



# **WASHINGTON COUNTY, TENNESSEE**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**2015**

**WASHINGTON COUNTY, TENNESSEE**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2015**

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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 18, 2015

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, 2015 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 (as amended) and the United States Office of Management and budget circular A133, 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. Component units are legally separate entities for which the county is financially accountable and 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 is beginning to experience stronger growth in its retail sector. While year-over-year sales growth from 2013 to 2014 was 1.24%, year-over-year sales from 2014 to 2015 was 3.25%. For the first five months of fiscal 2016, annual growth is approximately 3.5%. Fiscal 2015 saw retail sales gains in 9 of 12 months of the fiscal year.

Property tax is the primary revenue source for general county operations and a significant source of revenue for the schools. Therefore, changes in the county-wide assessed values are key metrics for projecting county property tax revenues. Real and personal property assessment values increased 0.6% in calendar year 2013 as compared to 2012. As a result of the county-wide reappraisal in 2014, assessed values decreased 2.3% from calendar 2013 to 2014. The effect of the decline in assessed values resulted in an increase in the tax equivalent property tax rate to \$1.98 in calendar 2014 from \$1.91 in calendar 2013. The current 2015 calendar year assessed value increased 1.25% over 2014. The County Commission maintained the \$1.98 tax rate for 2015. The tax equivalent rate has remained the same since 2009.

The unemployment rate stood at 6.4% in June 2015 as compared to 7.0% in June 2014, 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 5.7%.

According to the Bureau of Economic Analysis, Washington County ranked 21<sup>st</sup> of the 95 counties in Tennessee with a 2.4% increase in per capita income in 2014, following a 0.2% gain in 2013.

Building permits for the first three quarters of calendar year 2014 were down approximately 14% over the prior period.

Healthy reserves and conservative management and budgeting have allowed Washington County to maintain its strong financial position in 2015 and continue the current level of services for the near-term. With the fiscal 2017 budget process commencing in just a couple of months, the trend of slow but steady growth in our tax base and local economy will again be reflected in conservative revenue estimates and careful scrutiny of new spending requests.

A priority for Washington County will continue to be accelerating growth in our local economy and the tax base through strategic investment opportunities in school facilities, retail development, public infrastructure and other economic development initiatives that stimulate private sector investment and long-term growth in the property and sales tax bases, create or retain jobs, and improve the quality of our workforce.

### **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.

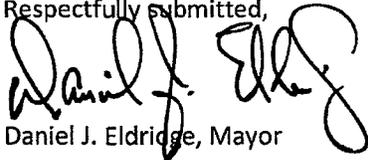
Using a projected cost of \$110mm plus Johnson City's share, the County is facing a potential debt issuance of \$214 million. The county bonding capacity, calculated as 10% of the county-wide tax base, is \$290 million. Subtracting current debt of approximately \$155 million, we have \$135 million in 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.

To address these capital investment needs, we developed a 10-year capital plan and provide various funding options for the County Commission to consider. While the capital plan was adopted, the mechanism to fund it is undergoing further study and debate. I am hopeful that a viable funding plan that minimizes the burden on county property taxpayers will be adopted by the County Commission as it deliberates the fiscal 2017 budgets.

### **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, 2015**

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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	Monty Treadway
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

Greg Matherly	Robbie Tester
Rick Storey	William "Joe" Grandy
Lynn Hodge	Dr. Paul E. Stanton
Dr. Sam Humphreys	Tom Krieger
Robbie McGuire	Mike Ford
George E. "Skip" Odom	Mark Larkey
Larry England	Bryan Davenport
Mitch Meredith	Matthew Morris
Joe Wise	Steve Light
Dr. Katie Baker	Todd Hensley
David Tomita	Danny Edens
Lee Chase	Forrest Boreing
Gary McAllister	

Board of Education

Todd Ganger, Chairman	Annette Buchanan
Jack Leonard, Vice Chair	Keith Ervin
Phillip McLain	David Hammond
Clarence Mabe	Mike Masters
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, 2015 and the related notes to the financial statements, which collectively comprise the Washington County, Tennessee'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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

### ***Change in Accounting Principle***

As described in Note 5.J to the financial statements, in fiscal year 2015, Washington County, Tennessee adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information as listed in the table of contents on pages 9 through 18 and 90 through 96 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, combining and individual fund financial statements and schedules, supplemental 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.

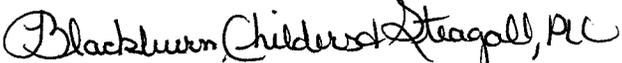
Washington County, Tennessee  
Independent Auditors' Report

The combining and individual fund financial statements and schedules, supplemental information, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and schedules and supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, 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 18, 2015

## 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, 2015. 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 \$53,476,157 (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 \$1,733,722.
- As of the close of the current fiscal year, Washington County Government's governmental funds reported combined ending fund balances of \$34,445,280, an increase of \$3,534,373 in comparison with the prior year. Approximately 43 percent of this total amount, \$14,849,884, 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 \$14,849,884, or 39 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 \$80,625,650.
- The School Board's net position decreased by \$10,343,586.

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

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

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

The government-wide financial statements can be found on pages 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 through 32 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 33 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 90 and 96 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 97-98 of this report.

Financial statements for the Washington County School Board of Education are presented immediately following the non-major funds on pages 107-116 of this report. This component unit does not issue separate financial statements.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washington County, combined with the Board of Education, assets exceeded liabilities by \$27,147,493 at the close of the most recent fiscal year.

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

**Washington County Net Position**

	Primary		Component Unit	
	Governmental Activities		Washington County Board of Education	
	2015	2014	2015	2014
Current and Other Assets	\$ 75,741,219	\$ 75,754,447	\$ 21,069,095	\$ 18,621,710
Capital Assets	68,188,945	69,146,397	85,304,751	88,995,360
Total Assets	<u>143,930,164</u>	<u>144,900,844</u>	<u>106,373,846</u>	<u>107,617,070</u>
Deferred Outflows of Resources				
Deferred Charge of Refunding	324,258	406,399	-	-
Pension Related Deferred Outflows	2,137,282	-	4,139,768	-
Total Deferred Outflows of Resources	<u>2,461,540</u>	<u>406,399</u>	<u>4,139,768</u>	<u>0</u>
Long-Term Liabilities Outstanding	152,969,804	158,884,362	3,785,000	3,281,900
Other Liabilities	7,810,260	7,077,501	1,101,334	807,113
Total Liabilities	<u>160,780,064</u>	<u>165,961,863</u>	<u>4,886,334</u>	<u>4,089,013</u>
Deferred Inflows of Resources				
Deferred Revenues - Current				
Property Taxes	34,992,986	34,355,259	12,531,928	12,560,821
Pension Related Deferred Inflows	4,094,811	-	12,471,666	-
Total Deferred Inflows of Resources	<u>34,992,986</u>	<u>34,355,259</u>	<u>25,003,594</u>	<u>12,560,821</u>
Net Position				
Net Investment in Capital Assets	43,270,484	43,818,988	85,304,751	88,995,360
Restricted	16,014,780	17,522,004	1,284,647	1,411,208
Unrestricted	(112,761,421)	(116,550,871)	(5,965,748)	560,668
Total Net Position	<u>\$ (53,476,157)</u>	<u>\$ (55,209,879)</u>	<u>\$ 80,623,650</u>	<u>\$ 90,967,236</u>

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

The primary government's net position increased by \$1,733,722 during the current fiscal year. The Board of Education's net position decreased by \$10,343,586.

