	-	-	36,771	73,340	110,111
Criminal Court	84,027	-	-	-	-	84,027	-	84,027
General Sessions Court	760,931	17,718	-	-	-	778,649	-	778,649
Chancery Court	8,234	-	-	-	-	8,234	-	8,234
Other Courts	34,778	-	-	-	-	34,778	-	34,778
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>916,519</b>	<b>25,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>942,459</b>	<b>73,340</b>	<b>1,015,799</b>
<b>CHARGES FOR CURRENT SERVICES</b>								
Breakfast and Lunch Payments	-	-	-	-	-	-	909,578	909,578
A la Carte Sales	-	-	-	-	-	-	123,595	123,595
Tuition and Fees	-	-	-	-	-	-	513,546	513,546
Other Employee Benefits	19,307	-	-	-	-	19,307	-	19,307
Other Charges	458,630	445,850	-	-	-	904,480	-	904,480
Work Release	14,819	-	-	-	-	14,819	-	14,819
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>492,756</b>	<b>445,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>938,606</b>	<b>1,546,719</b>	<b>2,485,325</b>
<b>OTHER LOCAL REVENUES</b>								
Investment Income	29,221	9,428	-	-	17,566	56,215	36,094	92,309
Sale of Property	-	239,060	-	-	-	239,060	-	239,060
Refunds	36,331	-	-	2,060	-	38,391	-	38,391
Damages from Individuals	-	-	-	-	-	-	643	643
Employee Benefit Charges	-	10,108	-	-	-	10,108	-	10,108
Rentals	1,500	-	-	-	-	1,500	3,190	4,690
Contributions	313	-	-	-	-	313	600	913
Fingerprinting Services	1,190	7,000	-	-	-	8,190	-	8,190
Proceeds-Confiscated Property	-	105,092	-	-	-	105,092	-	105,092

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	County General	Special Revenue Funds	Rural Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
<b>OTHER LOCAL REVENUES (CONTINUED)</b>								
Forfeitures and Seizures	-	29,426	-	-	-	29,426	-	29,426
Other Local Revenue	65,977	-	-	-	-	65,977	353	66,330
Commissary Sales	28,128	-	-	-	-	28,128	-	28,128
Insurance Recovery	-	39,766	-	-	-	39,766	76,312	116,078
Sale of Equipment	47,432	-	-	-	-	47,432	23,096	70,528
Damages Received from Individuals	18,568	-	-	-	-	18,568	-	18,568
Lease	-	144,241	-	-	-	144,241	-	144,241
Special Commissioner Fees	-	18,614	-	-	-	18,614	-	18,614
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>228,660</b>	<b>602,735</b>	<b>0</b>	<b>2,060</b>	<b>17,566</b>	<b>851,021</b>	<b>140,288</b>	<b>991,309</b>
<b>STATE OF TENNESSEE</b>								
Income Tax	205,065	-	-	-	-	205,065	-	205,065
Alcoholic Beverage	153,268	-	-	-	-	153,268	-	153,268
Mixed Drink	5,494	-	-	-	-	5,494	2,967	8,461
Beer Tax	8,351	-	-	-	-	8,351	-	8,351
Vehicle Certificate of Title Fees	14,442	-	-	-	-	14,442	-	14,442
Litter Grant	35,386	-	-	-	-	35,386	-	35,386
Contracted Prisoner Board	2,360,896	-	-	-	-	2,360,896	-	2,360,896
Basic Education Program	-	-	-	-	-	-	30,781,000	30,781,000
Gasoline and Motor Fuel	-	2,237,140	-	-	-	2,237,140	-	2,237,140
Gasoline Inspection Fee	-	88,735	-	-	-	88,735	-	88,735
Mineral Severance Tax	-	17,614	-	-	-	17,614	-	17,614
Health Department Programs	895,722	-	-	-	-	895,722	-	895,722
Driver Education	-	-	-	-	-	-	34,125	34,125
Law Enforcement Training	51,000	-	-	-	-	51,000	-	51,000
Career Ladder/Extended Contract	-	-	-	-	-	-	302,163	302,163
Other Health and Welfare	82,500	-	-	-	-	82,500	-	82,500
Juvenile Services	18,495	-	-	-	-	18,495	-	18,495

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	County General	Special Revenue Funds	Rural Debt Service Fund	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	651	-	-	-	-	651	-	651
Tires/Solid Waste Grant	-	115,460	-	-	-	115,460	-	115,460
Early Childhood Education	-	-	-	-	-	-	160,483	160,483
TVA Replacement	-	-	-	-	-	-	1,118,365	1,118,365
Other Federal Through State	-	-	-	-	-	-	85,955	85,955
Other State Revenues	309,056	-	-	-	-	309,056	1,020,097	1,329,153
<b>TOTAL STATE OF TENNESSEE</b>	<b>4,140,326</b>	<b>2,458,949</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,599,275</b>	<b>33,505,155</b>	<b>40,104,430</b>
FEDERAL GOVERNMENT								
School Lunch Funds	-	-	-	-	-	-	1,618,835	1,618,835
School Breakfast Funds	-	-	-	-	-	-	459,477	459,477
USDA Commodities	-	-	-	-	-	-	192,422	192,422
R.O.T.C.	-	-	-	-	-	-	153,137	153,137
Title I Funds	-	-	-	-	-	-	1,341,487	1,341,487
Title II - A Funds	-	-	-	-	-	-	231,493	231,493
First to the Top	-	-	-	-	-	-	10,000	10,000
Carl Perkins	-	-	-	-	-	-	75,994	75,994
Preschool and IDEA	-	-	-	-	-	-	1,897,605	1,897,605
Education Handicapped Act - IDEA	-	-	-	-	-	-	50,283	50,283
Race to the Top	-	-	-	-	-	-	314,288	314,288
Program Improvement	-	-	-	-	-	-	114,659	114,659
State Discretionary	-	-	-	-	-	-	211,906	211,906
Prisoner Board	15,154	-	-	-	-	15,154	-	15,154
Homeland Security Grants	107,971	-	-	-	-	107,971	-	107,971
Federal Incentive	15,000	-	-	-	-	15,000	-	15,000
Community Development Block Grant	102,938	-	-	-	-	102,938	-	102,938
2001 Home Grant - THDA	67,840	-	-	-	-	67,840	-	67,840
JAG Grant	15,700	-	-	-	-	15,700	-	15,700
Other Federal Revenues	146,054	-	-	-	-	146,054	-	146,054
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>470,657</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>470,657</b>	<b>6,671,586</b>	<b>7,142,243</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	County General	Special Revenue Funds	Rural Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Primary Government (Memorandum Only)	Total Component Unit	Total Reporting Entity (Memorandum Only)
<b>OTHER GOVERNMENTS AND</b>								
<b>CITIZEN GROUPS</b>								
District Attorney - Johnson City	6,320	-	-	-	-	6,320	-	6,320
Reappraisal Program - Johnson City	102,087	-	-	-	-	102,087	-	102,087
Donations from the Town of Jonesborough	12,100	-	-	-	-	12,100	-	12,100
Reimbursement - Local Governments	1,567,559	-	-	-	-	1,567,559	-	1,567,559
Contribution from Primary Government	-	-	-	-	-	-	961,332	961,332
Contribution from Component Unit	-	-	260,000	-	-	260,000	-	260,000
<b>TOTAL OTHER GOVERNMENTS AND CITIZENS GROUPS</b>	<u>1,688,066</u>	<u>0</u>	<u>260,000</u>	<u>0</u>	<u>0</u>	<u>1,948,066</u>	<u>961,332</u>	<u>2,909,398</u>
<b>EXCESS FEES AND COMMISSIONS</b>								
Commissions	-	2,430,958	-	-	-	2,430,958	-	2,430,958
Fees	-	2,926,583	-	-	-	2,926,583	-	2,926,583
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<u>0</u>	<u>5,357,541</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,357,541</u>	<u>0</u>	<u>5,357,541</u>
<b>TOTAL REVENUES</b>	<u>\$ 30,370,471</u>	<u>14,592,024</u>	<u>260,000</u>	<u>2,060</u>	<u>10,298,995</u>	<u>55,523,550</u>	<u>70,038,249</u>	<u>125,561,799</u>

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers	Total Special Revenue Funds
<b>TAXES</b>					
Current Property Taxes	\$ 4,195,354	822,674	-	-	5,018,028
Taxes Prior Years					
Trustee	173,142	45,287	-	-	218,429
Clerk and Master	80,270	21,149	-	-	101,419
Interest and Penalty	66,051	17,089	-	-	83,140
Pick-Up Taxes	11,056	2,269	-	-	13,325
Tax Equivalent					
Federal	455	89	-	-	544
Local and Other	87,885	14,784	-	-	102,669
Excise Tax	7,454	1,462	-	-	8,916
Business Tax	127,534	26,160	-	-	153,694
<b>TOTAL TAXES</b>	<b>4,749,201</b>	<b>950,963</b>	<b>0</b>	<b>0</b>	<b>5,700,164</b>
<b>LICENSES AND PERMITS</b>					
Marriage Licenses	677	168	-	-	845
<b>TOTAL LICENSES AND PERMITS</b>	<b>677</b>	<b>168</b>	<b>0</b>	<b>0</b>	<b>845</b>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Circuit Court	-	-	8,222	-	8,222
General Sessions Court	-	-	17,718	-	17,718
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>0</b>	<b>0</b>	<b>25,940</b>	<b>0</b>	<b>25,940</b>
<b>CHARGES FOR CURRENT SERVICES</b>					
Other Charges	367,102	78,748	-	-	445,850
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>367,102</b>	<b>78,748</b>	<b>0</b>	<b>0</b>	<b>445,850</b>
<b>OTHER LOCAL REVENUES</b>					
Investment Income	7,559	1,433	29	407	9,428
Sale of Property	16,925	222,135	-	-	239,060
Fingerprinting Services	-	-	7,000	-	7,000
Proceeds-Confiscated Property	-	-	105,092	-	105,092
Forfeitures and Seizures	-	-	29,426	-	29,426
Employee Benefit Charges	9,889	219	-	-	10,108
Insurance Recovery	5,116	34,650	-	-	39,766
Lease	144,241	-	-	-	144,241
Special Commissioner Fees	-	-	-	18,614	18,614
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>183,730</b>	<b>258,437</b>	<b>141,547</b>	<b>19,021</b>	<b>602,735</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers	Total Special Revenue Funds
STATE OF TENNESSEE					
Gasoline and Motor Fuel	2,237,140	-	-	-	2,237,140
Gasoline Inspection Fee	88,735	-	-	-	88,735
Mineral Severance Tax	17,614	-	-	-	17,614
Tires/Solid Waste Grant	-	115,460	-	-	115,460
<b>TOTAL STATE OF TENNESSEE</b>	<b>2,343,489</b>	<b>115,460</b>	<b>0</b>	<b>0</b>	<b>2,458,949</b>
EXCESS FEES AND COMMISSIONS					
Commissions	-	-	-	2,430,958	2,430,958
Fees	-	-	-	2,926,583	2,926,583
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,357,541</b>	<b>5,357,541</b>
<b>TOTAL REVENUES</b>	<b>\$ 7,644,199</b>	<b>1,403,776</b>	<b>167,487</b>	<b>5,376,562</b>	<b>14,592,024</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Component Unit
<b>TAXES</b>				
Current Property Taxes	\$ 11,761,382	-	-	11,761,382
Property Taxes Prior Years				
Trustee	466,785	-	-	466,785
Clerk and Master	216,251	-	-	216,251
Interest and Penalty	178,355	-	-	178,355
Pick-Up Taxes	30,831	-	-	30,831
Tax Equivalent				
Federal	2,356	-	-	2,356
Local	207,971	-	-	207,971
Other	29,136	-	-	29,136
Excise Tax	20,896	-	-	20,896
Local Option Sales Tax	13,833,965	-	-	13,833,965
Interstate Telecommunications	6,720	-	-	6,720
Business Tax	383,342	-	-	383,342
<b>TOTAL TAXES</b>	<b>27,137,990</b>	<b>0</b>	<b>0</b>	<b>27,137,990</b>
<b>LICENSES AND PERMITS</b>				
Marriage Licenses	1,839	-	-	1,839
<b>TOTAL LICENSES AND PERMITS</b>	<b>1,839</b>	<b>0</b>	<b>0</b>	<b>1,839</b>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Circuit Court	73,340	-	-	73,340
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>73,340</b>	<b>0</b>	<b>0</b>	<b>73,340</b>
<b>CHARGES FOR CURRENT SERVICES</b>				
Breakfast and Lunch Payments	-	-	909,578	909,578
A la Carte Sales	-	-	123,595	123,595
Tuition and Fees	513,546	-	-	513,546
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>513,546</b>	<b>0</b>	<b>1,033,173</b>	<b>1,546,719</b>
<b>OTHER LOCAL REVENUES</b>				
Investment Income	36,094	-	-	36,094
Damages from Individuals	643	-	-	643
Rentals	3,190	-	-	3,190
Insurance Recovery	76,312	-	-	76,312
Sale of Equipment	23,096	-	-	23,096
Contributions	600	-	-	600
Other Local Revenue	353	-	-	353
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>140,288</b>	<b>0</b>	<b>0</b>	<b>140,288</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

Source	Washington County Board of Education			Total Component Unit
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>STATE OF TENNESSEE</b>				
Basic Education Program	30,781,000	-	-	30,781,000
Early Childhood Education	160,483	-	-	160,483
Driver Education	34,125	-	-	34,125
Mixed Drink	2,967	-	-	2,967
TVA Replacement	1,118,365	-	-	1,118,365
Career Ladder	230,618	-	-	230,618
Extended Contract	71,545	-	-	71,545
Other Federal Through State	85,955	-	-	85,955
Other State Revenues	983,923	-	36,174	1,020,097
<b>TOTAL STATE OF TENNESSEE</b>	<b>33,468,981</b>	<b>0</b>	<b>36,174</b>	<b>33,505,155</b>
<b>FEDERAL GOVERNMENT</b>				
School Lunch Funds	-	-	1,618,835	1,618,835
School Breakfast Funds	-	-	459,477	459,477
USDA Commodities	-	-	192,422	192,422
R.O.T.C.	153,137	-	-	153,137
Title I Funds	11,731	1,329,756	-	1,341,487
Title II-A Funds	2,024	229,469	-	231,493
Carl Perkins	-	75,994	-	75,994
Preschool and IDEA	15,479	1,882,126	-	1,897,605
Education Handicapped Act - IDEA	50,283	-	-	50,283
Race to the Top	2,000	322,288	-	324,288
Program Improvement	1,164	113,495	-	114,659
State Discretionary	-	211,906	-	211,906
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>235,818</b>	<b>4,165,034</b>	<b>2,270,734</b>	<b>6,671,586</b>
<b>OTHER GOVERNMENTS AND CITIZEN GROUPS</b>				
Contribution from Primary Government	961,332	-	-	961,332
<b>TOTAL OTHER GOVERNMENTS AND CITIZEN GROUPS</b>	<b>961,332</b>	<b>0</b>	<b>0</b>	<b>961,332</b>
<b>TOTAL REVENUES</b>	<b>\$ 62,533,134</b>	<b>4,165,034</b>	<b>3,340,081</b>	<b>70,038,249</b>

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, 2014**

COUNTY GENERAL FUND		
COUNTY COMMISSION		
Compensation	\$ 113,100	
Per Diem Allowance	1,200	
Social Security	5,129	
State Retirement	9,712	
Employee and Dependent Insurance	114,336	
Employer Medicare	1,357	
Contracts with Other Public Agencies	12,913	
Contributions	500	
Dues and Memberships	7,270	
Travel	6,165	
Duplication Supplies	102	
TOTAL COUNTY COMMISSION		271,784
BOARD OF EQUALIZATION		
Fees	6,100	
TOTAL BOARD OF EQUALIZATION		6,100
COUNTY MAYOR		
Administrative Salaries	158,241	
Social Security	9,676	
State Retirement	22,620	
Employee and Dependent Insurance	19,501	
Employer Medicare	2,263	
Communication	4,254	
Dues and Memberships	2,572	
Freight	18	
Postal Charges	500	
Travel	3,507	
Duplicating Supplies	448	
Office Supplies	427	
Other Charges	39	
TOTAL COUNTY MAYOR		224,066
COUNTY ATTORNEY		
Compensation	89,129	
In-Service Training	866	
Social Security	5,400	
State Retirement	12,735	
Employee and Dependent Insurance	9,024	
Employer Medicare	1,263	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COUNTY GENERAL FUND (CONTINUED)