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	
	2015	2014	2015	2014
<b>Revenues</b>				
Program Revenues:				
Charges for services	9,487,242	9,830,264	1,634,107	1,626,865
Operating grants and contributions	3,977,829	3,914,088	7,167,634	7,779,365
Capital grants and contributions	1,179,840	245,149	1,870,437	3,912,176
General Revenues:				
Property taxes	35,594,480	34,970,600	12,658,773	12,611,741
Other taxes	1,709,453	1,584,082	14,775,809	14,456,770
Grants and contributions not restricted to specific programs	5,117,308	4,118,658	32,188,095	32,468,725
Other	57,605	55,808	37,558	36,094
<b>Total Revenues</b>	<b>57,123,757</b>	<b>54,718,649</b>	<b>70,332,413</b>	<b>72,891,736</b>
<b>Expenses</b>				
General government	5,198,822	5,619,498	-	-
Finance	2,369,480	2,564,200	-	-
Administration of Justice	3,744,198	3,803,354	-	-
Public safety	18,566,191	18,596,830	-	-
Highway / streets	8,377,451	8,784,888	-	-
Public Health and Welfare	5,037,422	5,397,355	-	-
Social, Cultural and Recreation	1,354,837	893,752	-	-
Agriculture and Natural Resources	372,411	421,188	-	-
Other Operations	1,717,722	747,336	-	-
Debt Service	6,222,995	6,901,927	-	-
Education	2,370,917	4,849,517	70,471,846	74,179,298
<b>Total Expenses</b>	<b>55,332,446</b>	<b>58,579,845</b>	<b>70,471,846</b>	<b>74,179,298</b>
Increase (Decrease) in net position before transfers & special items	1,791,311	(3,861,196)	(139,433)	(1,287,562)
<b>Special Items</b>				
Pension Income	-	-	125,585	-
Gain on Disposal of Assets	24,294	-	32,407	9,027
<b>Total Special Items</b>	<b>24,294</b>	<b>0</b>	<b>157,992</b>	<b>9,027</b>
Increase (Decrease) in net position	1,815,605	(3,861,196)	(107,026)	(1,278,535)
Net position, Beginning	(55,209,879)	(51,238,022)	90,967,236	92,245,771
Prior Period Adjustment	(81,883)	(110,661)	(10,362,145)	-
<b>Net position, Ending</b>	<b>(53,476,157)</b>	<b>(55,209,879)</b>	<b>80,498,065</b>	<b>90,967,236</b>

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

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- The various 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 \$934,691, 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 \$34,445,280, a decrease of \$3,534,373 in comparison with the prior year. Approximately 43 percent of this total amount, or \$14,849,884 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance consists of a restricted portion in the amount of \$16,014,780, an assigned portion of \$355,039, and \$3,225,577 committed for the liquidation of purchase orders and contracts.

The General, Debt Service, Highway and Capital Projects funds are reported as major funds.

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 \$14,849,884, a decrease of \$2,469,068 from the prior year. The restricted funds balance was \$336,034, committed fund balance was \$2,010,134 and assigned fund balance was \$355,039. The total fund balance was \$17,551,091. 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 39 percent of total General Fund expenditures while total fund balance represents 46 percent of that same amount.

The debt service fund has a total fund balance of \$7,101,015 a decrease of \$132,503 from the prior year. The fund balance is restricted for the payment of debt service. The County levies a portion of its property tax specifically for debt service and produced revenue of \$8,958,272 in the current fiscal year. This represents an increase of \$112,406 or 1.2 percent, over the prior year.

The highway fund has a total fund balance of \$5,180,307, a decrease of \$145,307 from the prior year. The fund balance is restricted for the payment of maintenance and capital cost for the County's approximately 800 miles of roads and bridges. The County levies a portion of its property tax specifically for Highway Fund operations and produced revenue of \$4,245,327 in the current fiscal year. This represents an increase of \$49,973, or 1.2 percent, over the prior year.

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

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The Capital Projects Fund is used to account for revenues and expenditures for large capital projects. The primary funding for these capital projects is derived from the issuances of general obligation bonds and notes. During the year, the County issued no new debt. The Capital Projects Fund has a total fund balance of \$2,927,689, a decrease of \$1,209,288 from the prior year. The decrease is principally due to the completion of education-related construction and the transfer of those assets to the discretely presented component unit. – Washington County Board of Education.

**General Fund Budgetary Highlights**

The County Commission approved and adopted its 2015 annual operating budget in September 2014. The original General Fund operating budget was balanced through the use of \$3,225,490 of fund balance.

The County Commission approved a total of \$3,148,790 in amendments to the General fund operating expenditures during the 2015 and total amendments of \$1,027,816 to the General Fund revenue budget. These amendments to the General Fund revenue and expenditure budgets were primarily for:

- \$ 591,000- increase in property tax revenue
- \$ 176,000 increase in federal Military Surplus revenue
- \$ 90,000 increase in federal homeland security grant revenue.
- \$ 161,000 increase in Tennessee Public Safety grant revenue.
- \$ 67,000 decrease in Tennessee public health grant revenue and corresponding decrease in Public Health operating costs.
- \$ 68,000 increase in Tennessee disaster recovery grant revenue.
- \$ 160,000 increase in health insurance costs.
- \$1,000,000 increase in economic development initiatives.
- \$ 500,000 increase in contributions to the Jonesborough/Washington County Senior Center
- \$ 65,000 increase in contributions to the Johnson City/Washington County Animal Shelter
- \$ 478,000 increase, including grant funded operations, in Public Safety costs.
- \$ 311,000 in additional one-time education related costs.

Actual revenues were greater than budget by \$178,483 and actual expenditures were \$2,958,340 less than budget for an overall positive budget variance of \$3,136,823. The favorable variance in expenditures resulted from conservative spending by General Government, Constitutional Offices, Public Safety, and Public Health. There was also a favorable variance in economic development initiatives in the amount of \$300,000 due to favorable negotiations.

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, 2015, amounts to \$68,188,945 (net of accumulated depreciation), and \$85,304,751 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	
	2015	2014	2015	2014
Land	\$ 3,028,257	\$ 3,028,257	1,888,432	1,888,432
Library Infrastructure	702,307	728,913	-	-
Buildings and Improvements	45,957,043	45,335,140	125,465,529	125,028,845
Furniture and Fixture	235,751	235,751	1,343,913	1,313,642
Office Machinery and Equipment	2,237,955	2,191,402	682,442	682,442
Machinery and Equipment	20,336,026	19,172,953	16,421,166	16,485,000
Infrastructure	50,517,902	49,771,059	-	-
Construction in Progress	400,795	468,213	5,439	5,439
Less: Accumulated Depreciation	(55,227,091)	(51,785,291)	(60,502,170)	(56,408,439)
<b>Total</b>	<b>\$ 68,188,945</b>	<b>\$ 69,146,397</b>	<b>85,304,751</b>	<b>88,995,361</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 \$150,230,000. Of this amount, \$149,757,363 comprises debt backed by the full faith and credit of the government. The remaining \$4,930,000 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. Total education-related debt amounted to \$125,935,000, or 87 percent of outstanding general obligation debt.

**Washington County's Outstanding Debt**  
General Obligation and Revenue Bonds

	Primary Governmental Activities		
	2015	2014	Increase (Decrease)
General Obligation Bonds	\$ 145,300,000	154,439,718	(9,139,718)
Capital Outlay Notes	4,930,000	5,520,000	(590,000)
<b>Total</b>	<b>\$ 150,230,000</b>	<b>159,959,718</b>	<b>(9,729,718)</b>

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

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- No new debt was issued in 2015. The principal on the General Obligation Bonds decreased \$4,200,000 and capital outlay notes decreased by \$590,000 through scheduled debt retirement.

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**

- The County's primary source of revenue is an ad valorem tax on the assessed value of real and tangible property located within the geographic boundary of the county. The County's property tax rate has remained constant with no tax increase since fiscal year 2010. However, the County's latest for-year reappraisal cycle was completed in fiscal year 2014 and resulted in a small decline of approximately 3.5% and an adjusted tax equivalent rate of \$1.98 per \$100 of assessed value. Based on an increase in the assessed value, the County budgeted a modest 1.5% increase in property tax collections for fiscal 2016. 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 statement.
- The County's retail economy continues to experience modest growth. While retail sales for 2015 increased 3.25% over 2014, the County budgeted fiscal year 2016 growth at a conservative 1.5%. 100% of the sales tax payable to the County is dedicated to education and is split based on average daily attendance factor between the Washington County Board of Education and the Johnson City Board of Education.
- Based on data from the Bureau of Economic Analysis, Washington County ranked 21<sup>st</sup> in Tennessee in per capita personal income and experienced a 2.4% increase in calendar 2014 over calendar 2013. Tennessee experienced a 2.9% increase in the same measure. The American Community Survey estimated the five year average median household income for Washington County to be \$42,935, ranking Washington County the highest among the eight counties of Northeast Tennessee.

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

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- The unemployment rate stood at 6.4% in June 2015 as compared to 7.0% in June 2014, 8.1% in June 2013, 7.5% in June 2012, 8.9% in June of 2011, and a high of 9.8% in January 2010. Local unemployment at fiscal year-end was slightly higher than the state average of 5.7%. The relative stability of Washington County's employment picture can be attributed to the County's diversified and stable job base.

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 2015 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, 2015**

	Primary Government	Component Units	
	Governmental Activities	Washington County Board of Education	Emergency Communications District
<b>ASSETS</b>			
Equity in Pooled Cash and Deposits	\$ 33,435,741	3,289,666	-
Cash and Cash Equivalents	309,444	-	1,984,642
Certificates of Deposit	-	-	249,500
Cash Shortage	-	1,060	-
Due from Federal Government	120,434	54,145	-
Due from State of Tennessee	730,108	293,460	-
Due from Other Local Governments	113,604	-	-
Due from Others	74,761	-	-
Sales Tax Receivable	-	2,449,537	-
Taxes Receivable	38,127,530	13,120,369	-
Allowance for Uncollectibles	(32,864)	(11,769)	-
Inventories	-	225,211	-
Prepaid Expenses	-	-	71,532
Net Pension Asset - Agent Plan	2,862,461	1,523,905	-
Net Pension Asset - Cost Sharing Plan	-	123,475	-
Capital Assets Not Being Depreciated:			
Land	3,028,257	1,888,432	-
Construction in Progress	400,795	5,439	-
Library Infrastructure	702,307	-	-
Capital Assets, Net of Accumulated Depreciation	64,057,586	83,410,880	681,890
<b>TOTAL ASSETS</b>	<b>143,930,164</b>	<b>106,373,810</b>	<b>2,987,564</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Changes in Experience - Cost Sharing Plan	-	299,766	7,390
Pension Contributions After Measurement Date	2,137,282	3,840,002	191,468
Deferred Charge on Refunding	324,258	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,461,540</b>	<b>4,139,768</b>	<b>198,858</b>
<b>LIABILITIES</b>			
Accounts Payable	413,651	606,660	12,876
Accrued Expenses	1,558,806	811	66,084
Benefits Payable	4,752	-	-
Due to Other Governments	2,250	-	-
Due to Others	1,565	166,737	-
Long-Term Liabilities			
Due Within One Year	5,829,236	327,126	350,131
Due in More Than One Year	152,969,804	3,785,000	569,247
<b>TOTAL LIABILITIES</b>	<b>160,780,064</b>	<b>4,886,334</b>	<b>998,338</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Changes in Experience - Agent Plan	533,291	283,911	-
Pension Changes in Investment Earnings - Agent Plan	3,561,520	1,896,069	265,274
Pension Changes in Investment Earnings - Cost Sharing Plan	-	10,291,686	-
Deferred Current Property Taxes	34,992,986	12,531,928	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>39,087,797</b>	<b>25,003,594</b>	<b>265,274</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	43,270,484	85,304,751	681,890
Restricted for Capital Outlay	2,940,674	-	-
Restricted for Finance	8,811	-	-
Restricted for Public Safety	465,333	-	-
Restricted for Social, Cultural and Recreational	77,450	-	-
Restricted for Highways	5,180,307	-	-
Restricted for Debt Service	7,342,205	-	-
Restricted for Education	-	1,284,647	-
Unrestricted	(112,761,421)	(5,965,748)	1,240,920
<b>TOTAL NET POSITION</b>	<b>\$ (53,476,157)</b>	<b>80,623,650</b>	<b>1,922,810</b>

The notes to the financial statements are an integral part of this statement.



**WASHINGTON COUNTY, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

	General Fund	Highway Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in Pooled Cash and Deposits	\$ 16,715,401	5,467,295	6,516,434	2,917,180	1,814,678	33,430,988
Cash and Cash Equivalents	100	-	-	-	309,344	309,444
Due from Federal Government	120,434	-	-	-	-	120,434
Due from State of Tennessee	692,376	-	-	-	37,732	730,108
Due from Other Local Governments	96,016	-	-	-	17,588	113,604
Due from Others	53,264	212	446	-	20,838	74,760
Taxes Receivable	22,346,240	4,986,082	10,021,012	-	774,196	38,127,530
Allowance for Uncollectibles	(19,106)	(4,080)	(8,983)	-	(695)	(32,864)
Due from Other Funds	481,831	-	577,500	20,000	-	1,079,331
<b>TOTAL ASSETS</b>	<b>\$ 40,486,556</b>	<b>10,449,509</b>	<b>17,106,409</b>	<b>2,937,180</b>	<b>2,973,681</b>	<b>73,953,335</b>
<b>LIABILITIES</b>						
Accounts Payable	392,270	5,256	-	2,400	6,634	406,560
Retainages Payable	-	-	-	7,091	-	7,091
Accrued Expenses	682,793	142,714	-	-	27,151	852,658
Due to Others	1,565	-	-	-	-	1,565
Due to Other Governments	2,250	-	-	-	-	2,250
Due to Other Funds	20,000	577,500	-	-	481,831	1,079,331
<b>TOTAL LIABILITIES</b>	<b>1,098,878</b>	<b>725,470</b>	<b>0</b>	<b>9,491</b>	<b>515,616</b>	<b>2,349,455</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Current Property Taxes	20,684,244	4,300,846	10,005,394	-	738,893	35,729,377
Unavailable Revenue	1,152,343	242,886	-	-	33,994	1,429,223
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,836,587</b>	<b>4,543,732</b>	<b>10,005,394</b>	<b>0</b>	<b>772,887</b>	<b>37,158,600</b>
<b>FUND BALANCES</b>						
Restricted for:						
Restricted for Capital Outlay	12,985	-	-	2,927,689	-	2,940,674
Restricted for Finance	8,811	-	-	-	-	8,811
Restricted for Public Safety	236,788	-	-	-	228,545	465,333
Restricted for Highways	-	5,180,307	-	-	-	5,180,307
Restricted for Debt Service	-	-	7,101,015	-	241,190	7,342,205
Restricted for Social, Cultural and Recreational	77,450	-	-	-	-	77,450
Committed for:						
Committed for General Government	1,109,887	-	-	-	-	1,109,887
Committed for Social, Cultural and Recreational	900,247	-	-	-	-	900,247
Committed for Public Health and Welfare	-	-	-	-	1,215,443	1,215,443
Assigned for:						
Assigned for Public Safety	172,095	-	-	-	-	172,095
Assigned for General Government	149,028	-	-	-	-	149,028
Assigned for Finance	1,300	-	-	-	-	1,300
Assigned for Public Health and Welfare	23,727	-	-	-	-	23,727
Assigned for Social, Cultural and Recreational	8,889	-	-	-	-	8,889
Unassigned	14,849,884	-	-	-	-	14,849,884
<b>TOTAL FUND BALANCES</b>	<b>17,551,091</b>	<b>5,180,307</b>	<b>7,101,015</b>	<b>2,927,689</b>	<b>1,685,178</b>	<b>34,445,280</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 40,486,556</b>	<b>10,449,509</b>	<b>17,106,409</b>	<b>2,937,180</b>	<b>2,973,681</b>	<b>73,953,335</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, 2015

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 34,445,280
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 \$123,416,036 and the accumulated depreciation is \$55,227,091.	68,188,945
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,165,613
Accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(706,145)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(158,474,782)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:	
Add: deferred outflows of resources related to pensions	2,137,282
Less: deferred inflows of resources related to pensions	<u>(4,094,811)</u>
	(1,957,529)
Net pension assets of the plan are not current financial resources and therefore are not reported in the governmental funds.	<u>2,862,461</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (53,476,157)</u></u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund	Highway Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 22,273,310	4,848,486	10,433,648	-	944,432	38,499,876
Licenses and Permits	577,442	465	1,216	-	116	579,239
Fines, Forfeitures and Penalties	936,655	-	-	-	30,296	966,951
Charges for Current Services	669,025	50,872	-	-	127,536	847,433
Other Local Revenues	358,650	187,252	15,728	-	229,221	790,851
Revenue from State of Tennessee	4,240,899	3,241,882	-	75,000	99,957	7,657,738
Revenue from Federal Government	341,972	-	-	-	-	341,972
Revenue from Other Governments and Citizens Groups	1,485,770	-	-	-	5,666,599	7,152,369
<b>TOTAL REVENUES</b>	<b>30,883,723</b>	<b>8,328,957</b>	<b>10,450,592</b>	<b>75,000</b>	<b>7,098,157</b>	<b>56,836,429</b>
<b>EXPENDITURES</b>						
General Government	5,017,364	-	-	517,241	77,749	5,612,354
Finance	2,548,805	-	-	-	-	2,548,805
Administration of Justice	3,889,914	-	-	14,153	-	3,904,067
Public Safety	17,704,152	-	-	186,455	-	17,890,607
Highways	-	7,665,764	-	-	-	7,665,764
Public Health and Welfare	3,802,466	-	-	11,089	1,326,129	5,139,684
Social, Cultural and Recreational	1,317,274	-	-	-	-	1,317,274
Agriculture and Natural Resources	400,909	-	-	-	-	400,909
Other Operations	1,717,722	-	-	-	-	1,717,722
Debt Service	-	-	11,546,849	-	255,850	11,802,699
Education	1,384,260	-	-	986,657	-	2,370,917
<b>TOTAL EXPENDITURES</b>	<b>37,782,866</b>	<b>7,665,764</b>	<b>11,546,849</b>	<b>1,715,595</b>	<b>1,659,728</b>	<b>60,370,802</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(6,899,143)	663,193	(1,096,257)	(1,640,595)	5,438,429	(3,534,373)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to Other Funds	(555,288)	(808,500)	-	-	(5,425,490)	(6,789,278)
Transfers from Other Funds	5,394,217	-	963,754	431,307	-	6,789,278
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,838,929</b>	<b>(808,500)</b>	<b>963,754</b>	<b>431,307</b>	<b>(5,425,490)</b>	<b>0</b>
Net Change in Fund Balances	(2,060,214)	(145,307)	(132,503)	(1,209,288)	12,939	(3,534,373)
Fund Balances, July 1, 2014	19,611,305	5,325,614	7,233,518	4,136,977	1,672,239	37,979,653
Fund Balances, June 30, 2015	<u>\$ 17,551,091</u>	<u>5,180,307</u>	<u>7,101,015</u>	<u>2,927,689</u>	<u>1,685,178</u>	<u>34,445,280</u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