COUNTY ATTORNEY (CONTINUED)

Communication	4,078	
Dues and Memberships	140	
Freight	198	
Legal Services	108,875	
Legal Notices, Recording and Court Costs	459	
Maintenance Agreements	525	
Postal Charges	138	
Printing, Stationery and Forms	437	
Data Processing Supplies	4,894	
Office Supplies	1,615	
Periodicals	637	
Other Supplies and Materials	70	
Other Charges	685	
TOTAL COUNTY ATTORNEY	241,168	241,168

ELECTION COMMISSION

Personnel Salaries	247,703	
Election Commission	18,000	
Election Workers	38,772	
In-Service Training	3,400	
Social Security	15,640	
State Retirement	30,631	
Employee and Dependent Insurance	58,295	
Employer Medicare	3,702	
Communication	5,782	
Data Processing Services	12,151	
Dues and Memberships	300	
Freight Expenses	102	
Legal Notices	10,504	
Maintenance and Repair	13,232	
Postal Charges	16,938	
Printing, Stationery and Forms	3,236	
Rentals	6,054	
Travel	6,773	
Other Contracted Services	9,385	
Data Processing Supplies	5,877	
Duplicating Supplies	1,027	
Office Supplies	3,664	
Periodicals	55	
Other Supplies and Materials	152,721	
Other Charges	13,747	
TOTAL ELECTION COMMISSION	677,691	677,691

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

REGISTER OF DEEDS

Personnel Salaries	305,299	
Social Security	18,078	
State Retirement	41,902	
Employee and Dependent Insurance	60,390	
Employer Medicare	4,228	
Communication	3,020	
Dues and Memberships	734	
Freight	643	
Maintenance and Repair	30,543	
Postal Charges	1,434	
Rentals	1,659	
Travel	235	
Other Contracted Services	400	
Data Processing Supplies	682	
Duplicating Supplies	1,682	
Office Supplies	10,269	
Periodicals	111	
Surety Bond	280	
Other Charges	95	
Other Capital Outlay	16,900	
	498,584	
TOTAL REGISTER OF DEEDS		498,584

PLANNING AND ZONING

Board and Committee Members Fees	5,700	
Social Security	353	
Employer Medicare	83	
Contracts with Government Agencies	13,500	
	19,636	
TOTAL PLANNING AND ZONING		19,636

CODES COMPLIANCE

Salaries and Wages	283,160
In-Service Training	3,327
Social Security	16,744
State Retirement	38,744
Employee and Dependent Insurance	62,799
Employer Medicare	3,916
Communication	8,285
Data Processing Services	6,742
Dues and Memberships	555

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

CODES COMPLIANCE (CONTINUED)

Freight	273	
Legal Notices	1,493	
Maintenance Agreements	5,182	
Maintenance and Repair	3,053	
Postal Charges	2,000	
Rentals	12,199	
Travel	827	
Data Processing Supplies	14,390	
Duplicating Supplies	1,272	
Gasoline	4,669	
Office Supplies	9,811	
Periodicals	1,377	
Uniforms	944	
Other Supplies and Materials	410	
Other Charges	133	
TOTAL CODES COMPLIANCE	482,305	482,305

COUNTY BUILDING

Maintenance and Repair Services - Buildings	27,463	
Electricity	8,206	
Water and Sewer	569	
Other Charges	450	
Other Capital Outlay	723,879	
TOTAL COUNTY BUILDING	760,567	760,567

OTHER GENERAL ADMINISTRATION

Personnel	124,026
Social Security	7,169
State Retirement	17,688
Employee and Dependent Insurance	43,723
Employer Medicare	1,677
Architects	19,000
Professional Services	139,715
Communication	50,404
Consultants	10,000
Contracts with Public Agencies	28,640
Data Processing Services	439
Freight Expense	440
Legal Notices	26,080
Maintenance Agreements	37,427
Maintenance and Repair	27,942

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

OTHER GENERAL ADMINISTRATION (CONTINUED)

Medical and Dental Services	126	
Pest Control	2,125	
Printing	4,200	
Rentals	154,605	
Travel	1,831	
Other Contracted Services	2,935	
Custodial Supplies	20,006	
Utilities	229,919	
Office Supplies	305	
Other Supplies and Materials	11,058	
Building and Contents Insurance	585,985	
Liability Insurance	50,702	
Trustee's Commission	479,469	
Workman's Compensation Insurance	236,401	
Liability Claims	1,000	
Tax Relief Program	266,583	
Other Charges	<u>33,175</u>	
TOTAL OTHER GENERAL ADMINISTRATION		2,614,795

PRESERVATION OF RECORDS

Salaries	33,020	
Social Security	3,116	
State Retirement	7,417	
Employee and Dependent Insurance	14,673	
Employer Medicare	827	
Communications	546	
Freight	665	
Office Supplies	74	
Other Supplies and Materials	675	
Building Improvements	<u>4,185</u>	
TOTAL PRESERVATION OF RECORDS		65,198

MISCELLANEOUS

Legal Notices, Recording and Court Costs	72	
Travel	<u>685</u>	
TOTAL MISCELLANEOUS		757

ACCOUNTING AND BUDGETING

Salaries	144,753	
Social Security	8,632	
State Retirement	20,618	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COUNTY GENERAL FUND (CONTINUED)

ACCOUNTING AND BUDGETING (CONTINUED)

Employee and Dependent Insurance	18,870	
Employer Medicare	1,921	
Communications	4,890	
Freight	186	
Maintenance Agreements	7,841	
Postal Charges	5,000	
Travel	80	
Data Processing Supplies	6,478	
Duplicating Supplies	1,272	
Office Supplies	1,494	
Other Supplies and Materials	82	
	<u>82</u>	
TOTAL ACCOUNTING AND BUDGETING		222,117

PURCHASING

Administrative Salaries	116,162	
Social Security	6,994	
State Retirement	15,022	
Employee and Dependent Insurance	13,400	
Employer Medicare	1,636	
Communications	1,892	
Freight Expense	4	
Legal Notices	3,279	
Maintenance Agreements	8,057	
Maintenance and Repair	50	
Postal Charges	300	
Travel	309	
Data Processing Supplies	404	
Duplicating Supplies	332	
Office Supplies	1,488	
Surety Bonds	100	
	<u>100</u>	
TOTAL PURCHASING		169,429

PROPERTY ASSESSOR

Salaries	275,374	
Social Security	16,388	
State Retirement	39,317	
Employee and Dependent Insurance	60,833	
Employer Medicare	3,832	
Communications	3,640	
Data Processing Services	33,924	
Dues and Memberships	2,696	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

PROPERTY ASSESSOR (CONTINUED)

Freight	28	
Legal Notices	122	
Maintenance and Repair	4,828	
Postal Charges	16,884	
Rentals	881	
Travel	1,659	
Data Processing Supplies	753	
Duplicating Supplies	910	
Gasoline	3,463	
Office Supplies	2,357	
Publications and Books	32	
Other Charges	473	
TOTAL PROPERTY ASSESSOR		468,394

REAPPRAISAL PROGRAM

Salaries	185,428	
Social Security	10,863	
State Retirement	25,289	
Employee and Dependent Insurance	64,737	
Employer Medicare	2,540	
Audit Service - Property	34,030	
Communication	1,363	
Data Processing Services	11,108	
Dues and Memberships	20	
Frieght	65	
Maintenance and Repair	862	
Postal Charges	7,999	
Data Processing Supplies	4,718	
Duplicating Supplies	612	
Gasoline	2,198	
Office Supplies	9,612	
TOTAL REAPPRAISAL PROGRAM		361,444

COUNTY TRUSTEE

Salaries	270,547
Social Security	14,549
State Retirement	35,567
Employee and Dependent Insurance	41,634
Employer Medicare	3,714
Communication	4,378
Data Processing Services	2,452

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

COUNTY TRUSTEE (CONTINUED)

Dues and Memberships	574	
Freight	20	
Legal Notices	2,287	
Maintenance and Repair	8,983	
Postal Charges	25,786	
Rentals	25,762	
Travel	407	
Data Processing Supplies	990	
Duplicating Supplies	545	
Utilities	2,664	
Office Supplies	8,337	
Premiums on Corporate Surety Bonds	753	
Other Charges	459	
TOTAL COUNTY TRUSTEE		450,408

COUNTY CLERK

Salaries	535,969	
Social Security	32,014	
State Retirement	74,858	
Employee and Dependent Insurance	124,704	
Employer Medicare	7,487	
Communications	5,467	
Data Processing Services	675	
Dues and Memberships	774	
Freight	145	
Maintenance and Repair	26,448	
Postal Charges	34,000	
Printing, Stationary and Forms	100	
Rentals	27,246	
Travel	2,264	
Data Processing Supplies	920	
Duplicating Supplies	1,958	
Utilities	2,664	
Office Supplies	7,885	
Premium on Corporate Surety Bonds	525	
Other Charges	2,349	
TOTAL COUNTY CLERK		888,452

CIRCUIT COURT

Salaries	1,138,676
Overtime	6,710
Social Security	67,774

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

State Retirement	140,364	
Employee and Dependent Insurance	309,367	
Employer Medicare	15,850	
Communication	9,077	
Dues and Memberships	694	
Freight	247	
Maintenance and Repair	46,757	
Postal Charges	20,000	
Printing, Stationery and Forms	3,355	
Rentals	5,877	
Travel	1,276	
Data Processing Supplies	8,567	
Duplicating Supplies	5,498	
Office Supplies	12,935	
Periodicals	518	
Premiums on Corporate Surety Bonds	1,634	
Other Charges	368	
	<u>          </u>	
TOTAL CIRCUIT COURT		1,795,544

GENERAL SESSIONS JUDGE

Salaries	473,709	
Social Security	21,538	
State Retirement	67,138	
Employer and Dependent Insurance	32,314	
Employer Medicare	6,789	
Communication	712	
Dues and Memberships	1,884	
Freight	129	
Travel	8,499	
Office Supplies	727	
Periodicals	458	
Other Charges	1,731	
	<u>          </u>	
TOTAL GENERAL SESSIONS JUDGE		615,628

DRUG COURT

Contracts with Private Agencies	5,000	
	<u>          </u>	
TOTAL DRUG COURT		5,000

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

CHANCERY COURT

Salaries	444,981	
Social Security	26,315	
State Retirement	63,489	
Employee and Dependent Insurance	101,474	
Employer Medicare	6,154	
Communication	1,944	
Dues and Memberships	874	
Freight	727	
Maintenance and Repair	9,808	
Postal Charges	2,200	
Rentals	6,399	
Travel	3,726	
Data Processing Services	2,944	
Duplicating Supplies	1,993	
Office Supplies	11,967	
Periodicals	1,193	
Other Charges	335	
	<u>686,523</u>	686,523
TOTAL CHANCERY COURT		

DISTRICT ATTORNEY GENERAL

Salaries	70	
Social Security	4	
Employer Medicare	2	
Other Contracted Services	80,000	
	<u>80,076</u>	80,076
TOTAL DISTRICT ATTORNEY GENERAL		

JUDICIAL COURT

Other Salaries	27,066	
Jury and Witness Fees	23,869	
Other Per Diem and Fees	5,403	
Social Security	1,655	
Employee and Dependent Insurance	2,329	
Employer Medicare	387	
Evaluation	8,714	
Legal Notices	100,893	
Office Supplies	178	
	<u>170,494</u>	170,494
TOTAL JUDICIAL COURT		

COURTROOM SECURITY

Salaries	344,844	
Social Security	20,628	
Employer Medicare	44,712	
Employee and Dependent Insurance	74,404	
State Retirement	4,825	
	<u>489,413</u>	489,413
TOTAL COURTROOM SECURITY		

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

SHERIFF'S DEPARTMENT

Salaries	3,807,029	
State Salary Supplement	51,000	
Employee Training	39,871	
Social Security	227,171	
State Retirement	542,156	
Employee and Dependent Insurance	1,057,017	
Employer Medicare	53,200	
Communication	78,194	
Contracts with Government Agencies	800	
Dues and Memberships	4,676	
Freight	3,653	
Legal Notices, Record and Court Costs	341	
Licenses	484	
Maintenance and Repair	65,195	
Medical and Dental Service	2,623	
Postal Charges	4,570	
Printing, Stationery and Forms	7,394	
Rentals	36,777	
Travel	16,717	
Veterinary Services	4,928	
Other Contracted Services	97,159	
Animal Food and Supplies	3,152	
Data Processing Supplies	35,386	
Duplicating Supplies	900	
Garage Supplies	8,206	
Gasoline	357,272	
Instructional Supplies and Materials	7,974	
Law Enforcement Supplies	77,618	
Lubricants	6,899	
Office Supplies	4,864	
Periodicals	3,576	
Tires and Tubes	25,527	
Uniforms	76,256	
Vehicle Parts	33,638	
Other Supplies and Materials	7,420	
Other Charges	5,901	
Motor Vehicles	<u>207,489</u>	
TOTAL SHERIFF'S DEPARTMENT		6,963,033

JAIL

Salaries	3,285,429
In-Service Training	1,068

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COUNTY GENERAL FUND (CONTINUED)

JAIL (CONTINUED)

Social Security	194,571	
Employer Medicare	45,505	
State Retirement	405,436	
Employee and Dependent Insurance	890,499	
Communication	14,047	
Contracts with Private Agencies	1,148,862	
Dues and Memberships	263	
Freight	3,031	
Maintenance and Repair	244,391	
Medical and Dental Services	8,615	
Pest Control	5,500	
Postal Charges	450	
Printing, Stationery and Forms	2,015	
Rentals	15,275	
Transportation - Prisoners	4,673	
Travel	4,667	
Disposal Fees	9,858	
Other Contracted Services	2,590	
Custodial Supplies	73,739	
Data Processing Supplies	29,678	
Food Preparation Supplies	8,411	
Duplicating Supplies	4,220	
Utilities	498,040	
Food Supplies	561,086	
Uniforms	26,635	
Law Enforcement Supplies	14,532	
Office Supplies	13,450	
Prisoners Clothing	11,369	
Chemicals	785	
Other Supplies and Materials	28,496	
Other Charges	1,749	
TOTAL JAIL	7,558,935	

JUVENILE SERVICES

Salaries	190,016
Social Security	11,504
Employer Medicare	2,690
State Retirement	27,107
Employee and Dependent Insurance	38,561
Communication	3,056
Contracts with Government Agencies	4,500
Contracts with Public Agencies	198,593

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)		
JUVENILE SERVICES (CONTINUED)		
Dues and Memberships	972	
Freight	30	
Rentals	624	
Travel	4,450	
Duplicating Supplies	416	
Gasoline	345	
Office Supplies	5,988	
Postal Charges	2,000	
Maintenance and Repairs	1,034	
Other Charges	<u>80</u>	
TOTAL JUVENILE SERVICES		491,966
WORK RELEASE PROGRAM		
Board and Committee Member Fees	6,840	
Social Security	303	
Employer Medicare	90	
Employee and Dependent Insurance	3,465	
State Retirement	<u>395</u>	
TOTAL WORK RELEASE PROGRAM		11,093
FEDERAL ASSET FORFEITURE		
Freight	218	
Law Enforcement Supplies	<u>18,714</u>	
TOTAL FEDERAL ASSET FORFEITURE		18,932
JAG GRANT		
Data Processing Supplies	10,262	
Law Enforcement Supplies	<u>15,700</u>	
TOTAL JAG GRANT		25,962
OTHER PUBLIC SAFETY		
Salaries	24,118	
Social Security	1,439	
State Retirement	3,448	
Employee and Dependent Insurance	2,742	
Employer Medicare	337	
Freight	10	
Office Supplies	108	
Other Charges	610	
Contributions	<u>645,233</u>	
TOTAL OTHER PUBLIC SAFETY		678,045