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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	\$ (3,534,373)
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 of \$1,787,882 is less than depreciation of \$3,857,685 in the period.	(2,069,803)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.	502,780
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 \$2,081,411 and the current year amount of \$2,165,613.	84,201
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.	82,732
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 decreased by this amount for the current year.	(223,206)
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.	454,820
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.	4,922,066
Long-term pension retirement plan expenditures are reported in the governmental funds as incurred. However, in the statement of activities, the cost is expensed as earned. This is the amount of the change in pension retirement plan during the current period.	<u>1,596,388</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,815,605</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 BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2015**

	Actual GAAP Basis	Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>REVENUES</b>							
Taxes	\$ 22,273,310	-	-	22,273,310	21,354,523	21,946,290	327,020
Licenses and Permits	577,442	-	-	577,442	542,500	542,500	34,942
Fines, Forfeitures and Penalties	936,655	-	-	936,655	894,900	894,900	41,755
Charges for Current Services	669,025	-	-	669,025	524,600	700,762	(31,737)
Other Local Revenues	358,650	-	-	358,650	151,000	151,000	207,650
Revenue from State of Tennessee	4,240,899	-	-	4,240,899	4,370,054	4,306,412	(65,513)
Revenue from Federal Government	341,972	-	-	341,972	39,410	362,939	(20,967)
Revenue from Other Governments and Citizens Groups	1,485,770	-	-	1,485,770	1,800,437	1,800,437	(314,667)
<b>TOTAL REVENUES</b>	<b>30,883,723</b>	<b>0</b>	<b>0</b>	<b>30,883,723</b>	<b>29,677,424</b>	<b>30,705,240</b>	<b>178,483</b>
<b>EXPENDITURES</b>							
<b>General Government</b>							
County Commission	196,424	-	-	196,424	237,590	235,965	39,541
Board of Equalization	7,070	-	-	7,070	7,345	7,345	275
County Mayor	225,953	-	-	225,953	228,305	228,305	2,352
County Attorney	212,946	-	-	212,946	245,263	245,263	32,317
Election Commission	612,224	-	-	612,224	793,409	809,409	197,185
Register of Deeds	485,979	8,922	1,070	478,127	535,523	546,723	68,596
Planning and Zoning	17,854	-	-	17,854	26,641	26,641	8,787
Codes Compliance	423,552	2,323	-	421,229	495,325	432,060	10,831
County Building	39,732	11,827	-	27,905	80,200	65,200	37,295
Other General Administration	2,718,862	149,048	147,958	2,717,772	2,794,389	2,880,289	162,517
Preservation of Records	76,768	-	-	76,768	192,558	172,558	95,790
<b>Finance</b>							
Accounting and Budgeting	247,501	-	-	247,501	399,811	389,811	142,310
Purchasing	175,327	-	-	175,327	193,955	188,955	13,628
Property Assessor	422,688	-	-	422,688	494,584	457,758	35,070
Reappraisal Program	396,880	-	-	396,880	405,557	431,383	34,503
County Trustee	444,398	-	-	444,398	503,885	492,885	48,487
County Clerk	862,011	-	1,300	863,311	920,908	942,598	79,287
<b>Administration of Justice</b>							
General Sessions Judge	612,448	-	-	612,448	637,735	637,735	25,287
Drug Court	15,566	-	-	15,566	9,000	15,000	(566)
Circuit Court	1,786,871	-	-	1,786,871	1,907,914	1,897,914	111,043
Chancery Court	690,745	-	-	690,745	699,262	707,262	16,517
District Attorney General	6,667	-	-	6,667	-	6,667	-
Judicial Court	155,697	-	-	155,697	190,726	243,926	88,229
Environmental Court Administration	65,418	-	-	65,418	-	67,365	1,947
Courtroom Security	556,502	-	-	556,502	582,727	582,727	26,225

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2015**

EXPENDITURES (CONTINUED)	Actual GAAP Basis	Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
Public Safety							
Sheriff's Department	7,181,231	40,045	144,492	7,285,678	7,460,071	7,597,190	311,512
Substance Abuse Program Grant	426	-	-	426	-	3,406	2,980
Jail	7,987,318	30,091	22,603	7,979,830	8,105,623	8,303,582	323,752
Juvenile Services	441,945	-	-	441,945	502,935	502,935	60,990
Work Release Program	7,355	-	-	7,355	16,727	16,727	9,372
Federal Asset Forfeiture	23,469	3,250	-	20,219	-	25,000	4,781
JAG Grant (Law Enforcement Supplies)	15,446	-	-	15,446	15,410	15,446	-
Fire Protection and Control	894,050	-	5,000	899,050	901,550	911,550	12,500
Civil Defense	109,058	-	-	109,058	109,058	109,058	-
Hazardous Materials	10,074	1,985	-	8,089	11,400	11,400	3,311
Other Emergency Management	90,598	558	-	90,040	-	90,430	390
Rescue Squad	84,300	-	-	84,300	84,300	84,300	-
County Coroner	206,118	-	-	206,118	222,922	222,922	16,804
Network Law Enforcement Grant	-	-	-	-	-	4,753	4,753
Other Public Safety	652,764	-	-	652,764	705,047	705,047	52,283
Public Health and Welfare							
County Health Center	978,806	15,420	5,487	968,873	1,013,650	1,015,650	46,777
Local Health Center State Grant	828,005	-	-	828,005	1,149,851	1,008,500	180,495
Health Center Tobacco Grant	84,855	300	15,540	100,095	82,500	156,750	56,655
Rabies and Animal Control	229,750	-	-	229,750	164,750	229,750	-
Ambulance Service	1,528,802	-	-	1,528,802	1,528,802	1,528,802	-
Public Welfare	66,585	-	-	66,585	70,900	70,900	4,315
Aid to Dependent Children	17,150	-	-	17,150	12,150	17,150	-
Alcohol and Drug Program	3,014	-	-	3,014	6,105	6,105	3,091
Sanitation Education	48,237	-	2,700	50,937	61,758	61,000	10,063
Regional Mental Health Center	17,262	-	-	17,262	17,000	17,262	-
Social, Cultural and Recreational							
Senior Citizen's Assistance	612,877	-	-	612,877	112,877	612,877	-
Libraries	547,897	-	8,889	556,786	627,007	634,620	77,834
Libraries (Other)	137,500	-	-	137,500	127,500	137,500	-
Social, Cultural and Recreational	19,000	-	-	19,000	21,250	19,000	-

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**GENERAL FUND**  
**June 30, 2015**

	Actual GAAP Basis	Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>EXPENDITURES (CONTINUED)</b>							
Agriculture and Natural Resources							
Agriculture Extension Service	275,294	1,060	-	274,234	296,272	296,272	22,038
Forest Service	1,500	-	-	1,500	1,500	1,500	-
Soil Conservation	80,031	-	-	80,031	89,843	93,949	13,918
Storm Water Management	30,495	-	-	30,495	45,653	45,653	15,158
Agriculture and Natural Resources	13,589	-	-	13,589	12,640	14,265	676
Other Operations							
Tourism	6,971	-	-	6,971	6,971	6,971	-
Industrial Development	699,000	-	-	699,000	146,206	1,000,000	301,000
Economic and Community Development	509,741	20,000	-	489,741	325,000	490,401	660
Transportation - Airport	15,885	-	-	15,885	15,885	15,885	-
Contributions to Other Agencies	53,469	-	-	53,469	56,694	56,694	3,225
Employee Benefits	359,072	-	-	359,072	55,000	450,000	90,928
Disaster Relief - Dry Creek Flood	67,874	-	-	67,874	-	67,874	-
Veterans' Services	2,888	-	-	2,888	53,514	53,514	50,626
Payments to Cities	2,822	-	-	2,822	-	2,822	-
Education	1,384,260	-	-	1,384,260	-	1,384,260	-
<b>TOTAL EXPENDITURES</b>	<b>37,782,866</b>	<b>284,829</b>	<b>355,039</b>	<b>37,853,076</b>	<b>36,818,933</b>	<b>40,811,416</b>	<b>2,958,340</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,899,143)	(284,829)	355,039	(6,969,353)	(7,141,509)	(10,106,176)	3,136,823
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer from Constitutional Officers - Fees Fund	5,394,217	-	-	5,394,217	5,315,000	5,315,000	79,217
Transfer to Other Funds	(555,288)	-	-	(555,288)	(1,398,981)	(555,288)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,838,929</b>	<b>0</b>	<b>0</b>	<b>4,838,929</b>	<b>3,916,019</b>	<b>4,759,712</b>	<b>79,217</b>
Net Change in Fund Balance	(2,060,214)	(284,829)	355,039	(2,130,424)	(3,225,490)	(5,346,464)	3,216,040
Fund Balance, July 1, 2014	19,611,305	284,829	-	20,509,403	20,509,403	20,509,403	-
Fund Balance, June 30, 2015	<u>\$ 17,551,091</u>	<u>0</u>	<u>355,039</u>	<u>18,378,979</u>	<u>17,283,913</u>	<u>15,162,939</u>	<u>3,216,040</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.

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL (BUDGETARY BASIS) AND BUDGET**  
**HIGHWAY FUND**  
**June 30, 2015**

	Actual GAAP Basis	Less: Encumbrances 6/30/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures Budgetary Basis	Budgeted Amounts		Variance with Final Budget- Positive (Negative)
					Original	Final	
<b>REVENUES</b>							
Taxes	\$ 4,848,486	-	-	4,848,486	4,625,147	4,658,769	189,717
Licenses and Permits	465	-	-	465	500	500	(35)
Charges for Current Services	50,872	-	-	50,872	-	-	50,872
Other Local Revenues	187,252	-	-	187,252	130,000	130,000	57,252
Revenue from State of Tennessee	3,241,882	-	-	3,241,882	3,088,400	3,088,400	153,482
<b>TOTAL REVENUES</b>	<b>8,328,957</b>	<b>0</b>	<b>0</b>	<b>8,328,957</b>	<b>7,844,047</b>	<b>7,877,669</b>	<b>451,288</b>
<b>EXPENDITURES</b>							
General Government							
Administration	641,858	4,478	-	637,380	609,552	680,652	43,272
Traffic Control	133,850	2,417	-	131,433	161,919	161,919	30,486
Highway and Bridge Maintenance	2,170,078	35,375	19,141	2,153,844	3,005,357	3,043,857	890,013
Operation and Maintenance of Equipment	811,965	2,493	-	809,472	948,522	986,522	177,050
Asphalt Plant Operations	3,170,146	-	-	3,170,146	3,849,677	3,777,077	606,931
Other Charges	120,016	-	-	120,016	121,000	121,000	984
Employee Benefits	86,542	-	-	86,542	101,700	101,700	15,158
Capital Outlay	531,309	-	75,576	606,885	1,030,400	1,090,400	483,515
<b>TOTAL EXPENDITURES</b>	<b>7,665,764</b>	<b>44,763</b>	<b>94,717</b>	<b>7,715,718</b>	<b>9,828,127</b>	<b>9,963,127</b>	<b>2,247,409</b>
Excess (Deficiency) of Revenues Over Expenditures	663,193	44,763	94,717	613,239	(1,984,080)	(2,085,458)	2,698,697
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer to Other Funds	(808,500)	-	-	(808,500)	(231,000)	(808,500)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(808,500)</b>	<b>0</b>	<b>0</b>	<b>(808,500)</b>	<b>(231,000)</b>	<b>(808,500)</b>	<b>0</b>
Net Change in Fund Balance	(145,307)	44,763	94,717	(195,261)	(2,215,080)	(2,893,958)	2,698,697
Fund Balance, July 1, 2014	5,325,614	(44,763)	-	5,305,851	5,305,851	5,305,851	-
<b>Fund Balance, June 30, 2015</b>	<b>\$ 5,180,307</b>	<b>0</b>	<b>94,717</b>	<b>5,110,590</b>	<b>3,090,771</b>	<b>2,411,893</b>	<b>2,698,697</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.

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY, TENNESSEE  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUND  
June 30, 2015

	Governmental Activities Insurance Fund
ASSETS	
Equity in Pooled Cash and Deposits	\$ 4,752
TOTAL ASSETS	4,752
LIABILITIES	
Benefits Payable	4,752
TOTAL LIABILITIES	4,752
NET POSITION	
Unrestricted	-
TOTAL NET POSITION	\$ 0

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**INTERNAL SERVICE FUND**  
**June 30, 2015**

	Governmental Activities Insurance Fund
OPERATING REVENUE	
Charges for Services	\$ 324,736
TOTAL OPERATING REVENUE	324,736
OPERATING EXPENSES	
Claims Paid	324,736
TOTAL OPERATING EXPENSES	324,736
Change in Net Position	-
Net Position, July 1, 2014	-
Net Position, June 30, 2015	\$ 0

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2015**

	Governmental Activities Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Other Funds	\$ 324,736
Claims Paid	<u>(319,984)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,752</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,752</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2014</b>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>	<u><u>\$ 4,752</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ -
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
Increase (Decrease) in Liabilities	
Benefits Payable	<u>4,752</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 4,752</u></u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY, TENNESSEE**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2015**

	Agency Funds
<b>ASSETS</b>	
Cash on Hand and in Bank	\$ 4,892,670
Equity in Pooled Cash and Deposits	388,398
Accounts Receivable	41,771
Taxes Receivable	11,493,088
Allowance for Uncollectibles	(10,311)
Sales Tax Receivable	6,148,163
<b>TOTAL ASSETS</b>	<b>\$ 22,953,779</b>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 17,974,277
Due to State	1,118,409
Due to Litigants, Heirs and Others	3,861,093
<b>TOTAL LIABILITES</b>	<b>\$ 22,953,779</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, 2015**

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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 (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 since it 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, 2015**

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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, 2015**

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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 (non-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, proprietary fund (internal service) and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements since these funds are held by the County as an agency for others and do not actually belong to the County. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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, Business Tax, 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 estimable and are not generally material to the financial statements. Therefore, they are not recognized as revenue until received.

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

The government reports the following major governmental funds:

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

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

The *capital projects fund* accounts for financial resources used for the acquisition of major capital facilities related to the operation of the County.

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

The County also reports an internal service fund to account for health insurance provided to other departments of the County on a cost reimbursement basis.

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, 2015**

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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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. The County has one proprietary fund. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the County's internal service fund were insurance premiums. Operating expenses for the internal service fund include various insurance program expenditures.

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, 2015**

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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**

For the purposes of the statement of cash flows of the internal service fund, cash includes equity in pooled cash and deposits.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the County's own legally issued bonds or notes; the State Treasurers' Investment Pool; and repurchase agreements.

The County Trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented component unit, Washington County Board of Education. Each fund's portion of this pool is displayed on the balance sheets or statements of net 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.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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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)**

**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.

**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

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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**

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 has two items that qualify for reporting in this category. (1) 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. (2) The contributions subsequent to the pension measurement date are equivalent to the County's pension contributions made to the Tennessee Consolidated Retirement System (TCRS) during the fiscal year 2015, and will be recognized as a reduction to net pension liability in the following measurement period.

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, changes in pension experience, changes in pension investment earnings, 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.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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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**

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.

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.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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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)**

As of June 30, 2015, the County had \$126,357,051 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.

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.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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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)**

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.