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)		
SAFE TEEN DRIVING SKILLS		
Printing, Stationary and Forms	1,185	
Data Processing Supplies	<u>2,000</u>	
TOTAL SAFE TEEN DRIVING SKILLS		3,185
PUBLIC SAFETY - LAW ENFORCEMENT		
Travel	<u>1,167</u>	
TOTAL PUBLIC SAFETY - LAW ENFORCEMENT		1,167
FIRE PROTECTION AND CONTROL		
Contributions	815,000	
Other Charges	<u>7,500</u>	
TOTAL FIRE PROTECTION AND CONTROL		822,500
CIVIL DEFENSE		
Matching Grant	<u>109,058</u>	
TOTAL CIVIL DEFENSE		109,058
HAZARDOUS MATERIALS		
Communication	1,374	
Freight	61	
Travel	152	
Other Supplies and Materials	375	
Liability Insurance	388	
Other Charges	<u>5,685</u>	
TOTAL HAZARDOUS MATERIALS		8,035
RESCUE SQUAD		
Contributions	<u>164,300</u>	
TOTAL RESCUE SQUAD		164,300
OTHER EMERGENCY MANAGEMENT		
Freight Expense	354	
Contributions to Other Governments	102,169	
Travel	2,022	
Other Supplies and Materials	<u>3,091</u>	
TOTAL OTHER EMERGENCY MANAGEMENT		107,636
2013 LEPC CONFERENCE GRANT		
Freight	29	
Office Supplies	2,791	
Food Supplies	<u>3,620</u>	
TOTAL 2013 LEPC CONFERENCE GRANT		6,440

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COUNTY GENERAL FUND (CONTINUED)

COUNTY CORONER

Contracts with Private Agencies	30,000	
Other Charges	<u>125,707</u>	
TOTAL COUNTY CORONER		155,707

COUNTY HEALTH CENTER

Salaries	454,901	
Social Security	26,814	
State Retirement	61,183	
Employee and Dependent Insurance	120,360	
Employee Medicare	6,271	
Communication	27,657	
Contract with Governmental Agencies	17,354	
Freight	894	
Maintenance and Repair	42,978	
Pest Control	432	
Postal Charges	4,000	
Printing, Stationery and Forms	413	
Rentals	9,277	
Travel	(2,489)	
Other Contracted Services	35,790	
Custodial Supplies	11,733	
Drugs and Medical Supplies	79,234	
Utilities	61,888	
Office Supplies	5,357	
Periodicals	83	
Other Supplies and Materials	4,203	
Building and Contents Insurance	9,925	
Other Charges	<u>19,876</u>	
TOTAL COUNTY HEALTH CENTER		998,134

LOCAL HEALTH CENTER STATE GRANT

Salaries	613,579	
Social Security	36,508	
State Retirement	56,706	
Employee Insurance	147,082	
Medicare	8,538	
Travel	10,089	
Liability Insurance	9,987	
Other Charges	<u>150</u>	
TOTAL LOCAL HEALTH CENTER STATE GRANT		882,639

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

HEALTH CENTER TOBACCO GRANT

Salaries	4,238	
Social Security	263	
Employer Medicare	61	
Freight	317	
Travel	240	
Office Supplies	510	
Other Supplies and Materials	4,605	
Other Charges	<u>4,951</u>	
TOTAL HEALTH CENTER TOBACCO GRANT		15,185

RABIES AND ANIMAL CONTROL

Contributions	<u>314,750</u>	
TOTAL RABIES AND ANIMAL CONTROL		314,750

AMBULANCE SERVICE

Contributions	<u>1,528,802</u>	
TOTAL AMBULANCE SERVICE		1,528,802

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

REGIONAL MENTAL HEALTH CENTER

Contributions	<u>17,000</u>	
TOTAL REGIONAL MENTAL HEALTH CENTER		17,000

PUBLIC WELFARE

Contributions	45,900	
Pauper Burials	<u>21,000</u>	
TOTAL PUBLIC WELFARE		66,900

AID TO DEPENDENT CHILDREN

Contributions	<u>12,150</u>	
TOTAL AID TO DEPENDENT CHILDREN		12,150

SANITATION EDUCATION

Personnel Salaries	29,344	
Social Security	1,732	
Employee Medicare	405	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)		
SANATATION EDUCATION (CONTINUED)		
Freight	239	
Employee and Dependent Insurance	4,819	
State Retirement	4,184	
Other Contracted Services	14,994	
Other Supplies and Materials	<u>2,988</u>	
TOTAL SANITATION EDUCATION		58,705
SENIOR CITIZEN'S ASSISTANCE		
Contributions	<u>112,877</u>	
TOTAL SENIOR CITIZEN'S ASSISTANCE		112,877
LIBRARIES		
Salaries	290,809	
Social Security	17,432	
State Retirement	23,950	
Employee and Dependent Insurance	51,786	
Employer Medicare	4,074	
Communication	4,918	
Contracts with Private Agencies	11,646	
Freight	1,635	
Maintenance and Repairs	5,045	
Pest Control	600	
Rentals	2,922	
Travel	15	
Custodial Supplies	2,369	
Data Processing Supplies	53,305	
Utilities	19,167	
Instructional Supplies and Materials	126	
Office Supplies	14,626	
Periodicals	1,914	
Other Supplies and Materials	18,372	
Other Charges	693	
Building and Contents Insurance	1,553	
Workman's Compensation Insurance	848	
Library Books	<u>50,414</u>	
TOTAL LIBRARIES		578,219
LIBRARIES (OTHER)		
Contributions	100,000	
Library Books	<u>27,500</u>	
TOTAL LIBRARIES (OTHER)		127,500

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

SOCIAL, CULTURAL AND RECREATIONAL

Contributions - Museum	<u>21,250</u>	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		21,250

AGRICULTURE EXTENSION SERVICE

Salaries	197,269	
Social Security	12,228	
State Retirement	29,302	
Employee and Dependent Insurance	6,123	
Life Insurance	154	
Unemployment Compensation	281	
Employer Medicare	2,862	
Communication	2,430	
Dues and Memberships	240	
Freight	171	
Maintenance and Repair	1,575	
Pest Control	550	
Rentals	5,682	
Travel	7,700	
Custodial Supplies	481	
Utilities	4,858	
Office Supplies	1,100	
Other Supplies and Materials	5,472	
Liability Insurance	424	
Workman's Compensation Insurance	249	
Other Charges	<u>2,320</u>	
TOTAL AGRICULTURE EXTENSION SERVICE		281,471

FOREST SERVICE

Forest Resource Services	<u>1,500</u>	
TOTAL FOREST SERVICE		1,500

SOIL CONSERVATION

Secretary	25,296	
Other Salary and Wages	23,226	
Social Security	2,910	
Employer Medicare	681	
Employee and Dependent Insurance	14,221	
State Retirement	6,918	
Contributions	<u>15,065</u>	
TOTAL SOIL CONSERVATION		88,317

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)		
STORM WATER MANAGEMENT		
Consultants	31,550	
Licenses	<u>3,460</u>	
TOTAL STORM WATER MANAGEMENT		35,010
AGRICULTURE AND NATURAL RESOURCES		
Salaries	8,067	
Social Security	500	
Employer Medicare	117	
Freight	5	
Repairs and Maintenance	490	
Utilities	1,232	
Custodial Supplies	106	
Other Supplies and Materials	<u>524</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		11,041
TOURISM		
Contributions	<u>6,971</u>	
TOTAL TOURISM		6,971
INDUSTRIAL DEVELOPMENT		
Contributions	<u>146,206</u>	
TOTAL INDUSTRIAL DEVELOPMENT		146,206
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions	35,000	
Contracts with Government Agencies	261,495	
Other Charges	<u>102,938</u>	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		399,433
TRANSPORTATION - AIRPORT		
Contributions	<u>16,599</u>	
TOTAL TRANSPORTATION - AIRPORT		16,599
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	<u>53,243</u>	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		53,243
EMPLOYEE BENEFITS		
Life Insurance	32,103	
Unemployment	<u>24,941</u>	
TOTAL EMPLOYEE BENEFITS		57,044

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

COUNTY GENERAL FUND (CONTINUED)

DISASTER RELIEF - DRY CREEK FLOOD

HUD - Other Contracted Services

67,840

TOTAL DISASTER RELIEF - DRY CREEK FLOOD

67,840

TOTAL COUNTY GENERAL FUND

\$ 35,293,402

SPECIAL REVENUE FUNDS

HIGHWAY FUND

ADMINISTRATION

Salaries	\$	256,373
Employee Benefits		85,313
Communication		7,780
Dues and Memberships		4,100
Freight		245
Licenses		90
Maintenance and Repair		18,870
Other Contracted Services		6,596
Data Processing Supplies		23,816
Postal Charges		441
Travel		2,805
Office Supplies		3,294
Other Supplies		2,028
Liability Insurance		35,959
Utilities		7,716
Printing, Stationary and Forms		1,421
Workman's Compensation		114,262
Other Charges		<u>4,814</u>

TOTAL ADMINISTRATION

575,923

TRAFFIC CONTROL

Salaries		68,427
Employee Benefits		38,820
Freight		392
Road Signs		25,831
Small Tools		130
Chemicals		4,504
Other Supplies and Materials		1,975
Other Charges		<u>92</u>

TOTAL TRAFFIC CONTROL

140,171

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,235,183	
Employee Benefits	602,727	
Communication	7,251	
Freight	5,755	
Maintenance and Repair	593	
Rentals	2,740	
Other Contracted Services	1,280	
Engineering Services	28,625	
Concrete and Crushed Stone	83,333	
Diesel Fuel	97,775	
Gasoline	118,141	
Utilities	9,251	
Equipment Parts	636	
Fertilizer, Lime and Seed	826	
General Construction Material	3,341	
Ice	285	
Metal Pipe	27,123	
Salt	48,946	
Small Tools	4,117	
Other Supplies and Materials	35,116	
Other Charges	21,306	
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TOTAL HIGHWAY AND BRIDGE MAINTENANCE

2,334,350

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	296,157
Employee Benefits	140,599
Communication	1,706
Freight	4,649
Maintenance and Repair	41,633
Rentals	6,944
Tow-In Services	660
Other Contracted Services	2,195
Electricity	7,557
Equipment Parts	169,665
Garage Supplies	18,246

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)

Lubricants	13,672
Office Supplies	159
Propane Gas	21,000
Small Tools	3,962
Tires and Tubes	44,244
Vehicle Parts	461
Other Supplies and Materials	21,031
Other Charges	<u>397</u>

TOTAL OPERATION AND MAINTENANCE  
OF EQUIPMENT

794,937

ASPHALT PLANT OPERATIONS

Salaries	849,885
Employee Benefits	461,655
Overtime	63
Communication	1,702
Freight	23,806
Maintenance and Repair - Equipment	363
Other Contracted Services	102,646
Asphalt	1,033,141
Crushed Stone	198,802
Diesel Fuel	141,089
Electricity	29,369
Equipment and Machinery Parts	6,762
Fuel Oil	150,833
Lubricants	7,515
Natural Gas	1,511
Sand	34,548
Water and Sewer	1,469
Other Supplies and Materials	7,391
State Aid Projects	<u>216,252</u>

TOTAL ASPHALT PLANT OPERATIONS

3,268,802

OTHER CHARGES

Trustee's Commission	<u>117,995</u>
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TOTAL OTHER CHARGES

117,995

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

EMPLOYEE BENEFITS

Employee Insurance	21,930	
Life Insurance	<u>15,468</u>	
TOTAL EMPLOYEE BENEFITS		37,398

CAPITAL OUTLAY

Freight	155	
Bridge Construction	569	
Motor Vehicles	343,000	
Right of Way	1,300	
Other Equipment	<u>1,298,294</u>	
TOTAL CAPITAL OUTLAY		<u>1,643,318</u>

TOTAL HIGHWAY FUND 8,912,894

SOLID WASTE / SANITATION FUND

SANITATION OPERATIONS

Salaries	432,499	
Employee Benefits	79,420	
Employee and Dependent Insurance	109,629	
Life Insurance	428	
Disposal Fees	339,879	
Trustee Commission	19,849	
Instructional Supplies and Materials	800	
Communication	6,472	
Freight	1,462	
Maintenance and Repair	70,586	
Rentals	8,185	
Travel	433	
Gasoline	9,506	
Lubricants	2,736	
Tires	16,504	
Diesel Fuel	61,906	
Utilities	11,060	
Supplies and Materials	38,363	
Building and Contents Insurance	129	
Judgments	550	
Postal Charges	500	
Workman's Compensation Insurance	19,866	
Other Charges	9,977	
Premiums on Corporate Surety Bonds	101	
Other Contracted Services	725	
Liability Insurance	<u>4,297</u>	
TOTAL SANITATION OPERATIONS		1,245,862

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)		
SOLID WASTE / SANITATION FUND (CONTINUED)		
TIRE CENTER OPERATIONS		
Salaries	35,362	
Employee Benefits	2,750	
Retirement	2,534	
Unemployment Compensation	6,064	
Life Insurance	20	
Communication	1,279	
Permits	75	
Travel	670	
Utilities	1,041	
Supplies and Materials	1,437	
Postal Charges	500	
Worker's Compensation Insurance	4,741	
Contracts with Private Agency	123,304	
TOTAL TIRE CENTER OPERATIONS	<u>179,777</u>	
TOTAL SOLID WASTE / SANITATION FUND		1,425,639
DRUG FINES FUND		
Training	125	
Contributions	1,000	
Freight	459	
Travel	264	
Uniforms	1,022	
Supplies	34,231	
Trustee's Commission	1,439	
Other Charges	8,611	
TOTAL DRUG FINES FUND		47,151
CONSTITUTIONAL OFFICERS - FEES FUNDS		
Special Commissioner Fees	18,614	
Bank Charges	12,355	
Postage	75	
TOTAL CONSTITUTIONAL OFFICERS - FEES FUNDS		<u>31,044</u>
TOTAL SPECIAL REVENUE FUNDS		<u>\$ 10,416,728</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

<b>RURAL DEBT SERVICE FUND</b>		
Interest on Bonds	\$ 22,960	
	<u>22,960</u>	
<b>TOTAL RURAL DEBT SERVICE FUND</b>		<u>\$ 22,960</u>
<b>CAPITAL PROJECTS FUND</b>		
General Government - Various General Projects	\$ 138,537	
General Government - Archives	78,226	
General Debt Issuance Costs	140,830	
General Government - Public Safety	288,407	
Education - Various Projects	3,972,842	
Education - Transportation	57,428	
Public Health and Welfare - Building	52,455	
	<u>52,455</u>	
<b>TOTAL CAPITAL PROJECTS FUND</b>		<u>\$ 4,728,725</u>
<b>DEBT SERVICE FUND</b>		
Principal on Bonds	\$ 2,645,000	
Bond Costs	92,026	
Payments to Refunded Debt Escrow Agent	8,140,358	
Principal on Notes	285,000	
Interest on Bonds	6,618,013	
Interest on Notes	50,732	
Trustee Commission and Debt Issuance Costs	200,037	
Fees	5,708	
	<u>5,708</u>	
<b>TOTAL DEBT SERVICE FUND</b>		<u>\$ 18,036,874</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION

GENERAL PURPOSE SCHOOL FUND

REGULAR INSTRUCTION

CLASSROOM

Teachers	\$ 19,933,256	
Career Ladder Program	134,835	
Career Ladder Extended Contract	58,400	
Homebound Teachers	17,935	
Educational Assistants	1,134,303	
Bonus	261,435	
Substitute Teachers	166,537	
Non-Certified Substitute Teachers	227,094	
Social Security	1,282,609	
State Retirement	1,952,998	
Life Insurance	14,500	
Medical Insurance	4,722,559	
Unemployment Compensation	15,000	
Employer Medicare	301,718	
Other Fringe Benefits	57,676	
Maintenance and Repair	197,358	
Other Contracted Services	3,062,937	
Instructional Supplies and Materials	199,249	
Textbooks	558,952	
Other Supplies and Materials	133,046	
Other Charges	614,287	
TOTAL CLASSROOM		35,046,684