**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.

**11. Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of (1) the County and Washington County Board of Education non-certified employees' participation in the Public Employee Retirement Plan, (2) Washington County Board of Education's participation in the Teacher Legacy Pension Plan, and (3) Washington County Board of Education's participation in the Teacher Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the entity's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the appropriate pension plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the appropriate pension plan of TCRS. Investments are reported at fair value.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

**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 balances-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	\$ (145,300,000)	-
Less: Deferred Charge on Refunding (net of accumulated amortization of \$854,288 recorded as interest expense)	324,258	-
Add: Bond Premium (net of accumulated amortization of \$3,466,231 recorded as interest expense)	(4,457,363)	-
Capital Outlay Notes	(4,930,000)	-
Capital Lease	(422,051)	-
Other Post-Employment Benefits	(2,096,982)	(3,953,000)
Compensated Absences	<u>(1,592,644)</u>	<u>(159,126)</u>
 Net adjustment to reduce <i>fund balance governmental funds</i> to arrive at <i>net position-governmental activities</i>	 \$ <u>(158,474,782)</u>	 <u>(4,112,126)</u>

Another element of that reconciliation explains that "other long-term assets are not available to pay for the current period expenditures and, therefore, are reported as unavailable revenue in the funds." The details of this difference are as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Property Taxes	\$ 1,610,223	576,671
Federal Prisoner Board	120,151	-
Income Tax	324,286	-
Beer Tax	14,953	-
Local Tax Revenue	<u>96,000</u>	<u>-</u>
 Net adjustment to increase <i>fund balance - governmental funds</i> to arrive at <i>net position - governmental activities</i>	 \$ <u>2,165,613</u>	 <u>576,671</u>

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances-governmental funds* and *change in net 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.	\$ 529,386	656,207
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.	<u>(26,606)</u>	<u>(8,940)</u>
Net adjustment to increase(decrease) <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net positions of governmental activities</i>	<u>\$ 502,780</u>	<u>647,267</u>

Another element of that reconciliation states that "the issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Principal Repayments:	
General Obligation Debt	\$ 4,200,000
Capital Lease	132,066
Capital Outlay Notes	<u>590,000</u>
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,922,066</u>

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

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

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds". The details of this difference are as follows:

Prior Year Accrued Interest	\$ 760,751
Current Year Accrued Interest	(706,145)
Amortization of Bond Premiums	482,355
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>\$ 454,820</u>

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

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund) which is not budgeted, and the capital projects fund, which adopts 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.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**A. Budgetary Information (Continued)**

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, 2015, 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	\$ 130,145
General Fund	Sheriff's Department Vehicles	106,716

**B. Expenditures Exceeded Appropriations**

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

<u>Fund / Major Category</u>	<u>Amount Overspent</u>
General Fund:	
Drug Court	\$ 566

**NOTE 4 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

	<u>Washington County</u>	<u>Washington County Board of Education</u>	<u>Washington County Emergency Communications</u>
Equity in Pooled Cash and Deposits	\$ 33,435,741	3,289,666	-
Cash and Cash Equivalents	<u>309,444</u>	<u>-</u>	<u>1,984,642</u>
	<u>\$ 37,745,185</u>	<u>3,289,666</u>	<u>1,984,642</u>

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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**NOTE 4 - DETAILED NOTES ON ALL FUNDS**

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

***Agency Funds***

Equity in Pooled Cash and Deposits	\$ 388,398
Cash on Hand and in Bank	<u>4,892,670</u>
	<u>\$ 5,281,068</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:

**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% 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% 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.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

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 \$37,113,805 and the bank balance was \$48,386,165. Overnight repurchase agreements are included in deposits rather than in investments. There were no overnight repurchase agreements on June 30, 2015.

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>Primary Government:</b>		
Cash in Bank - Others (Elected Officials Accounts)	<u>\$5,192,764</u>	<u>5,846,300</u>
<b>Component Unit:</b>		
Washington County Emergency Communications District	<u>\$1,984,642</u>	<u>1,991,450</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, 2015**

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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, 2015**

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

**B. Capital Assets**

**Primary Government**

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets,					
Not Being Depreciated					
Land	\$ 3,028,257	-	-	-	3,028,257
Library Infrastructure	728,913	63,507	(90,113)	-	702,307
Construction in Progress	468,213	1,070,948	-	(1,138,366)	400,795
Total Capital Assets,					
Not Being Depreciated	4,225,383	1,134,455	(90,113)	(1,138,366)	4,131,359
Capital Assets, Being Depreciated					
Buildings and Improvements	45,335,140	326,402	-	295,501	45,957,043
Furniture and Fixtures	235,751	63,521	-	(63,521)	235,751
Office Machinery and Equipment	2,191,402	46,553	-	-	2,237,955
Machinery and Equipment	19,172,953	1,181,055	(466,953)	448,971	20,336,026
Roads and Bridges	49,771,059	284,999	-	461,844	50,517,902
Total Capital Assets,					
Being Depreciated	116,706,305	1,902,530	(466,953)	1,142,795	119,284,677
Less Accumulated Depreciation for					
Buildings and Improvements	(11,990,635)	(1,220,015)	-	-	(13,210,650)
Furniture and Fixtures	(98,665)	(18,282)	-	-	(116,947)
Office Machinery and Equipment	(1,517,982)	(94,762)	-	-	(1,612,744)
Machinery and Equipment	(14,539,624)	(1,279,306)	466,953	(51,068)	(15,403,045)
Roads and Bridges	(23,638,385)	(1,245,320)	-	-	(24,883,705)
Total Accumulated Depreciation	(51,785,291)	(3,857,685)	466,953	(51,068)	(55,227,091)
Total Capital Assets,					
Being Depreciated, Net	64,921,014	(1,955,155)	0	1,091,727	64,057,586
Governmental Activities Capital					
Assets, Net	\$ 69,146,397	(820,700)	(90,113)	(46,639)	68,188,945

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: An adjustment of \$(656,209) 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, 2015**

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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	\$ 849,935
Public Safety	1,325,622
Highways	1,596,791
Public Health and Welfare	64,075
Social, Cultural and Recreational	<u>21,262</u>
 Total Depreciation Expense-Governmental Activities	 <u><u>\$ 3,857,685</u></u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**C. Capital Assets (Continued)**

**Discretely Presented Component Units**

***Washington County Board of Education***

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Capital Assets, Not Being Depreciated					
Land	\$ 1,888,432	-	-	-	1,888,432
Construction In Progress	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	125,028,845	110,282	-	326,402	125,465,529
Furniture and Fixtures	1,313,642	-	(33,250)	63,521	1,343,913
Office Machinery and Equipment	682,442	-	-	-	682,442
Machinery and Equipment	16,485,000	102,986	(433,106)	266,286	16,421,166
<b>Total Capital Assets Being Depreciated</b>	<b>143,509,929</b>	<b>213,268</b>	<b>(466,356)</b>	<b>656,209</b>	<b>143,913,050</b>
Less Accumulated Depreciation for					
Buildings and Improvements	(42,460,685)	(3,866,333)	-	-	(46,327,018)
Furniture and Fixtures	(976,443)	(38,132)	33,063	-	(981,512)
Office Machinery and Equipment	(629,266)	(22,141)	-	-	(651,407)
Machinery and Equipment	(12,342,045)	(624,541)	424,353	-	(12,542,233)
<b>Total Accumulated Depreciation</b>	<b>(56,408,439)</b>	<b>(4,551,147)</b>	<b>457,416</b>	<b>0</b>	<b>(60,502,170)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>87,101,490</b>	<b>(4,337,879)</b>	<b>(8,940)</b>	<b>656,209</b>	<b>83,410,880</b>
<b>Washington County Board of Education Capital Assets, Net</b>	<b>\$ 88,995,361</b>	<b>(4,337,879)</b>	<b>(8,940)</b>	<b>656,209</b>	<b>85,304,751</b>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. 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, 2015 amount to \$111,819. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2016	\$ 89,573
2017	27,656
2018	10,578
2019	6,641
2020	721
Total	<u>\$ 135,169</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, 2015 amount to \$2,048. The lease ended on May 31, 2015.

**E. 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>(134,633)</u>
Total	<u>\$ 538,533</u>

The net present value of the minimum lease payments as of June 30, 2015 is as follows:

Lease Payable	Date Issued	Date Matures	Amount Issued	Interest Rate	Outstanding June 30, 2015
County-Wide Telephone System	8/1/2014	7/1/2018	\$ 673,166	1.75%	\$ 422,051

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**F. Capital Leases**

The future minimum lease obligations as of June 30, 2015, are as follows.

Fiscal Year Ending Ending June 30	
2016	\$ 140,707
2017	140,707
2018	140,708
2019	11,725
Total Requirements	433,847
Less: Interest	(11,796)
Present Value of Remaining Payments	\$ 422,051

Amortization of leased equipment under capital assets is included with depreciation expense.