ADMINISTRATION

Supervisors	229,031	
Career Ladder Program	10,000	
Librarians	731,066	
Instructional Computer Personnel	110,444	
Secretary and Clerical	139,080	
Bonus	9,990	
Other Salaries and Wages	105,828	
Social Security	73,952	
State Retirement	129,438	
Life Insurance	826	
Medical Insurance	178,966	
Employer Medicare	18,252	
Other Fringe Benefits	374	
Maintenance and Repair	17,278	
Travel	31,669	
Library Books	93,835	
In-Service Workshops	61,184	
Other Supplies and Materials	7,014	
TOTAL ADMINISTRATION		1,948,227

TOTAL REGULAR INSTRUCTION

36,994,911

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

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

SPECIAL EDUCATION

CLASSROOM

Teachers	2,135,221	
Career Ladder Program	17,000	
Homebound Teachers	26,429	
Educational Assistants	221,396	
Speech Pathologist	173,544	
Bonus	28,583	
Other Salaries and Wages	127,878	
Substitute Teachers	10,000	
Non-Certified Substitute Teachers	40,000	
Social Security	158,718	
State Retirement	254,268	
Life Insurance	1,734	
Medical Insurance	414,558	
Employer Medicare	37,159	
Other Fringe Benefits	1,579	
Other Contracted Services	5,090	
Instructional Supplies and Materials	22,602	
Other Charges	1,186	
	<u>1,186</u>	
TOTAL CLASSROOM		3,676,945

ADMINISTRATION

Supervisor/Director	81,311	
Career Ladder Program	3,000	
Psychological Personnel	47,910	
Assessment Personnel	205,232	
Secretary	26,374	
Speech Pathologist	178,849	
Bonus	4,995	
Other Salaries and Wages	29,010	
Social Security	34,225	
State Retirement	54,217	
Life Insurance	303	
Medical Insurance	66,178	
Employer Medicare	8,004	
Other Fringe Benefits	170	
Maintenance and Repair	454	
Other Contracted Services	4,466	
Travel	20,199	
In-Service / Staff Development	442	
Other Supplies and Materials	4,998	
	<u>4,998</u>	
TOTAL ADMINISTRATION		<u>770,337</u>

TOTAL SPECIAL EDUCATION

4,447,282

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2014**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

GENERAL PURPOSE SCHOOL FUND (CONTINUED)

VOCATIONAL EDUCATION

CLASSROOM

Teachers	1,420,598	
Career Ladder Program	4,000	
Educational Assistants	23,289	
Bonus	17,205	
Substitute Teachers	5,000	
Non-Certified Substitute Teachers	20,000	
Social Security	85,340	
State Retirement	131,365	
Life Insurance	870	
Medical Insurance	237,615	
Employer Medicare	19,959	
Instructional Supplies and Materials	71,361	
TOTAL CLASSROOM		2,036,602

ADMINISTRATION

Supervisor and Director	40,656	
Career Ladder Program	3,000	
Secretary	26,828	
Bonus	555	
Social Security	3,987	
State Retirement	7,765	
Life Insurance	44	
Medical Insurance	9,000	
Employer Medicare	932	
Other Fringe Benefits	17	
Maintenance and Repair	2,574	
Travel	32,619	
Other Supplies and Materials	2,219	
TOTAL ADMINISTRATION		130,196

TOTAL VOCATIONAL EDUCATION

2,166,798

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION		
Teacher	2,140	
Social Security	33	
State Retirement	85	
Employer Medicare	8	
Instructional Supplies and Materials	1,491	
	<hr/>	
TOTAL ADULT EDUCATION		3,757
ATTENDANCE		
Supervisor and Director	64,510	
Career Ladder Program	1,000	
Secretary and Clerical	23,496	
Bonus	555	
Social Security	5,207	
State Retirement	9,229	
Life Insurance	44	
Medical Insurance	13,000	
Employer Medicare	1,218	
Other Fringe Benefits	17	
Travel	4,188	
Other Supplies and Materials	762	
	<hr/>	
TOTAL ATTENDANCE		123,226
HEALTH SERVICES		
Medical Personnel	193,707	
Other Salaries and Wages	273,569	
Social Security	26,047	
State Retirement	66,801	
Life Insurance	362	
Medical Insurance	144,370	
Employer Medicare	6,091	
Other Fringe Benefits	81	
Travel	5,935	
Other Contracted Services	80,588	
Other Supplies and Materials	10,080	
Other Charges	4,413	
	<hr/>	
TOTAL HEALTH SERVICES		812,044

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COMONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OTHER STUDENT SUPPORT		
Career Ladder Program	3,000	
Guidance Personnel	844,333	
Bonus	9,990	
Social Security	50,240	
State Retirement	76,997	
Life Insurance	486	
Medical Insurance	112,000	
Employer Medicare	11,750	
Other Fringe Benefits	292	
Contracts with Other Public Agencies	90,000	
Evaluation and Testing	34,897	
Other Supplies and Materials	1,409	
TOTAL OTHER STUDENT SUPPORT	1,235,394	1,235,394
BOARD OF EDUCATION		
Board and Committee Fees	27,443	
Social Security	1,701	
State Retirement	2,245	
Medical Insurance	53,350	
Employer Medicare	398	
Audit Services	46,800	
Dues and Memberships	16,616	
Legal Services	12,720	
Travel	17,548	
Other Contracted Services	3,900	
Liability Insurance	155,439	
Premiums on Corporate Surety Bonds	5,711	
Trustee Commission	503,746	
Workman's Compensation	465,783	
Other Charges	12,987	
TOTAL BOARD OF EDUCATION	1,326,387	1,326,387
OFFICE OF THE DIRECTOR		
Director of Schools	116,615	
Career Ladder Program	1,000	
Secretary and Clerical	149,378	
Bonus	555	
Other Salaries and Wages	32,155	
Social Security	16,986	
State Retirement	42,728	
Life Insurance	157	
Medical Insurance	44,000	
Employer Medicare	4,109	
Other Fringe Benefits	17	
Communications	72,622	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COMONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OFFICE OF THE DIRECTOR (CONTINUED)		
Postal Charges	13,904	
Travel	7,999	
Other Contracted Services	80,405	
Office Supplies	4,066	
TOTAL OFFICE OF THE DIRECTOR		586,696
OFFICE OF THE PRINCIPAL		
Principals	900,902	
Career Ladder	23,000	
Assistant Principals	889,506	
Secretary and Clerical	596,806	
Bonus	16,650	
Other Salaries and Wages	96,363	
Social Security	146,722	
State Retirement	260,376	
Life Insurance	1,302	
Medical Insurance	335,214	
Employer Medicare	34,313	
Other Fringe Benefits	493	
Communications	20,000	
Travel	4,956	
Other Supplies and Materials	78,646	
Other Charges	48,710	
TOTAL OFFICE OF THE PRINCIPAL		3,453,959
FISCAL SERVICES		
Supervisor/Director	70,522	
Clerical Personnel	70,075	
Social Security	8,176	
State Retirement	20,119	
Life Insurance	60	
Medical Insurance	17,800	
Employer Medicare	1,912	
Travel	652	
Other Contracted Services	10,519	
Other Supplies and Materials	939	
TOTAL FISCAL SERVICES		200,774
OPERATION OF PLANT		
Custodial Personnel	637,295	
Other Salaries and Wages	148,601	
Social Security	44,975	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COMONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OPERATION OF PLANT (CONTINUED)		
State Retirement	100,116	
Life Insurance	695	
Medical Insurance	143,333	
Employer Medicare	10,519	
Other Contracted Services	117,616	
Custodial Supplies	99,735	
Janitorial Services	704,791	
Disposal Fees	123,140	
Electricity	2,131,464	
Natural Gas	90,377	
Water and Sewer	210,863	
Other Supplies and Materials	56,848	
Boiler Insurance	18,277	
Other Charges	9,898	
TOTAL OPERATION OF PLANT		4,648,543
MAINTENANCE OF PLANT		
Supervisor/Director	63,190	
Maintenance Personnel	860,824	
Social Security	54,438	
State Retirement	121,587	
Life Insurance	481	
Medical Insurance	165,000	
Employer Medicare	12,731	
Communication	2,565	
Maintenance and Repair	20,486	
Other Supplies and Materials	370,246	
Other Charges	14,439	
TOTAL MAINTENANCE OF PLANT		1,685,987
TRANSPORTATION		
Supervisor/Director	49,566	
Mechanics	186,213	
Bus Drivers	933,100	
Social Security	69,084	
State Retirement	164,314	
Life Insurance	1,517	
Medical Insurance	358,836	
Employer Medicare	16,157	
Communication	566	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	1,915	
Gasoline	178,975	
Diesel	500,917	
Garage Supplies	23,963	
Tires and Tubes	86,587	
Vehicle Parts	129,398	
Other Supplies and Materials	4,651	
Vehicle and Equipment Insurance	102,809	
Other Charges	10,260	
TOTAL TRANSPORTATION		2,818,828
CENTRAL AND OTHER		
Supervisor/Director	61,504	
Clerical Personnel	20,847	
Other Salaries and Wages	6,539	
Social Security	5,085	
State Retirement	8,445	
Life Insurance	76	
Medical Insurance	20,024	
Employer Medicare	1,189	
Office Supplies	3,788	
Other Charges	4,875	
TOTAL CENTRAL AND OTHER		132,372
FOOD SERVICE		
Supervisor/Director	49,566	
Social Security	2,865	
State Retirement	7,093	
Life Insurance	1,647	
Medical Insurance	225,443	
Employer Medicare	670	
Other Fringe Benefits	17	
TOTAL FOOD SERVICE		287,301
COMMUNITY SERVICE		
Supervisor	31,054	
Secretaries	22,048	
Other Salaries and Wages	257,318	
Social Security	18,531	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2014

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
COMMUNITY SERVICE (CONTINUED)		
State Retirement	18,072	
Medical Insurance	13,002	
Employer Medicare	4,334	
Travel	1,136	
Food Supplies	24,380	
Other Supplies and Materials	9,120	
Other Charges	3,203	
TOTAL COMMUNITY SERVICE		402,198
EARLY CHILDHOOD EDUCATION		
Teachers	127,563	
Educational Assistants	37,261	
Social Security	9,712	
State Retirement	14,942	
Medical Insurance	19,955	
Employer Medicare	2,271	
Travel	594	
Instructional Supplies and Materials	11,295	
Other Supplies and Materials	3,912	
Other Charges	1,097	
TOTAL EARLY CHILDHOOD EDUCATION		228,602
DEBT SERVICE		
Contributions to Debt Service	260,000	
TOTAL DEBT SERVICE		260,000
CAPITAL OUTLAY		
Transportation Equipment	76,812	
Other Capital Outlay	126,782	
TOTAL CAPITAL OUTLAY		203,594
TOTAL GENERAL PURPOSE SCHOOL FUND		<u>62,018,653</u>
SCHOOL FEDERAL PROJECTS FUND		
REGULAR INSTRUCTION		
CLASSROOM		
Teachers	\$ 637,876	
Educational Assistants	114,247	
Other Salaries and Wages	100,000	
Substitute Teachers	3,330	
Social Security and Medicare	59,898	
State Retirement	79,967	
Medical Insurance	244,390	
Instructional Supplies and Materials	28,918	
Other Supplies and Materials	2,429	
TOTAL CLASSROOM		1,271,055

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2014**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)

SCHOOL FEDERAL PROJECTS FUND (CONTINUED)

REGULAR INSTRUCTION (CONTINUED)

ADMINISTRATION

Other Salaries and Wages	361,547	
Certified Substitute Teachers	40,980	
Social Security and Medicare	26,687	
Medical Insurance	36,298	
State Retirement	31,218	
Travel	30,735	
In-Service Workshops	18,268	
Other Supplies and Materials	952	
Other Charges	4,950	
Indirect Cost	13,755	
TOTAL ADMINISTRATION		<u>565,390</u>

TOTAL REGULAR INSTRUCTION

1,836,445

SPECIAL EDUCATION

CLASSROOM

Teachers	89,497	
Educational Assistants	672,222	
Speech Pathologist	34,645	
Other Salaries and Wages	1,000	
Social Security and Medicare	52,287	
State Retirement	97,861	
Medical Insurance	293,007	
Instructional Supplies and Materials	41,300	
TOTAL CLASSROOM		<u>1,281,819</u>

ADMINISTRATION

Other Salaries and Wages	124,460	
Social Security and Medicare	9,048	
State Retirement	10,784	
Medical Insurance	17,680	
Other Contracted Services	117,112	
In-Service Workshops	71,792	
Other Supplies and Materials	39,068	
Travel	3,200	
Indirect Cost	15,479	
TOTAL ADMINISTRATION		<u>408,623</u>

TOTAL SPECIAL EDUCATION

1,690,442

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, 2014**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)		
VOCATIONAL EDUCATION (CONTINUED)		
Medical Insurance	4,659	
Instructional Supplies and Materials	36,340	
Other Supplies and Materials	8,891	
Other Charges	2,545	
Indirect Costs	1,164	
TOTAL VOCATIONAL EDUCATION	93,860	93,860
OTHER STUDENT SUPPORT		
Other Salaries and Wages	16,615	
Social Security and Medicare	1,271	
State Retirement	2,378	
Medical Insurance	4,960	
Travel	20,996	
Other Supplies and Materials	16,721	
Other Charges	592	
TOTAL OTHER STUDENT SUPPORT	63,533	63,533
TRANSPORTATION		
Bus Drivers	264,893	
Social Security and Medicare	17,348	
State Retirement	36,586	
Medical Insurance	84,763	
TOTAL TRANSPORTATION	403,590	403,590
CAPITAL OUTLAY		
Vocational Instruction Equipment	73,728	
TOTAL CAPITAL OUTLAY	73,728	73,728
TOTAL SCHOOL FEDERAL PROJECTS FUND	4,161,598	4,161,598
SCHOOL FOOD SERVICE FUND		
FOOD SERVICE		
Salaries and Payroll Expenses	\$ 1,617,357	
Food Purchases	1,575,269	
Supplies and Materials	244,444	
Utilities	5,936	
Other Contracted Services	44,713	
Miscellaneous Expenses and Repairs	5,749	
TOTAL FOOD SERVICE	3,493,468	3,493,468
CAPITAL OUTLAY		
Equipment	6,070	
TOTAL CAPITAL OUTLAY	6,070	6,070
TOTAL SCHOOL FOOD SERVICE FUND	3,499,538	3,499,538
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION	\$ 69,679,789	\$ 69,679,789

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2014

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>ASSETS</b>									
Equity in Pooled Cash	\$ 48,334,636	-	-	-	-	-	-	-	48,334,636
Cash on Hand	400	1,100	1,050	1,350	-	200	100	3,540	7,740
Cash in Bank	-	736,842	154,728	34,197	278,516	891,130	232,744	6,391	2,334,548
Investments	-	-	665,047	43,085	821,853	1,005,450	-	-	2,535,435
Receivables	28,816	-	-	-	-	-	2,731	21,970	53,517
Due from State	8,199,846	-	-	-	-	-	-	-	8,199,846
<b>TOTAL ASSETS</b>	<b>\$ 56,563,698</b>	<b>737,942</b>	<b>820,825</b>	<b>78,632</b>	<b>1,100,369</b>	<b>1,896,780</b>	<b>235,575</b>	<b>31,901</b>	<b>61,465,722</b>
<b>LIABILITIES</b>									
Due to State of Tennessee									
Business and Gross Receipts Tax	\$ -	-	-	-	-	-	-	-	-
Marriage Licenses	-	4,268	-	-	-	-	-	-	4,268
Motor Vehicle Registration	-	265,461	-	-	-	-	-	-	265,461
Sales and Use Tax	-	335,796	-	-	-	-	-	-	335,796
Driver License	-	1,578	-	-	-	-	-	-	1,578
Motor Vehicle Titles	-	18,183	-	-	-	-	-	-	18,183
Manufactured Home Installation Permit	-	-	-	-	-	-	-	-	-
Realty Transfer and Mortgage	-	-	-	-	-	-	-	-	-
Transfer Tax	-	-	-	-	-	-	223,359	-	223,359
County Officials Retirement Tax	-	-	-	-	-	-	5,631	-	5,631
Due to Litigants, Heirs and Others									
Donor Awareness	-	235	-	-	-	-	-	-	235
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	100	-	-	-	-	-	-	100
Helping Schools	-	93	-	-	-	-	-	-	93
Court Funds and Costs	-	-	37,711	4,203	268,590	783,705	-	-	1,094,209
Deposits	-	-	665,047	43,085	821,853	1,005,450	-	-	2,535,435

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF ASSETS AND LIABILITIES  
 June 30, 2014

	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	-	-	-	-	-	107,265	-	-	107,265
Publications	-	-	-	-	-	360	-	-	360
Cash Bonds	-	-	15,000	33,145	10,000	-	-	-	58,145
Escrow and Refunds	-	-	-	-	-	-	3,754	-	3,754
Drug Program	-	-	-	-	-	-	-	3,440	3,440
Vendors	-	-	-	-	-	-	-	28,461	28,461
Due to Johnson City Schools	1,990,985	-	-	-	-	-	-	-	1,990,985
Due to Sales Tax Fund	3,780,190	-	-	-	-	-	-	-	3,780,190
Due to General Purpose School Fund	2,346,673	-	-	-	-	-	-	-	2,346,673
FUNDS									
General	19,482,242	-	-	-	-	-	-	-	19,482,242
Solid Waste / Sanitation	1,245,709	-	-	-	-	-	-	-	1,245,709
Highway	5,410,202	-	-	-	-	-	-	-	5,410,202
General Purpose School	8,759,374	-	-	-	-	-	-	-	8,759,374
School Federal Projects	154,080	-	-	-	-	-	-	-	154,080
School Food Service	229,237	-	-	-	-	-	-	-	229,237
Debt Service	7,416,806	-	-	-	-	-	-	-	7,416,806
Capital Projects	5,020,090	-	-	-	-	-	-	-	5,020,090
Drug Fines	210,964	-	-	-	-	-	-	-	210,964
District Attorney	140,520	-	-	-	-	-	-	-	140,520
Judicial District Drug	214,954	-	-	-	-	-	-	-	214,954
Commission Account	161,672	111,128	103,067	(1,801)	(74)	-	2,831	-	376,823
<b>TOTAL LIABILITIES</b>	<b>\$ 56,563,698</b>	<b>737,942</b>	<b>820,825</b>	<b>78,632</b>	<b>1,100,369</b>	<b>1,896,780</b>	<b>235,575</b>	<b>31,901</b>	<b>61,465,722</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 For the Fiscal Year Ended June 30, 2014**

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 190,057,677	-	-	-	-	-	-	-	190,057,677
State of Tennessee	-	7,408,777	120,633	748,488	32,512	19,805	2,832,069	-	11,162,284
Litigants, Heirs and Others	-	7,400	381,436	2,300,139	720,643	4,755,600	10,198	116,785	8,292,201
County Revenue Clearing Account	-	696,717	63,348	1,176,512	125,196	1,805,976	-	29,468	3,897,217
Fee and Commission Account	1,897,081	1,130,712	301,303	649,304	322,673	482,046	593,443	-	5,376,562
<b>TOTAL RECEIPTS</b>	<b>191,954,758</b>	<b>9,243,606</b>	<b>866,720</b>	<b>4,874,443</b>	<b>1,201,024</b>	<b>7,063,427</b>	<b>3,435,710</b>	<b>146,253</b>	<b>218,785,941</b>
<b>DISBURSEMENTS</b>	<b>185,255,121</b>	<b>9,153,746</b>	<b>1,958,488</b>	<b>4,215,244</b>	<b>1,507,229</b>	<b>7,086,572</b>	<b>3,472,682</b>	<b>148,023</b>	<b>212,797,105</b>
Excess of Receipts Over (Under)									
Disbursements	6,699,637	89,860	(1,091,768)	659,199	(306,205)	(23,145)	(36,972)	(1,770)	5,988,836
Transfers from Sessions and Law to Circuit Court	-	-	971,768	(649,095)	(322,673)	-	-	-	-
Cash Balance, July 1, 2013	41,635,399	648,082	940,825	68,528	1,729,247	1,919,925	269,816	11,701	47,223,523
Cash Balance, June 30, 2014	<u>\$ 48,335,036</u>	<u>737,942</u>	<u>820,825</u>	<u>78,632</u>	<u>1,100,369</u>	<u>1,896,780</u>	<u>232,844</u>	<u>9,931</u>	<u>53,212,359</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK  
 For the Fiscal Year Ended June 30, 2014**

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	\$ 4,842	69,759	672,437	1,450	748,488
County Revenue Clearing Account	18,055	399,809	756,348	2,300	1,176,512
Litigants, Heirs and Others	95,381	1,813,902	363,225	27,631	2,300,139
Fee and Commission Account	9,390	276,997	339,538	23,379	649,304
<b>TOTAL RECEIPTS</b>	<b>127,668</b>	<b>2,560,467</b>	<b>2,131,548</b>	<b>54,760</b>	<b>4,874,443</b>
<b>DISBURSEMENTS</b>	<b>118,528</b>	<b>2,287,697</b>	<b>1,780,790</b>	<b>28,229</b>	<b>4,215,244</b>
Excess of Receipts Over (Under) Disbursements	9,140	272,770	350,758	26,531	659,199
Transfers from Sessions to Circuit Court	(9,390)	(276,997)	(339,328)	(23,380)	(649,095)
Cash Balance, July 1, 2013	305	5,119	23,152	39,952	68,528
Cash Balance, June 30, 2014	\$ 55	892	34,582	43,103	78,632

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, 2014**

RECEIPTS	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
State of Tennessee	\$ 9,575	10,230	19,805
Washington County	558,599	1,247,377	1,805,976
Litigants, Heirs and Others	1,396,652	3,358,948	4,755,600
Fee and Commission Account	<u>154,139</u>	<u>327,907</u>	<u>482,046</u>
<b>TOTAL RECEIPTS</b>	<b>2,118,965</b>	<b>4,944,462</b>	<b>7,063,427</b>
<b>DISBURSEMENTS</b>	<b><u>2,778,559</u></b>	<b><u>4,308,013</u></b>	<b><u>7,086,572</u></b>
Excess of Receipts Over (Under) Disbursements	(659,594)	636,449	(23,145)
Transfers from Jonesborough to Johnson City	(149,159)	149,159	-
Balance, July 1, 2013	<u>1,323,077</u>	<u>596,848</u>	<u>1,919,925</u>
Balance, June 30, 2014	<u><u>\$ 514,324</u></u>	<u><u>1,382,456</u></u>	<u><u>1,896,780</u></u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 COUNTY CLERK  
 For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
Business and Gross Receipts Tax	\$ 503	2,809	-	-	3,312	-
Marriage Licenses	4,034	43,785	-	629	42,922	4,268
Motor Vehicle Registration	190,136	3,436,937	-	-	3,361,612	265,461
Manufactured Home Installation Permits	37	37	-	-	74	-
Sales and Use Tax	293,493	3,702,398	-	185,120	3,474,975	335,796
Driver License	-	14,075	-	2,792	9,705	1,578
Motor Vehicle Titles	-	208,736	-	-	190,553	18,183
<b>TOTAL STATE OF TENNESSEE</b>	<b>488,203</b>	<b>7,408,777</b>	<b>0</b>	<b>188,541</b>	<b>7,083,153</b>	<b>625,286</b>
<b>WASHINGTON COUNTY</b>						
Business Tax and Marriage Licenses	-	9,863	-	493	9,370	-
Beer Tax	-	351,488	-	17,574	333,914	-
Building Permits	-	127,559	-	6,378	121,181	-
Archive and Records Management Fee	-	195,388	-	-	195,388	-
Data Processing Fee	-	12,419	-	-	12,419	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>696,717</b>	<b>0</b>	<b>24,445</b>	<b>672,272</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Notary Seals and Commissions	85	2,015	-	-	2,000	100
Donor Awareness	391	4,641	-	-	4,797	235
Helping Schools	-	744	-	-	651	93
Due to County Clerk	1,100	-	-	-	-	1,100
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,576</b>	<b>7,400</b>	<b>0</b>	<b>0</b>	<b>7,448</b>	<b>1,528</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	158,303	917,726	212,986	-	1,177,887	111,128
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>158,303</b>	<b>917,726</b>	<b>212,986</b>	<b>0</b>	<b>1,177,887</b>	<b>111,128</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 648,082</b>	<b>9,030,620</b>	<b>212,986</b>	<b>212,986</b>	<b>8,940,760</b>	<b>737,942</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CIRCUIT COURT CLERK  
 For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	79,844	-	3,272	76,572	-
Department of Safety	-	2,527	-	126	2,401	-
Tennessee Bureau of Investigations	-	6,685	-	334	6,351	-
Public Defender	-	22,747	-	1,137	21,610	-
Attorney General	-	8,830	-	442	8,388	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>120,633</b>	<b>0</b>	<b>5,311</b>	<b>115,322</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	8,140	-	549	7,591	-
Special Litigation Tax	-	524	-	35	489	-
Litigation Tax / Jail	-	6,479	-	437	6,042	-
Litigation Tax / Court House Security	-	5,448	-	368	5,080	-
County Fines	-	6,286	-	314	5,972	-
Drug Fines	-	9,184	-	459	8,725	-
Drug Court Fund	-	2,934	-	147	2,787	-
County Officer's Cost	-	12,894	-	645	12,249	-
Jail Fees	-	4,336	-	217	4,119	-
Other Collections	-	1,847	-	-	1,847	-
Archive and Records Management Fee	-	804	-	40	764	-
Data Processing Fee	-	2,246	-	-	2,246	-
Court Security Fee	-	2,226	-	111	2,115	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>63,348</b>	<b>0</b>	<b>3,322</b>	<b>60,026</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	40,659	336,497	-	-	339,445	37,711
Cash Bonds	10,750	16,250	-	-	12,000	15,000
Deposits	806,665	-	-	-	141,618	665,047
Alimony/Child Support	-	4,025	-	-	4,025	-
Fines and Arrest Fees - Jonesborough	-	447	-	23	424	-
Fines and Arrest Fees - Johnson City	-	9,601	-	480	9,121	-
Drug Fines - Johnson City	-	14,616	-	732	13,884	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>858,074</b>	<b>381,436</b>	<b>0</b>	<b>1,235</b>	<b>520,517</b>	<b>717,758</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	82,751	1,263,203	9,868	-	1,252,755	103,067
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>82,751</b>	<b>1,263,203</b>	<b>9,868</b>	<b>0</b>	<b>1,252,755</b>	<b>103,067</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 940,825</b>	<b>1,828,620</b>	<b>9,868</b>	<b>9,868</b>	<b>1,948,620</b>	<b>820,825</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
CONSTITUTIONAL OFFICERS  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
GENERAL SESSIONS COURT CLERK - JONESBOROUGH  
For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	2,907	-	73	2,834	-
Department of Safety	-	1,312	-	66	1,246	-
Tennessee Bureau of Investigations	-	311	-	16	295	-
Public Defender	-	222	-	11	211	-
Attorney General	-	90	-	4	86	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>4,842</b>	<b>0</b>	<b>170</b>	<b>4,672</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	1,096	-	74	1,022	-
Special Litigation Tax	-	967	-	50	917	-
Litigation Tax / Jail	-	633	-	43	590	-
Litigation Tax / Courtroom Security	-	369	-	25	344	-
Booking Fees	-	150	-	8	142	-
County Fines	-	2,234	-	112	2,122	-
Drug Fines	-	753	-	38	715	-
Drug Court Fund	-	436	-	22	414	-
County Officer's Cost	-	3,316	-	166	3,150	-
Jail Fees	-	7,845	-	392	7,453	-
Other Collections	-	20	-	1	19	-
Data Processing Fee	-	130	-	-	130	-
Court Security Fee	-	106	-	5	101	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>18,055</b>	<b>0</b>	<b>936</b>	<b>17,119</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	-	93,796	-	-	93,796	-
Cash Bonds	250	500	-	-	750	-
Constable's Cost	-	46	-	2	44	-
Fines and Arrest Fees - Jonesborough	-	1,039	-	51	988	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>250</b>	<b>95,381</b>	<b>0</b>	<b>53</b>	<b>95,578</b>	<b>-</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	55	8,231	1,159	-	9,390	55
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>55</b>	<b>8,231</b>	<b>1,159</b>	<b>0</b>	<b>9,390</b>	<b>55</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 305</b>	<b>126,509</b>	<b>1,159</b>	<b>1,159</b>	<b>126,759</b>	<b>55</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - CIVIL COURT - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	69,759	-	4,709	65,050	-
TOTAL STATE OF TENNESSEE	0	69,759	0	4,709	65,050	0
WASHINGTON COUNTY						
County Litigation Tax	-	50,089	-	3,381	46,708	-
Special Litigation Tax	-	78,557	-	4,065	74,492	-
Litigation Tax / Jail	-	98,151	-	6,625	91,526	-
Litigation Tax / Courtroom Security	-	98,100	-	6,622	91,478	-
County Officer's Cost	-	37,051	-	1,853	35,198	-
Archive and Records Management Fee	-	19,630	-	982	18,648	-
Data Processing Fee	-	17,338	-	-	17,338	-
Court Security Fee	-	893	-	45	848	-
TOTAL WASHINGTON COUNTY	0	399,809	0	23,573	376,236	0
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	4,539	1,782,652	-	-	1,786,379	812
Cash Bond	500	1,000	-	-	1,500	-
Constable's Cost	-	30,250	-	1,511	28,739	-
TOTAL LITIGANTS, HEIRS AND OTHERS	5,039	1,813,902	0	1,511	1,816,618	812
FEE AND COMMISSION ACCOUNT						
Fees and Commissions	80	247,204	29,793	-	276,997	80
TOTAL FEE AND COMMISSION ACCOUNT	80	247,204	29,793	0	276,997	80
TOTAL ALL ACCOUNTS	\$ 5,119	2,530,674	29,793	29,793	2,534,901	892