**G. 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, 2015.

	Balance Beginning of Year	Additions	Retirements/ Reductions	Balance End of Year	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$149,500,000	-	(4,200,000)	145,300,000	4,740,000
Add: For Issuance of Premium	4,939,718	-	(482,355)	4,457,363	-
Total General Obligation Bonds	154,439,718	-	(4,682,355)	149,757,363	4,740,000
Capital Outlay Notes	5,520,000	-	(590,000)	4,930,000	595,000
Capital Lease	554,117	-	(132,066)	422,051	134,396
Other Post-Employment Benefits	1,873,776	278,280	(55,074)	2,096,982	62,000
Compensated Absences	1,675,376	-	(82,732)	1,592,644	297,840
<b>Governmental Activities Long-Term Liabilities</b>	<b>\$164,062,987</b>	<b>278,280</b>	<b>(5,542,227)</b>	<b>158,799,040</b>	<b>5,829,236</b>
<b>Component Unit - WCBOE</b>					
Compensated Absences	\$ 159,799	-	(673)	159,126	159,126
Other Post-Employment Benefits	3,434,900	518,100	-	3,953,000	168,000
<b>WCBOE Long-Term Liabilities</b>	<b>\$ 3,594,699</b>	<b>518,100</b>	<b>(673)</b>	<b>4,112,126</b>	<b>327,126</b>

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

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

<b>Bonds Payable</b>	<u>Date</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Outstanding</u>
	<u>Issued</u>	<u>Matures</u>	<u>Issued</u>		<u>June 30, 2015</u>
School Construction Bonds	01/23/07	06/01/37	\$105,675,000	4.37-5.00%	\$105,675,000
Refunding Bonds	01/23/07	06/01/18	4,275,000	4.37-5.00%	3,325,000
Justice Center					
Construction Bonds	01/23/07	06/01/35	20,410,000	4.37-5.00%	19,365,000
School Refunding Tax					
Exempt Bonds	06/27/11	04/01/22	6,895,000	2.00-4.00%	3,570,000
School Refunding					
Construction Bonds	06/27/11	04/01/23	2,870,000	1.70-4.00%	2,615,000
School Bus Bonds	11/09/12	04/01/20	1,760,000	2.00%	1,280,000
Rural School Bonds	09/13/13	06/30/26	2,630,000	2.00-3.00%	2,440,000
General Obl. School Bonds	09/13/13	07/25/25	1,385,000	2.00-3.80%	1,255,000
School Construction					
Refunding Bonds	04/01/14	04/01/18	7,785,000	1.50-5.00%	<u>5,775,000</u>
Total					<u>\$ 145,300,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending June 30</u>			
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	3,595,000	4,758,256	8,353,256
2021-2025	20,645,000	21,108,282	41,753,282
2026-2030	26,305,000	15,445,569	41,750,569
2031-2035	33,070,000	8,682,450	41,752,450
2036-2037	18,640,000	1,267,425	19,907,425
	<u>\$105,675,000</u>	<u>70,979,006</u>	<u>176,654,006</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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
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>\$ 3,325,000</u>	<u>359,250</u>	<u>3,684,250</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	765,000	835,031	1,600,031
2021-2025	4,395,000	3,603,657	7,998,657
2026-2030	5,605,000	2,398,969	8,003,969
2031-2035	7,050,000	957,257	8,007,257
	<u>\$ 19,365,000</u>	<u>11,364,288</u>	<u>30,729,288</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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
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	330,000	29,250	359,250
2021-2022	645,000	28,950	673,950
	<u>\$ 3,570,000</u>	<u>373,500</u>	<u>3,943,500</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
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	285,000	58,543	343,543
2021-2023	1,255,000	112,852	1,367,852
	<u>\$ 2,615,000</u>	<u>483,620</u>	<u>3,098,620</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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
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>\$ 1,280,000</u>	<u>78,000</u>	<u>1,358,000</u>

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

Fiscal Year Ending June 30	Principal	Interest	Total
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	215,000	44,525	259,525
2021-2025	1,160,000	124,325	1,284,325
2026	255,000	3,825	258,825
	<u>\$ 2,440,000</u>	<u>396,575</u>	<u>2,836,575</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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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
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	135,000	23,279	158,279
2021-2025	520,000	56,938	576,938
2026	85,000	1,615	86,615
	<u>\$ 1,255,000</u>	<u>206,210</u>	<u>1,461,210</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
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>\$ 5,775,000</u>	<u>330,000</u>	<u>6,105,000</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

**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
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
2021-2025	28,620,000	25,035,004	53,655,004
2026-2030	32,250,000	17,849,978	50,099,978
2031-2035	40,120,000	9,639,707	49,759,707
2036-2037	18,640,000	1,267,425	19,907,425
	<u>\$ 145,300,000</u>	<u>84,570,449</u>	<u>229,870,449</u>

**Capital Outlay Notes**

	Date Issued	Maturity Date	Amount Issued	Interest Rate	Outstanding June 30, 2015
General Obligation	09/13/13	07/15/25	\$5,520,000	2.00-3.00%	\$ 4,930,000

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
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
2021-2025	1,830,000	155,613	1,985,613
2026	280,000	4,200	284,200
	<u>\$ 4,930,000</u>	<u>646,238</u>	<u>5,576,238</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

The composition of interfund balances as of June 30, 2015 is as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund			Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
Capital Projects Fund	20,000	-	481,831	501,831
Highway Fund	-	577,500	-	577,500
	<u>20,000</u>	<u>577,500</u>	<u>481,831</u>	<u>1,079,331</u>

**Interfund Transfers**

Transfer Out	Transfer In			Total
	General Fund	Capital Projects Fund	Debt Service Fund	
Primary Government				
General Fund	\$ -	431,307	123,981	555,288
Highway Fund	-	-	808,500	808,500
Sanitation Fund	-	-	31,273	31,273
Constitutional Officers	5,394,217	-	-	5,394,217
	<u>\$ 5,394,217</u>	<u>431,307</u>	<u>963,754</u>	<u>6,789,278</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, 2015**

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

**G. Deferred Compensation Plan**

The County offers its employees a deferred compensation plan. The Washington County 457(b) Deferred Compensation Plan is available to all employees who have reached age eighteen and have achieved six months service. It permits these eligible employees to contribute pretax dollars into the Plan, via a percentage of eligible compensation, which is defined as W2 wages plus elective deferrals and Section 125 deductions, less fringe benefits, up to certain limits prescribed by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan assets are in custodial accounts and are not subject to the claims of the County's general creditors and are not reflected in funds of the County. Employee contributions totaled \$809,614 for the fiscal year ended June 30, 2014.

**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 \$229,750 to the operations during the fiscal year ended June 30, 2015.

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, 2015.

Washington County is responsible for funding at least 30% of operations of the Washington County Economic Development Council. The County contributed \$171,206 to the operations during the fiscal year and has no equity interest as of June 30, 2015.

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 \$156,357 to the operations during the fiscal year and has no equity interest as June 30, 2015. 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).

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**A. Joint Ventures (Continued)**

The most recent audited information is summarized below. The information reflected is for the fiscal year ending June 30, 2014 except for the Economic Development Council which is for the fiscal year ending June 30, 2015. Complete financial statements for each of the individual joint ventures may be obtained at the administrative offices of:

Animal Control Center  
3411 North Roan Street  
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 - 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	<u>\$ 756,288</u>	<u>3,184,282</u>	<u>822,736</u>
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	<u>\$ 756,288</u>	<u>3,184,282</u>	<u>822,736</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**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.

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 and 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 director 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, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

**C. Pension Plan (Continued)**

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's 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, 2013	\$ 645
June 30, 2014	550
June 30, 2015	0

**D. Pension Plan**

**Washington County Public Employee Pension Plan**

**General Information about the Pension Plan**

***Plan Description***

Employees of the County and the Washington County Board of Education non-certified employees are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

The amounts presented were distributed between the County and Board of Education's non-certified employees based on the percentage of current year employer contributions (approximately 65% for the County and 35% for Board of Education non-certified employees).

***Benefits Provided***

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related disability and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest

**General Information about the Pension Plan (Continued)**

***Employees Covered by Benefit Terms***

At the measurement date of June 30, 2014, the following County employees and Board of Education non-certified employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	509
Inactive employees entitled to but not yet receiving benefits	775
Active employees	986
	<hr/> <u>2,270</u>

***Contributions***

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Both the County and Board of Education non-certified employees have adopted a noncontributory plan for its employees by assuming employee contributions up to 5 percent of annual covered payroll. The County and Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the County and Board of Education non-certified employees was \$2,137,282 based on a rate of 13.09 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Net Pension Liability (Asset)**

The County and Board of Education non-certified employees' net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Net Pension Liability (Asset) (Continued)**

***Actuarial Assumptions (Continued)***

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	6.46%	33.00%
Developed Market International Equity	6.26%	17.00%
Emerging Market International Equity	6.40%	5.00%
Private Equity and Strategic Lending	4.61%	8.00%
U.S. Fixed Income	0.98%	29.00%
Real Estate	4.73%	7.00%
Short-term Securities	0.00%	1.00%
		100.00%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Net Pension Liability (Asset) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the County and Board of Education will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)				Net Pension Liability (Asset)
	Total Pension Liability		Plan Fiduciary Net Position		
	Washington County	Board of Education	Washington County	Board of Education	
	(a)		(b)	(a) - (b)	
Balance at 6/30/2013	\$ 51,776,672	27,564,678	48,799,152	25,979,516	4,562,682
Changes for the Year:					
Service Cost	1,278,833	680,820	-	-	1,959,653
Interest	3,914,142	2,083,797	-	-	5,997,939
Differences Between Expected and Actual Experience	(639,949)	(340,693)	-	-	(980,642)
Contributions - Employer	-	-	2,286,066	1,217,047	(3,503,113)
Contributions - Employees	-	-	95	50	(145)
Net Investment Income	-	-	8,131,617	4,329,081	(12,460,698)
Benefits Payments, Including Refunds of Employee Contributions	(1,733,894)	(923,084)	(1,733,894)	(923,084)	-
Administrative Expense	-	-	(24,771)	(13,187)	37,958
Net Changes	<u>2,819,132</u>	<u>1,500,840</u>	<u>8,659,113</u>	<u>4,609,907</u>	<u>(8,949,048)</u>
Balance at 6/30/2014	<u>\$ 54,595,804</u>	<u>29,065,518</u>	<u>57,458,265</u>	<u>30,589,423</u>	<u>(4,386,366)</u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Changes in the Net Pension Liability (Asset) (Continued)**