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, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	397,654	-	17,007	380,647	-
Wildlife Resources	-	3,480	-	205	3,275	-
Department of Safety	-	126,349	-	6,318	120,031	-
Tennessee Bureau of Investigation	-	32,389	-	1,619	30,770	-
Public Defender	-	81,153	-	4,058	77,095	-
Attorney General	-	27,793	-	1,389	26,404	-
Alcohol	-	500	-	25	475	-
AOC Private Attorney Fee	-	3,119	-	156	2,963	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>672,437</b>	<b>0</b>	<b>30,777</b>	<b>641,660</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	122,506	-	8,269	114,237	-
Special Litigation Tax	-	99,245	-	5,112	94,133	-
Litigation Tax / Jail	-	109,153	-	7,368	101,785	-
Litigation Tax / Courtroom Security	-	105,619	-	7,129	98,490	-
Booking Fees	-	40,435	-	2,022	38,413	-
County Fines	-	46,835	-	2,342	44,493	-
Drug Fines	-	17,890	-	895	16,995	-
Drug Court Fund	-	13,451	-	673	12,778	-
County Officer's Cost	-	47,868	-	2,393	45,475	-
Jail Fees	-	101,855	-	5,093	96,762	-
Archive and Records Management Fee	-	19,454	-	973	18,481	-
Data Processing Fee	-	19,005	-	-	19,005	-
Court Security Fee	-	5,188	-	259	4,929	-
Other Collections	-	7,844	-	392	7,452	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>756,348</b>	<b>0</b>	<b>42,920</b>	<b>713,428</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	318	121,575	-	-	118,502	3,391
Cash Bonds	24,998	110,012	-	-	101,865	33,145
Constable's Cost	-	171	-	8	163	-
Fines and Arrest Fees - Jonesborough	-	14,897	-	745	14,152	-
Fines and Arrest Fees - Johnson City	-	116,570	-	5,828	110,742	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>25,316</b>	<b>363,225</b>	<b>0</b>	<b>6,581</b>	<b>345,424</b>	<b>36,536</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(2,164)	259,260	80,278	-	339,328	(1,954)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(2,164)</b>	<b>259,260</b>	<b>80,278</b>	<b>0</b>	<b>339,328</b>	<b>(1,954)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 23,152</b>	<b>2,051,270</b>	<b>80,278</b>	<b>80,278</b>	<b>2,039,840</b>	<b>34,582</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 GENERAL SESSIONS COURT CLERK - JUVENILE  
 For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	300	-	15	285	-
Wildlife Resources	-	50	-	3	47	-
Attorney General	-	1,100	-	55	1,045	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>1,450</b>	<b>0</b>	<b>73</b>	<b>1,377</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Fines	-	207	-	10	197	-
County Officer's Cost	-	2,093	-	105	1,988	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>2,300</b>	<b>0</b>	<b>115</b>	<b>2,185</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	-	23,124	-	-	23,124	-
Deposits	39,933	3,152	-	-	-	43,085
Juvenile Jail Fees	-	1,280	-	64	1,216	-
Fines and Arrest Fees - Jonesborough	-	75	-	3	72	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>39,933</b>	<b>27,631</b>	<b>0</b>	<b>67</b>	<b>24,412</b>	<b>43,085</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	19	23,124	255	0	23,380	18
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>19</b>	<b>23,124</b>	<b>255</b>	<b>0</b>	<b>23,380</b>	<b>18</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 39,952</b>	<b>54,505</b>	<b>255</b>	<b>255</b>	<b>51,354</b>	<b>43,103</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 LAW COURT CLERK - JOHNSON CITY  
 For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	32,512	-	2,195	30,317	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>32,512</b>	<b>0</b>	<b>2,195</b>	<b>30,317</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	16,086	-	1,086	15,000	-
Special Litigation Tax	-	2,736	-	185	2,551	-
Litigation Tax / Jail	-	34,183	-	2,307	31,876	-
Litigation Court	-	34,155	-	2,305	31,850	-
Court Security	-	478	-	24	454	-
County Officer's Cost	-	23,780	-	1,189	22,591	-
Archive and Records Management Fee	-	6,845	-	342	6,503	-
Contempt Fine	-	100	-	5	95	-
Data Processing Fee	-	6,833	-	-	6,833	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>125,196</b>	<b>0</b>	<b>7,443</b>	<b>117,753</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	812,635	707,520	-	-	1,251,565	268,590
Cash Bonds	8,500	6,000	-	-	4,500	10,000
Deposits	908,186	-	-	-	86,333	821,853
Alimony/Child Support	-	5,506	-	-	5,506	-
Constable's Cost	-	1,617	-	81	1,536	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,729,321</b>	<b>720,643</b>	<b>0</b>	<b>81</b>	<b>1,349,440</b>	<b>1,100,443</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(74)	312,954	9,719	-	322,673	(74)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(74)</b>	<b>312,954</b>	<b>9,719</b>	<b>0</b>	<b>322,673</b>	<b>(74)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,729,247</b>	<b>1,191,305</b>	<b>9,719</b>	<b>9,719</b>	<b>1,820,183</b>	<b>1,100,369</b>

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, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
<b>STATE OF TENNESSEE</b>						
Litigation Tax	\$ -	9,575	-	646	8,929	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>9,575</b>	<b>0</b>	<b>646</b>	<b>8,929</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	4,730	-	318	4,412	-
Special Litigation Tax	-	806	-	54	752	-
Litigation Tax / Jail	-	10,025	-	677	9,348	-
Litigation Tax / Court Security	-	10,025	-	677	9,348	-
County Officer's Cost	-	366	-	18	348	-
Sheriff Delinquent Tax Summons	-	3,405	-	170	3,235	-
Non-Resident Notice	-	4,125	-	-	4,125	-
Notice of Sale	-	4,760	-	-	4,760	-
Archive and Records Management Fee	-	2,125	-	106	2,019	-
Delinquent Taxes	-	328,911	-	16,446	312,465	-
Delinquent Taxes - Penalty and Interest	-	178,251	-	8,913	169,338	-
Delinquent Taxes - Court Costs	-	7,256	-	-	7,256	-
Delinquent Taxes - Summons	-	2,003	-	100	1,903	-
Data Processing Fee	-	1,755	-	-	1,755	-
Court Security Fee	-	56	-	-	56	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>558,599</b>	<b>0</b>	<b>27,479</b>	<b>531,120</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	195,600	1,008,280	-	-	1,138,793	65,087
Deposits	1,127,117	98,311	-	-	776,551	448,877
Publications	360	24,487	-	-	24,487	360
Alimony/ Child Support	-	18,040	-	-	18,040	-
Constables, Legal Process	-	19,479	-	-	19,479	-
Attorney's Fees and Commissions - Delinquent Tax	-	64,904	-	-	64,904	-
City Delinquent Taxes	-	80,323	-	4,016	76,307	-
City Delinquent Taxes - Penalty and Interest	-	58,911	-	2,946	55,965	-
City Delinquent Tax - Court Costs	-	1,620	-	-	1,620	-
City Delinquent Tax - Summons	-	1,650	-	83	1,567	-
Jonesborough Delinquent Taxes	-	11,680	-	973	10,707	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	7,774	-	-	7,774	-
Jonesborough Delinquent Taxes - Court Costs	-	375	-	-	375	-
Jonesborough Delinquent Taxes - Summons	-	818	-	41	777	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,323,077</b>	<b>1,396,652</b>	<b>0</b>	<b>8,059</b>	<b>2,197,346</b>	<b>514,324</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	112,975	36,184	-	149,159	-
Special Commissioner Fees	-	4,980	-	-	4,980	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>0</b>	<b>117,955</b>	<b>36,184</b>	<b>0</b>	<b>154,139</b>	<b>0</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,323,077</b>	<b>2,082,781</b>	<b>36,184</b>	<b>36,184</b>	<b>2,891,534</b>	<b>514,324</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
CONSTITUTIONAL OFFICERS  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
CLERK AND MASTER - JOHNSON CITY  
For the Fiscal Year Ended June 30, 2014**

Account	Balance 7/1/2013	Receipts	Transfers		Disbursements	Balance 6/30/2014
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	10,230	-	691	9,539	-
TOTAL STATE OF TENNESSEE	0	10,230	0	691	9,539	0
WASHINGTON COUNTY						
County Litigation Tax	-	5,063	-	342	4,721	-
Special Litigation Tax	-	862	-	58	804	-
Litigation Tax / Jail	-	10,737	-	725	10,012	-
Litigation Tax / Court Security	-	10,684	-	721	9,963	-
Archive Fee	-	2,528	-	126	2,402	-
County Officer's Cost	-	3,505	-	175	3,330	-
Delinquent Taxes	184,403	799,610	-	39,981	845,135	98,897
Delinquent Taxes - Penalty and Interest	-	382,664	-	19,299	363,365	-
Delinquent Tax - Court Costs	-	28,968	-	-	28,968	-
Data Processing Fee	-	2,268	-	-	2,268	-
Court Security Fee	-	488	-	-	488	-
TOTAL WASHINGTON COUNTY	184,403	1,247,377	0	61,427	1,271,456	98,897
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	110,596	2,150,892	-	-	1,542,870	718,618
Deposits	299,417	376,486	-	-	119,330	556,573
Alimony/ Child Support	-	44,763	-	-	44,763	-
Constables, Legal Process	-	10,935	-	-	10,935	-
Attorney's Fees and Commissions -						
Delinquent Tax	-	165,177	-	-	165,177	-
City Delinquent Taxes	2,432	332,705	-	16,454	310,315	8,368
City Delinquent Taxes -						
Penalty and Interest	-	231,156	-	11,558	219,598	-
City Delinquent Taxes - Court Costs	-	6,315	-	-	6,315	-
Jonesborough Delinquent Taxes	-	28,140	-	1,407	26,733	-
Jonesborough Delinquent Taxes -						
Penalty and Interest	-	10,861	-	543	10,318	-
Jonesborough Delinquent Taxes -						
Court Costs	-	473	-	-	473	-
Publications	-	1,045	-	-	1,045	-
TOTAL LITIGANTS, HEIRS AND OTHERS	412,445	3,358,948	0	29,962	2,457,872	1,283,559
FEE AND COMMISSION ACCOUNT						
Fees and Commissions	-	222,193	92,080	-	314,273	-
Special Commissioner Fees	-	13,634	-	-	13,634	-
TOTAL FEE AND COMMISSION ACCOUNT	0	235,827	92,080	0	327,907	0
TOTAL ALL ACCOUNTS	\$ 596,848	4,852,382	92,080	92,080	4,066,774	1,382,456

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 REGISTER  
 For the Fiscal Year Ended June 30, 2014

Account	Balance 7/1/2013	Receipts	Transfer		Disbursements	Balance 6/30/2014
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 204,648	2,831,597	-	61,555	2,751,331	223,359
County Officials' Retirement Tax	5,159	472	-	-	-	5,631
TOTAL STATE OF TENNESSEE	209,807	2,832,069	0	61,555	2,751,331	228,990
LITIGANTS, HEIRS AND OTHERS	2,996	10,198	-	-	9,440	3,754
FEES AND COMMISSION ACCOUNT	58,598	531,888	61,555	-	649,210	2,831
TOTAL ALL ACCOUNTS	\$ 271,401	3,374,155	61,555	61,555	3,409,981	235,575

See Independent Auditors' Report

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES**  
**SHERIFF**  
**For the Fiscal Year Ended June 30, 2014**

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Cash Balance, 7/1/2013		\$ 11,701
<b>RECEIPTS</b>		
Officers Costs	29,468	
Cash Bonds - Various Courts	91,884	
Fingerprinting	1,190	
Handgun Permits	3,760	
Sexual Offender Registry Fees	4,951	
Incentives	15,000	
<b>TOTAL RECEIPTS</b>	<b>146,253</b>	
<b>DISBURSEMENTS</b>		
<b>BY CHECK</b>		
Officers Costs Reported to County	29,082	
Cash Bonds - Various Courts	92,271	
Payments for Inmates	1,614	
Handgun Permits	3,760	
Incentives	15,000	
Fingerprinting	1,190	
Sexual Offender Registry	4,951	
<b>BY CASH</b>		
Drug Buy	<u>155</u>	
<b>TOTAL DISBURSEMENTS</b>	<b><u>148,023</u></b>	
Receipts Over (Under) Disbursements		<u>(1,770)</u>
Cash Balance, 6/30/2014		<u><u>\$ 9,931</u></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, 2014**

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>REVENUE AND OTHER SOURCES</b>									
<b>REVENUE</b>									
Fees	\$ -	917,426	291,435	537,819	312,954	335,168	531,781	-	2,926,583
Special Commissioner Fees	-	-	-	-	-	18,614	-	-	18,614
Interest Earned	-	300	-	-	-	-	107	-	407
Commissions	1,897,081	212,986	9,868	111,485	9,719	128,264	61,555	-	2,430,958
<b>TOTAL REVENUE</b>	<b>1,897,081</b>	<b>1,130,712</b>	<b>301,303</b>	<b>649,304</b>	<b>322,673</b>	<b>482,046</b>	<b>593,443</b>	<b>0</b>	<b>5,376,562</b>
<b>OTHER SOURCES</b>									
<b>OPERATING TRANSFERS</b>									
General Sessions - Jonesborough	-	-	9,390	-	-	-	-	-	9,390
General Sessions - Civil Court - Johnson City	-	-	276,997	-	-	-	-	-	276,997
General Sessions - State Court - Johnson City	-	-	339,328	-	-	-	-	-	339,328
General Sessions - Juvenile Court Law Court	-	-	23,380	-	-	-	-	-	23,380
	-	-	322,673	-	-	-	-	-	322,673
<b>TOTAL REVENUE AND OTHER SOURCES</b>	<b>1,897,081</b>	<b>1,130,712</b>	<b>1,273,071</b>	<b>649,304</b>	<b>322,673</b>	<b>482,046</b>	<b>593,443</b>	<b>0</b>	<b>6,348,330</b>
<b>EXPENDITURES AND OTHER USES</b>									
<b>EXPENDITURES</b>									
Special Commissioner Fees	-	-	-	-	-	18,614	-	-	18,614
Bank Charges	-	-	12,430	-	-	-	-	-	12,430
Postage	-	-	-	-	-	-	75	-	75
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>12,430</b>	<b>0</b>	<b>0</b>	<b>18,614</b>	<b>75</b>	<b>0</b>	<b>31,119</b>

**WASHINGTON COUNTY, TENNESSEE  
CONSTITUTIONAL OFFICERS  
COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS  
For the Fiscal Year Ended June 30, 2014**

	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)	-	-	12,430	-	-	18,614	75	-	31,119
OTHER USES									
Fees & Commissions to County General Fund	1,897,081	1,130,712	1,260,641	209	-	463,432	593,443	-	5,345,518
OPERATING TRANSFERS									
Fees & Commissions to Circuit Court	-	-	-	649,095	322,673	-	-	-	971,768
TOTAL EXPENDITURES AND OTHER USES	<u>1,897,081</u>	<u>1,130,712</u>	<u>1,273,071</u>	<u>649,304</u>	<u>322,673</u>	<u>482,046</u>	<u>593,518</u>	<u>0</u>	<u>6,348,405</u>
Excess Fees, June 30, 2013									
Add: Due to County General Fund - Excess Fees	161,672	111,128	101,192	-	-	-	2,831	-	376,823
Due to General Sessions - State Court - Johnson City	-	-	1,954	-	-	-	-	-	1,954
Due to Law Court	-	-	74	-	-	-	-	-	74
Less: Due from General Sessions - Civil Court - Johnson City	-	-	(80)	-	-	-	-	-	(80)
Due from General Sessions - Juvenile	-	-	(18)	-	-	-	-	-	(18)
Due to General Sessions - Jonesborough	-	-	(55)	-	-	-	-	-	(55)
Less: Due from Circuit Court Clerk	-	-	-	(1,801)	(74)	-	-	-	(1,875)
Cash Balance, June 30, 2014	<u>\$ 161,672</u>	<u>111,128</u>	<u>103,067</u>	<u>(1,801)</u>	<u>(74)</u>	<u>0</u>	<u>2,831</u>	<u>0</u>	<u>376,823</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2014

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance	Cash	Expenditures	*	Balance
				July 1, 2013	Receipts			June 30, 2014
16.600	N/A	Federal Boarding of Prisoners ****	U.S. Marshalls	\$ 318,528	1,596,519	1,512,940	-	234,949
PASS-THROUGH STATE OF TENNESSEE								
16.738	2013-DJ8X-0677	JAG Communication Improvement Project	U.S. Department of Justice	-	15,700	15,700	-	-
16.738	2012-DJ-BX-0083	U.S. Treasury Technology Enhancement	U.S. Department of Justice	(10,258)	-	-	10,258	-
16.738	**	Byrne Formula Grant Program	U.S. Department of Justice	32,728	62,912	31,804	-	1,620
				22,470	78,612	47,504	10,258	1,620
16.710	Z-00-002567-00	Bullet Proof Vests	U.S. Department of Justice	-	5,742	5,742	-	-
20.703	34101-19313	LEPC Contract Homeland Security Program	U.S. Department of Transportation	9,600	8,712	-	(888)	-
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	34101-000-000-5845	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	43,065	43,065	-	-	-
97.067	34101-000-000-9243	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	1,585	85,715	107,971	-	23,841
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				54,332	135,462	107,971	(3,000)	23,841
20.600	Z-13-GHS383	Safe Teen Driver Skills	Tennessee Department of Transportation	6,889	13,076	6,187	-	-
20.600	Z-14-GHS417	Teen Driver Safety: Teens Exercising "Xemplary" Travel	Tennessee Department of Transportation	-	2,212	6,637	-	4,425
20.600	Z-14-GHS415	Network Coordinator	Tennessee Department of Transportation	-	568	1,704	-	1,136
20.600	PT-13-51	Network Coordinator	Tennessee Department of Transportation	826	6,028	13,178	-	7,976
				7,715	21,884	27,706	-	13,537
20.607	Z-13-GHS382	Rural Strategies for Comp. Imp. Driver	Tennessee Department of Transportation	3,219	34,077	30,858	-	-
20.607	Z-10-220118-00	Network Law Enforcement Grant	Tennessee Department of Transportation	319	-	-	(319)	-
20.607	Z-14-GHS416	Rural Alcohol Traffic Enforcement Strategies	Tennessee Department of Transportation	-	2,180	2,180	-	-
20.607	Z-13-GHS380	High Visibility Law Enforcement	Tennessee Department of Transportation	-	4,683	4,683	-	-
20.607	Z-14-GHS414	High Visibility Law Enforcement	Tennessee Department of Transportation	-	883	1,766	-	883
				3,538	41,823	39,487	(319)	883
TOTAL DEPARTMENT OF TRANSPORTATION				11,253	63,707	67,193	(319)	14,420
14.228	GG-12-37966	Lighting Retrofits	Tennessee Department of Economic and Community Development	-	102,938	102,938	-	-
90.401	30510-00213-11	Acquire Voting Systems	Tennessee Division of Elections	-	141,484	141,484	-	-
14.239	**	THDA Disaster Recovery Program Home Investment Partnership Program	U.S. Department of Housing and Urban Development	-	67,840	67,840	-	-
45.310	30504-00114-119	Library Services and Technology Act	Tennessee State Library and Archives	-	2,709	5,994	-	3,285
93.913	34360-18314	Local Health Services	Tennessee Department of Health	-	399,024	399,024	-	-
PASS-THROUGH OTHER AGENCIES								
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	3,260	15,840	16,942	-	4,362

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2014**

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	***				
				Balance July 1, 2013	Cash Receipts	Expenditures	* Adjustments	Balance June 30, 2014
PASS-THROUGH STATE OF TENNESSEE								
84.027	N/A	IDEA - Part B Education of Handicapped	U.S. Department of Education	-	50,283	50,283	-	-
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	1,165	37,073	36,228	-	320
84.027	N/A	IDEA - Part B	U.S. Department of Education	3,309	1,720,173	1,845,898	-	129,034
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	8,294	214,619	211,906	-	5,581
				<u>12,768</u>	<u>2,022,148</u>	<u>2,144,315</u>	<u>0</u>	<u>134,935</u>
84.010	N/A	Title I Funds	U.S. Department of Education	159,391	1,350,902	1,329,756	-	138,245
84.365	N/A	Title III Funds	U.S. Department of Education	52	52	-	-	-
84.395	N/A	ARRA - Race to the Top	U.S. Department of Education	1,273	313,561	322,288	-	10,000
84.048	N/A	Carl Perkins - Program Improvement	U.S. Department of Education	39,753	226,499	189,489	-	2,743
84.367	N/A	Title II-A Funds	U.S. Department of Education	65,565	292,254	229,469	-	2,780
				<u>266,034</u>	<u>2,183,268</u>	<u>2,071,002</u>	<u>0</u>	<u>153,768</u>
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	192,422	192,422	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	22,239	469,740	459,477	-	11,976
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	52,864	1,648,468	1,618,835	-	23,231
				<u>75,103</u>	<u>2,310,630</u>	<u>2,270,734</u>	<u>0</u>	<u>35,207</u>
<b>TOTAL FEDERAL GRANTS</b>				<u><u>\$ 454,820</u></u>	<u><u>7,538,116</u></u>	<u><u>7,448,683</u></u>	<u><u>6,051</u></u>	<u><u>371,438</u></u>

\* These amounts represent amendments or adjustments to prior year estimates.  
 \*\* Information not available.  
 \*\*\* These balances represent amounts due from the grantor (reserve balance).  
 \*\*\*\* Other Federal Assistance - must comply with Circular OMB A-87 only

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2014**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal activity of the County and the Washington County Board of Education 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, 2014**

Grant Number	Program Name	Grantor Agency	Balance July 1, 2013	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2014
<b>PRIMARY GOVERNMENT</b>							
<u>GENERAL FUND</u>							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 312,673	2,357,700	2,360,896	-	315,869
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	21,680	46,232	35,386	-	10,834
**	Juvenile Grant	Tennessee Commission of Children & Youth	-	5,985	9,495	-	3,510
**	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	4,500	4,500	9,000	-	9,000
#Z-10-219833-00	Health Department	Tennessee Department of Health	162,757	489,130	496,698	-	170,325
90.401	Acquire Voting Systems	Tennessee Division of Elections	-	7,447	7,447	-	-
<b>TOTAL GENERAL FUND</b>			<u>501,610</u>	<u>2,910,994</u>	<u>2,918,922</u>	<u>0</u>	<u>509,538</u>
<u>SANITATION FUND</u>							
GG-12-37723	Used Oil Grant	Tennessee Department of Environment and Conservation	9,758	26,848	17,090	-	-
Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	21,101	101,028	98,370	-	18,443
<b>TOTAL SANITATION FUND</b>			<u>30,859</u>	<u>127,876</u>	<u>115,460</u>	<u>-</u>	<u>18,443</u>
<b>TOTAL PRIMARY GOVERNMENT</b>			<u>532,469</u>	<u>3,038,870</u>	<u>3,034,382</u>	<u>-</u>	<u>527,981</u>
<b>COMPONENT UNITS</b>							
<u>GENERAL PURPOSE SCHOOL FUND</u>							
GG-08-22128-00	Transition School to Work	Tennessee Department of Agriculture	3,164	68,774	84,600	-	18,990
<b>TOTAL GENERAL PURPOSE SCHOOL FUND</b>			<u>3,164</u>	<u>68,774</u>	<u>84,600</u>	<u>0</u>	<u>18,990</u>
<u>SCHOOL FOOD SERVICE</u>							
**	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	36,174	36,174	-	-
<b>TOTAL SCHOOL FOOD SERVICE</b>			<u>0</u>	<u>36,174</u>	<u>36,174</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPONENT UNITS</b>			<u>3,164</u>	<u>104,948</u>	<u>120,774</u>	<u>0</u>	<u>18,990</u>
<b>TOTAL STATE GRANTS</b>			<u>\$ 535,633</u>	<u>3,143,818</u>	<u>3,155,156</u>	<u>-</u>	<u>546,971</u>

\* 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 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	43,818,988
Restricted	131,927	167,986	175,741	210,752	238,327	279,334	185,073	192,689	11,549,974	17,522,004
Unrestricted	<u>(13,980,108)</u>	<u>(16,908,701)</u>	<u>(23,106,763)</u>	<u>(78,526,872)</u>	<u>(106,349,776)</u>	<u>(112,293,538)</u>	<u>(109,985,528)</u>	<u>(103,208,230)</u>	<u>(112,175,793)</u>	<u>(116,550,871)</u>
Total Governmental Activities Net Position	<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>	<u>(55,209,879)</u>

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

	Fiscal Year										Schedule 2
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>EXPENSES</b>											
<b>Governmental Activities</b>											
General Government	\$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	5,619,498	
Finance	-	-	-	-	-	-	2,544,864	2,580,133	2,603,951	2,564,200	*
Administration of Justice	-	-	-	-	-	-	3,497,335	3,621,848	3,826,432	3,803,354	*
Public Safety	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	18,596,830	
Highways	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	8,784,888	
Library	384,489	455,090	616,323	546,008	617,653	491,958	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	983,279	935,650	870,939	893,752	*
Public Health and Welfare	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	5,397,355	
Agricultural and Natural Resources	-	-	-	-	-	-	384,050	403,045	438,009	421,188	*
Other Operations	-	-	-	-	-	-	1,314,448	875,695	1,606,024	747,336	*
Education	-	-	-	-	-	-	270,000	66,761	161,881	4,849,517	*
Interest on Long-Term Debt	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	6,901,927	
<b>Total Governmental Activities Expenses</b>	<b>\$34,680,160</b>	<b>36,139,061</b>	<b>57,468,903</b>	<b>85,521,422</b>	<b>61,300,888</b>	<b>54,591,360</b>	<b>53,274,077</b>	<b>53,107,562</b>	<b>52,145,062</b>	<b>58,579,845</b>	
<b>PROGRAM REVENUES</b>											
<b>Governmental Activities</b>											
<b>Charges for Services</b>											
General Government	\$ 4,448,536	4,718,310	5,120,716	5,411,978	4,937,531	4,734,732	417,850	235,856	20,786	25,927	
Administration of Justice	-	-	-	-	-	-	4,452,695	4,557,262	4,474,341	4,627,424	*
Public Safety	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	4,090,509	
Highways	329,490	353,773	660,051	309,895	405,397	836,028	448,373	731,490	318,552	521,231	
Library	18,090	22,333	33,576	30,872	24,885	22,770	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	8,375	242,239	256,477	264,290	*
Public Health and Welfare	238,762	309,965	327,289	365,413	301,626	415,749	420,630	426,175	329,242	300,883	
<b>Operating Grants and Contributions</b>											
General Government	722,344	1,335,830	2,883,486	1,172,956	939,356	1,249,185	263,400	256,892	238,790	230,340	
Administration of Justice	-	-	-	-	-	-	36,164	35,164	30,373	33,659	*
Public Safety	372,955	366,013	328,365	453,549	869,319	309,173	189,515	200,836	269,205	310,950	
Highways	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	2,325,875	
Library	7,000	7,000	21,037	15,985	36,729	30,408	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	-	113,432	-	6,976	19,172	*
Public Health and Welfare	259,938	310,367	303,938	267,659	223,586	164,564	1,157,535	1,165,292	1,044,139	994,092	
<b>Capital Grants and Contributions</b>											
General Government	439,233	1,323,847	445,285	1,008,787	589,451	1,464,807	904,614	529,243	172,115	210,908	
Public Safety	-	-	-	-	-	108,100	10,559	14,720	708,641	16,054	
Highways	1,384,221	1,532,077	1,639,002	450,474	1,189,000	939,857	780,480	261,312	-	1,097	
Library	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	17,090	
<b>Total Governmental Activities Program Revenues</b>	<b>\$11,126,104</b>	<b>15,193,207</b>	<b>17,183,177</b>	<b>14,839,577</b>	<b>14,446,450</b>	<b>15,970,673</b>	<b>14,740,961</b>	<b>14,995,241</b>	<b>13,483,403</b>	<b>13,989,501</b>	

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

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

(Continued)

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

Schedule 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE)/REVENUE										
Total Governmental Activities Net Expense	\$ (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)	(44,590,344)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	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	34,970,600
In Lieu of Taxes	354,468	382,971	407,086	505,020	506,007	543,610	580,622	625,719	613,067	596,142
Sales Taxes	-	-	-	-	-	-	-	-	1,011,548	-
Business Taxes	730,434	762,766	865,347	989,286	978,029	1,049,064	1,077,522	1,100,085	1,879,540	987,940
Motor Fuel and Inspection Fee	2,678,552	-	-	-	-	-	-	-	-	-
Miscellaneous	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	2,032,951
Other Local Governments	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	1,735,966
State Aid	650,023	417,082	515,918	724,903	766,454	668,585	78,043	194,656	52,796	293,447
Federal Aid	26,486	14,343	7,078	-	-	-	7,305	-	-	-
Gain (Loss) on Sale and Disposal of Assets	62,668	80,820	12,570	18,859	25,840	1,491,702	(26,642)	(55,616)	-	56,294
Unrestricted Investment Earnings	398,069	719,272	3,535,084	4,578,378	696,149	234,165	85,853	46,654	44,239	55,808
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)	-	-	-	-
Transfers	(255,968)	-	-	-	-	-	-	-	-	-
	27,433,561	21,113,283	27,421,796	13,875,210	30,447,108	37,957,491	41,209,250	41,274,527	40,921,037	40,729,148
CHANGE IN NET POSITION										
Total Governmental Activities	\$ 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	(3,861,196)

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

Schedule 3

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Restricted	\$ -	-	-	-	-	-	185,073	192,689	246,894	381,934
Committed	-	-	-	-	-	-	1,074,741	1,521,594	1,624,729	1,625,590
Assigned	-	-	-	-	-	-	320,672	252,626	242,764	284,829
Unassigned	-	-	-	-	-	-	12,816,210	15,988,550	16,450,146	17,318,952
Reserved	304,901	1,120,759	382,222	414,557	548,548	595,895	-	-	-	-
Unreserved	12,046,813	12,653,265	10,964,710	12,940,961	12,662,133	13,422,536	-	-	-	-
<b>Total General Fund</b>	<b>\$ 12,351,714</b>	<b>13,774,024</b>	<b>11,346,932</b>	<b>13,355,518</b>	<b>13,210,681</b>	<b>14,018,431</b>	<b>14,396,696</b>	<b>17,955,459</b>	<b>18,564,533</b>	<b>19,611,305</b>
<b>All Other Governmental Funds</b>										
Restricted										
Highways	\$ -	-	-	-	-	-	-	-	4,700,309	5,325,614
Debt Service	-	-	-	-	-	-	-	-	6,405,525	7,470,558
Public Safety	-	-	-	-	-	-	-	-	197,246	206,921
Committed										
Highway Fund	-	-	-	-	-	-	8,111	8,111	-	-
Public Health and Welfare	-	-	-	-	-	-	894,381	1,093,416	1,250,141	1,228,278
Capital Projects	-	-	-	-	-	-	-	-	1,730,406	4,136,977
Assigned										
Highways	-	-	-	-	-	-	4,192,970	4,653,928	-	-
Public Safety	-	-	-	-	-	-	377,406	254,721	-	-
Debt Service	-	-	-	-	-	-	4,544,205	5,077,558	-	-
Capital Projects	-	-	-	-	-	-	548,333	480,963	255,284	-
Reserved	401,990	16,929	57,968	84,431	27,929	95,228	-	-	-	-
Unreserved										
Highway Fund	3,053,324	2,565,827	2,592,663	2,732,866	2,734,471	3,828,397	-	-	-	-
Debt Service Fund	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	1,188,493	2,037,948	1,126,211	1,019,023	1,106,642	1,230,406	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 10,186,093</b>	<b>9,337,585</b>	<b>123,701,761</b>	<b>50,241,112</b>	<b>18,722,777</b>	<b>12,942,490</b>	<b>10,565,406</b>	<b>11,568,697</b>	<b>14,538,911</b>	<b>18,368,348</b>

**NOTE:** The County implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the 2011 fiscal year. These changes were not retrospectively applied.

See Independent Auditors' Report.

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

Schedule 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes	\$ 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	37,846,018
Licenses and Permits	402,569	438,950	457,549	479,878	461,441	468,330	470,975	495,487	552,117	569,907
Fines, Forfeitures and Penalties	421,533	479,370	554,028	704,110	870,337	881,800	959,209	973,459	1,049,380	942,459
Charges for Current Services	780,271	867,791	1,123,136	793,938	1,053,232	1,816,447	970,763	1,549,971	927,575	938,606
Other Local Revenues	1,113,606	1,577,698	4,602,293	5,506,319	1,911,102	1,033,664	977,206	811,291	862,523	851,021
Investment Income	-	-	-	-	-	142,586	30,326	13,623	-	-
Revenue from State of Tennessee	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	6,599,275
Revenue from Federal Government	766,455	1,607,853	682,143	1,146,897	759,267	1,547,527	1,127,712	1,133,676	1,201,492	470,657
Revenue from Other Governments and Citizens Groups	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	7,305,607
Excess Fees and Commissions	4,542,054	4,801,904	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>38,071,611</b>	<b>40,363,478</b>	<b>49,019,900</b>	<b>57,761,508</b>	<b>55,506,346</b>	<b>58,369,730</b>	<b>55,905,158</b>	<b>58,496,342</b>	<b>55,400,396</b>	<b>55,523,550</b>
<b>EXPENDITURES</b>										
General Government	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	6,298,439
Finance	-	-	-	-	-	-	2,544,864	2,573,410	2,600,650	2,560,244
Administration of Justice	-	-	-	-	-	-	3,498,568	3,545,146	3,786,673	3,842,678
Public Safety	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	17,414,401
Highways	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	8,912,894
Library	355,385	448,402	473,774	533,725	474,110	472,346	-	-	-	-
Public Health and Welfare	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	5,375,408
Social, Cultural and Recreational	-	-	-	-	-	-	957,385	876,769	869,803	839,846
Agriculture and Natural Resources	-	-	-	-	-	-	384,050	397,948	435,305	417,339
Other Operations	-	-	-	-	-	-	1,314,448	875,695	1,606,024	747,336
Debt Service	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	18,059,834
Education	-	-	-	-	-	-	270,000	66,761	161,881	4,030,270
Capital Outlay	1,672,180	1,990,077	17,027,023	48,394,518	23,346,663	4,796,873	-	-	-	-
<b>Total Expenditures</b>	<b>38,816,828</b>	<b>40,549,676</b>	<b>65,254,532</b>	<b>99,883,181</b>	<b>75,704,210</b>	<b>62,711,778</b>	<b>68,353,732</b>	<b>53,934,288</b>	<b>53,662,582</b>	<b>68,498,689</b>
Excess (Deficiency) of Revenues Over Expenditures	(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	(12,975,139)
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond Proceeds	-	-	126,085,000	-	-	-	-	-	1,760,000	4,015,000
Note Proceeds	203,000	760,000	3,735,000	-	152,000	5,196,100	270,000	-	-	5,520,000
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-	673,166
Refunding Bond Issued	19,700,000	-	4,275,000	-	-	-	9,765,000	-	-	7,785,000
Premium on Bonds Issued	2,106,596	-	4,262,687	-	-	-	414,755	-	81,474	788,090
Payment to Refund Bond Escrow Agent	(21,553,600)	-	(4,674,945)	-	-	-	-	-	-	-
Contribution to Johnson City Schools	-	-	(5,511,025)	(29,330,390)	(11,617,308)	(3,113,898)	-	-	-	(819,247)
Contribution to the Component Unit - WCSB	-	-	-	-	-	(2,712,691)	-	-	-	-
Transfers to Other Funds	(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)	(7,804,005)
Transfers from Other Funds	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	7,804,005
Transfers (to)/ from Component Unit	(255,968)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>200,028</b>	<b>760,000</b>	<b>128,171,717</b>	<b>(29,330,390)</b>	<b>(11,465,308)</b>	<b>(630,489)</b>	<b>10,449,755</b>	<b>0</b>	<b>1,841,474</b>	<b>17,962,009</b>
<b>Net Change in Fund Balances</b>	<b>\$ (545,189)</b>	<b>573,802</b>	<b>111,937,085</b>	<b>(71,452,063)</b>	<b>(31,663,172)</b>	<b>(4,972,537)</b>	<b>(1,998,819)</b>	<b>4,562,054</b>	<b>3,579,288</b>	<b>4,986,870</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	16.81%	15.88%	21.39%	23.94%	22.42%	26.68%	37.00%	18.50%	17.70%	26.37%

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

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

See Independent Auditors' Report.

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

Fiscal Year Ended June 30	Tax Year	Direct Tax Rate									Schedule 5
			Real Property		Personal Property		Public Utility Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
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	2,751,522,645	466,930,700	140,082,967	183,118,117	79,931,058	10,374,304,317	2,971,536,670	28.64
2014	2013	1.91	9,779,389,400	2,764,808,375	480,097,327	144,033,330	180,106,144	78,616,332	10,439,592,871	2,987,458,037	28.62

Source: Tennessee Comptroller of the Treasury Division of Property Assessments

Note: The amount of 'pick up' items and double or erroneous taxes will be included in Residential Property.

See Independent Auditors' Report.

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

	Schedule 6									
	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>County Direct Rates</b>										
General	0.63	0.63	0.63	0.82	0.83	0.65	0.65	0.71	0.65	0.65
Upkeep (Highway)	0.14	0.14	0.14	0.19	0.19	0.15	0.15	0.15	0.15	0.15
General Purpose School	0.82	0.82	0.82	0.82	0.88	0.68	0.68	0.69	0.74	0.77
Debt Service	0.23	0.23	0.36	0.47	0.50	0.39	0.39	0.32	0.33	0.31
Solid Waste/Sanitation	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.03
Total Direct Rate	<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>	<u>1.91</u>
<b>City Rates</b>										
City of Johnson City	1.93	1.93	1.93	1.93	1.93	1.54	1.54	1.57	1.57	1.58
<b>Town Rates</b>										
Town of Jonesborough	1.54	1.54	1.54	1.54	1.54	1.18	1.18	1.28	1.28	1.28

See Independent Auditors' Report.

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

Taxpayer	2014			Schedule 7 2005		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Sprint United Management	\$ 24,214,062	1	0.81%	35,822,109	1	1.76%
Johnson City Venture	23,605,915	2	0.79%	18,499,895	2	0.91%
Wal-Mart / Sam's Club	21,633,665	3	0.72%	5,607,328	9	0.27%
American Water Heater	15,278,942	4	0.51%	10,804,691	3	0.53%
Johnson City United, LP / JC Crossing, LLC	12,897,535	5	0.43%	6,967,155	8	0.34%
Atmos Energy Corp.	11,942,020	6	0.40%	9,325,453	5	0.46%
The Haven at Knob Creek, LLC	10,441,720	7	0.35%	-	-	-
SOFHA Real Estate Partners II, LLC	9,873,080	8	0.33%	-	-	-
Lowe's Home Center Inc.	8,895,711	9	0.30%	-	-	-
Bank of Tennessee	8,129,199	10	0.27%	-	-	-
Bosch Braking Systems	-	-	-	10,754,665	4	0.53%
Superior Metals	-	-	-	8,819,394	6	0.43%
Harris Tarkett	-	-	-	7,372,441	7	0.36%
Institutional Jobbers, Co.	-	-	-	5,431,074	10	0.27%
	<u>\$ 146,911,849</u>		<u>5.02%</u>	<u>119,404,205</u>		<u>5.85%</u>

See Independent Auditors' Report.

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

Schedule 8

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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%	2,205,513	55,961,803	98.3%
2014	57,178,382	82,443	57,260,825	54,283,260	94.8%	-	54,283,260	94.8%

**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 <sup>1</sup>	Per Capita <sup>1</sup>
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%	1,231.90
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
2014	149,500,000	5,520,000	554,117	155,574,117	3.86%	1,245.35

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt		Percentage of Personal Income <sup>2</sup>	Schedule 10 Percentage of Actual Value <sup>1</sup> of Taxable Property		Per Capita <sup>2</sup>
		Service Fund	Total				
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%	4.78%	1,134.50	
2014	149,500,000	7,470,558	142,029,442	3.53%	4.75%	1,136.93	

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

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

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

**WASHINGTON COUNTY, TENNESSEE  
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)  
June 30, 2014**

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Schedule 11

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

See Independent Auditors' Report.

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

Fiscal Year	Population	Personal Income <sup>1</sup>	Per Capita Personal Income	Schedule 12
				Unemployment Rate
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%
2014	124,924	4,026,916,000	32,235	7.3%

<sup>1</sup> 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:** 2005 - 2007: First Tennessee Development District  
2008 - 2014: Tennessee Department of Labor & Workforce Development

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

<u>EMPLOYER</u>	2014			Schedule 13 2005		
	<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	8,610	1	15.15%	3,541	1	6.89%
East Tennessee State University	2,370	2	4.17%	1,990	2	3.87%
James H. Quillen VA Medical Center	2,188	3	3.85%	1,259	5	2.45%
Citi Group	1,700	4	2.99%	1,700	3	3.31%
Washington County Schools	1,200	5	2.11%	1,275	4	2.48%
Advanced Call Center Technologies	1,179	6	2.07%	-		0.00%
AO Smith Water Products Company	1,076	7	1.89%	1,194	6	2.32%
Frontier Health	1,016	8	1.79%	-		0.00%
Johnson City Schools	832	9	1.46%	851	8	1.66%
Kelly Services, Inc.	650	10	1.14%	-		0.00%
Cingular Wireless	-		0.00%	895	7	1.74%
City of Johnson City	-		0.00%	843	9	1.64%
Superior Industries International	-		0.00%	540	10	1.05%
	<u>20,821</u>		<u>36.63%</u>	<u>14,088</u>		<u>27.40%</u>

Source: Economic Development Council and First Tennessee Development District.

Note: The total county employment used for 2014 is based on the June 2014 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	165	170	160	166	143	143	155	155	146	146
Public Safety	193	195	183	176	202	203	211	211	215	220
Highways	93	96	96	94	89	91	82	83	83	83
Library	9	9	9	9	9	12	9	9	13	9
Sanitation	21	22	14	16	14	14	14	14	13	13
<b>Total</b>	<b>481</b>	<b>492</b>	<b>462</b>	<b>461</b>	<b>457</b>	<b>463</b>	<b>471</b>	<b>472</b>	<b>470</b>	<b>471</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Sheriff's Department</u></b>										
Jail Bookings	8,094	8,736	8,495	8,191	8,357	8,736	8,919	7,642	7,095	7,146
Average Daily Population	449	465	488	521	528	510	562	616	589	581
Physical Arrests	3,603	3,558	3,552	3,270	3,335	3,740	3,920	3,958	3,845	3,553
Warrants Processed	9,845	9,913	18,550	18,013	18,432	17,676	15,888	16,477	15,825	15,886
Warrants Served	5,640	5,987	13,386	12,852	13,513	13,234	12,199	12,118	13,138	11,757
Civil Papers Processed	9,915	10,163	*	*	*	*	*	*	*	*
Civil Papers Served	7,266	7,580	*	*	*	*	*	*	*	*
<b><u>Highway</u></b>										
Streets Maintained (miles)	757.07	762.50	766.02	767.69	769.13	769.82	769.82	760.71	788.96	788.96
Streets Resurfaced (miles)	50.80	*	21.63	12.50	10.03	32.13	34.17	21.94	31.34	36.89
<b><u>Library</u></b>										
Volumes in Circulation	105,650	113,042	98,200	136,472	158,686	166,009	146,255	146,255	153,895	167,468
<b><u>Sanitation</u></b>										
Refuse Collected (tons/day)	52.53	54.01	52.81	55.91	53.84	57.32	54.67	51.21	54.89	35.60
Recyclables Collected (tons/day)	11.37	11.46	12.01	12.85	13.23	17.25	15.34	11.23	13.47	12.92

\* 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Correction Facility Capacity	362	352	352	352	578	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	31	32	34	35	36	36	36	36	36
Substations	3	3	3	3	3	3	3	3	3	3
<b><u>Highway</u></b>										
Bridges under 20 feet	369	369	369	370	372	372	372	372	372	372
Bridges 20 feet and over	115	115	115	115	115	115	115	115	115	115
<b><u>Library</u></b>										
Volumes in Collection	76,946	80,876	75,167	88,541	99,561	87,467	88,856	88,474	91,753	90,617
<b><u>Sanitation</u></b>										
Collection Trucks	3	4	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 fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Washington County, Tennessee's basic financial statements and have issued our report thereon dated December 12, 2014.

**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 (2014-001, 2014-002, 2014-003, 2011-001, 2007-005 and 2006-004).

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

### **Compliance and Other Matters**

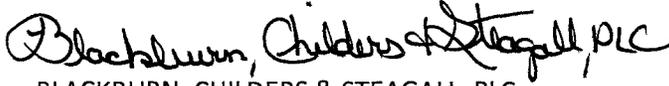
As part of obtaining reasonable assurance about whether Washington County, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-001 and 2011-001.

### **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

December 12, 2014

**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, 2014. 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, 2014.

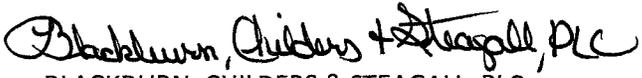
### **Report on Internal Control Over Compliance**

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 compliance, 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

December 12, 2014

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DISPOSITION OF PRIOR YEAR FINDINGS**  
**June 30, 2014**

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**Financial Statement Findings Implemented**

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2013-001	Unauthorized Spending	Corrected
2013-002	Fuelman Monitoring	Corrected

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2014**

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**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. Six 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 instance of noncompliance material to the financial statements of Washington County, Tennessee that was disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the major federal award programs reported in the Schedule of Findings and Questioned Costs.
5. The auditors' report on compliance for the major federal award programs for Washington County, Tennessee expresses an 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 I Grants to Local Education Agencies	84.010
Help America Vote Act Requirement Payments	90.401
Grants to State for Operation of Offices of Rural Health	93.913
National School Lunch Program	10.555
National School Breakfast Program	10.553
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, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Current Year Audit Findings – Significant Deficiencies**

**County Mayor**

**2014-001 Deficiencies in Recording of a Current Bond Refunding and Capital Lease**

**Condition:** Deficiencies were noted in regards to proper accounting and budgeting for the current bond refunding and issuance of a capital lease.

**Criteria:** When a bond is refunded, the issuance and the extinguishment should be recorded in the proper governmental fund. Also, when a general capital asset is acquired through a capital lease, the amount should be reported as a capital expenditure and as another financing source, consistent with the accounting and financial reporting for general obligation bonded debt.

**Effect:** Within the General fund and Debt Service fund, applicable accounts were understated. The County Commission did approve the resolution of the bond refunding and the purchase of the equipment related to the capital lease. As a result of the failure to record these transactions, budget amendments were not prepared to reflect the Commission's actions.

**Recommendation:** Controls should be in place to ensure the recording of bond refunding and capital lease transactions.

**Management's Comments:** We agree and have put procedures in place to assure that when bonds are refunded and capital leases are used to purchase capital assets that the offsetting revenues and expenditures of these noncash transactions will be properly recorded in the financial statements.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Current Year Audit Findings – Significant Deficiencies (Continued)**

**Food Service**

**2014-002 Budget and Expense Management**

**Condition:** Deficiencies were noted in regards to proper management of Food Service budget.

**Criteria:** For the past four years, Food Service has experienced operational losses each year. The annual budget approved by the Commission does not budget the use of fund balance. However due to budgeted revenues not transpiring, the use of fund balance has been necessary to balance actual expenditures over revenues.

**Effect:** With consecutive years of operational losses, fund balance has declined significantly. If this trend continues, management could experience cash flow problems.

**Recommendation:** Controls should be in place to ensure timely monitoring of actual revenues and expenditures verse budget. Management should have a plan in place to react to unfavorable variances in revenues by adjusting expenditures accordingly to help maintain a stable cash flow that is needed to support operations.

**Management's Comments:** Losses were due to USDA in 2010/2011 mandating (1) the "Healthy Hunger-Free Kids Act" and (2) the "Paid Lunch Equity" for all USA school districts participating in the National School Lunch and Breakfast Programs. As a result of implementation of these programs in Washington County Schools, participation of students eating school meals dropped drastically. This cost school systems in all states a large amount of operating capital. Also, beginning in 2010/2011, we were directed to make a large yearly payment to Washington County Department of Education for employee insurance. As of December 2014, Food Service has cut employee count from 126 to 105. All food/non-food contracts have been re-bid. We are in an on-going quest to increase participation, reduce expenses, and stabilize budget funds.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Current Year Audit Findings – Significant Deficiencies (Continued)**

**Board of Education**

**2014-003 Community Use of School Facilities**

**Condition:** Duties are not segregated adequately and there is a lack of documentation regarding the community use of school facilities.

**Criteria:** A fundamental concept in a good system of internal control is the segregation of duties and the existence of supporting documents that are reviewed by management.

**Effect:** An opportunity exists that could result in abuse and or misuse of school facilities.

**Recommendation:** We recommend the community use of facilities policy be amended to state that a contract/lease be executed by the Board of Education's purchasing agent and approved by the school's principal. A contract/lease should be executed for all community use. Should there be a waiver of the fee; as allowed by the current policy, that reason should be documented on the approved contract / lease. We also recommend that a schedule / calendar of usage be published and made public.

**Management's Comments:** Board of Education staff have begun the process of amending the facility rental agreement and drafting revisions to the Board of Education's facility rental policy to improve monitoring of community use of facilities. Recommendations will be presented to the board of education by the Director of Schools at their meeting in January.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Prior Year Audit Findings Not Implemented – Significant Deficiencies**

**County Mayor**

**2011-001      *Proper Approval of County Annual Budget (06-30-11 Report, Finding 2011-001)***

**Condition:** The annual budget for fiscal year 2014 was not timely adopted in accordance with Tennessee Code Annotated.

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

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

Tennessee Code Annotated Section 5-12-107 states the following:

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

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

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

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

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

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

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2014**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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

**County Mayor (Continued)**

***2007-005 Preparation of Government-Wide Adjustments (06-30-07 Report, Finding 2007-005)***

**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 the government-wide adjustments. We anticipate that with the addition of a Director of Finance and Administration position that this will be accomplished with the preparation of the June 30, 2015 financial statements.

***2006-004 Fixed Assets (06-30-06 Report, Finding 2006-004; repeated from 6-30-95 Report, Finding 1995-002)***

**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:** Implementation of a new enterprise financial management system is expected to enhance the ability to perform this function in house. Implementation is expected to initiate in March 2015.