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the County and Board of Education non-certified employees calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00-percentage-point lower (6.5 percent) or 1.00-percentage-point higher (8.5 percent) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
Washington County's Net Pension Liability (Asset)	\$ 4,458,073	(2,862,461)	(8,976,989)
Board of Education's Net Pension Liability (Asset)	2,373,373	(1,523,905)	(4,779,137)
Total Net Pension Liability (Asset)	\$ 6,831,446	(4,386,366)	(13,756,126)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

***Pension Expense***

For the year ended June 30, 2015, the County recognized pension expense of \$540,896 and the Board of Education recognized pension expense of \$287,961.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2015, the County and Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Washington County	Board of Education	Washington County	Board of Education
Differences Between Expected and Actual Experience	\$ -	-	533,291	283,911
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	3,561,520	1,896,069
Contributions Subsequent to the Measurement Date of June 30, 2014	<u>2,137,282</u>	<u>1,137,839</u>	<u>(not applicable)</u>	<u>(not applicable)</u>
Total	<u>\$ 2,137,282</u>	<u>1,137,839</u>	<u>4,094,811</u>	<u>2,179,980</u>

The amounts shown above for "Contributions Subsequent to the Measurement Date of June 30, 2014," will be recognized as a reduction (increase) to pension liability (asset) in the following measurement period.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Washington County Public Employee Pension Plan (Continued)**

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)***

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Washington County	Board of Education
Year Ended June 30:		
2016	\$ (997,038)	(530,799)
2017	(997,038)	(530,799)
2018	(997,038)	(530,799)
2019	(997,038)	(530,799)
2020	(106,659)	(56,784)
Thereafter	-	-

In the tables shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Component Unit - Washington County Board of Education - Legacy Pension Plan**

**General Information about the Pension Plan**

***Plan Description***

Teachers with membership in the TCRS before July 1, 2014 of Washington County Board of Education are provided with pensions through the Teacher Legacy Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit - Washington County Board of Education - Legacy Pension Plan  
(Continued)**

**General Information about the Legacy Pension Plan (Continued)**

***Benefits Provided***

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

***Contributions***

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions of Washington County Board of Education for the year ended June 30, 2015 to the Teacher Legacy Pension Plan were \$2,634,416 which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit – Washington County Board of Education – Legacy Pension Plan  
(Continued)**

**Pension Liabilities (Assets), Pension Expense (Income), and Deferred Outflows of  
Resources and Deferred Inflows of Resources Related to Pensions**

***Pension Asset***

At June 30, 2014, the Washington County Board of Education reported an asset of \$123,475 for its proportionate share of net pension asset for the Teacher Legacy Pension Plan. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Washington County Board of Education's proportion of the net pension liability (asset) was based on Washington County Board of Education's employer contributions to the pension plan during the year ended June 30, 2014 relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014 measurement date, Washington County Board of Education's proportion was 0.759867 percent. The proportion measured as of June 30, 2013 was 0.768243 percent.

***Pension Income***

For the year ended June 30, 2015, Washington County Board of Education recognized a pension income of \$125,585.

***Deferred Outflows of Resources***

For the year ended June 30, 2015, the Board of Education reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 299,766	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	10,173,549
Changes in Proportion of Net Pension Liability (Asset)	-	118,137
Contributions Subsequent to the Measurement Date of June 30, 2014	<u>2,634,416</u>	<u>(not applicable)</u>
Total	<u>\$ 2,934,182</u>	<u>10,291,686</u>

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2015

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

**D. Pension Plan (Continued)**

**Component Unit - Washington County Board of Education - Legacy Pension Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Deferred Outflows of Resources (Continued)***

Washington County Board of Education's employer contributions of \$2,634,416 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	\$ (2,513,116)
2017	(2,513,116)
2018	(2,513,116)
2019	(2,513,116)
2020	30,271
Thereafter	30,271

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

***Actuarial Assumptions***

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit - Washington County Board of Education - Legacy Pension Plan  
(Continued)**

**Pension Liabilities (Assets), Pension Expense (Income), and Deferred Outflows of  
Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Actuarial Assumptions (Continued)***

Mortality are customized based on the June 30, 2012 actuarial experience study and included some adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit - Washington County Board of Education - Legacy Pension Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Actuarial Assumptions (Continued)***

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	6.46%	33.00%
Developed Market International Equity	6.26%	17.00%
Emerging Market International Equity	6.40%	5.00%
Private Equity and Strategic Lending	4.61%	8.00%
U.S. Fixed Income	0.98%	29.00%
Real Estate	4.73%	7.00%
Short-term Securities	0.00%	1.00%
		<u>100.00%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WASHINGTON COUNTY, TENNESSEE  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2015

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

**D. Pension Plan (Continued)**

**Component Unit - Washington County Board of Education - Legacy Pension Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents Washington County Board of Education's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Washington County Board of Education's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00-percentage-point lower (6.5 percent) or 1.00-percentage-point higher (8.5 percent) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
Washington County Board of Education's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,825,443	(123,475)	(17,466,908)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit – Washington County Board of Education – Retirement Plan**

**General Information about the Pension Plan**

***Plan Description***

Teachers with membership in the TCRS before July 1, 2014 of Washington County Board of Education are provided with pensions through the Teacher Legacy Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing, multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

***Benefits Provided***

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of the length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit – Washington County Board of Education – Retirement Plan (Continued)**

**General Information about the Pension Plan (Continued)**

***Contributions***

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions of Washington County Board of Education for the year ended June 30, 2015 to the Teacher Retirement Plan were \$67,748 which is 4 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

***Pension Liabilities***

Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is not a net pension liability to report at June 30, 2015.

***Pension Expense***

Since the measurement date is June 30, 2014, Washington County Board of Education did not recognize a pension expense at June 30, 2015.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**D. Pension Plan (Continued)**

**Component Unit – Washington County Board of Education – Retirement Plan (Continued)**

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

***Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2015, Washington County Board of Education reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 67,748	(not applicable)

Washington County Board of Education's employer contributions of \$67,748 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in the net pension liability in the year ended June 30, 2016.

**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.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

**Washington County (Continued)**

**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.

Annual Required Contribution (ARC)	\$ 287,173
Interest on Net OPEB Obligation	48,520
Adjustment to ARC	(57,414)
Annual OPEB Cost (Expense)	278,279
Contribution Made (assumed end of year)	(55,073)
Increase (Decrease) in Net OPEB Obligation	223,206
Net OPEB Obligation - Beginning of Year	1,873,776
Net OPEB Obligation - End of Year	\$ 2,096,982

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
6/30/2015	\$ 278,279	19.8%	\$ 2,096,982	\$ 14,861,595	1.9%
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%

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

**Washington County (Continued)**

**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)
7/1/2014	\$ -	\$ 2,304,247	\$ 2,304,247	0.00%	\$ 14,861,595	15.5%
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, 2014 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 2014. The trend will be reduced by decrements to an ultimate rate of 5.00% by fiscal year 2018. 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 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>.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

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

**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.

**Annual OPEB Cost and Net OPEB Obligation**

Annual Required Contribution (ARC)	\$ 857,000
Interest on Net OPEB Obligation	137,000
Adjustment to ARC	(133,900)
Annual OPEB Cost (Expense)	<u>860,100</u>
Contribution Made	<u>(342,000)</u>
Increase (Decrease) in Net OPEB Obligation	518,100
Net OPEB Obligation - Beginning of Year	3,434,900
Net OPEB Obligation - End of Year	<u><u>\$ 3,953,000</u></u>

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

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

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

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

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
6/30/2015	Teacher & Local Government Plan	\$ 860,100	40%	\$ 3,953,000
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

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2015 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	\$ 39,222,219
UAAL as a Percentage of Covered Payroll	18%

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.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

**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%. The trend decreased 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%.

**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 2015 was \$309,662 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 materially 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.

**WASHINGTON COUNTY, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2015**

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

**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.

**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 Restatement and Adjustment**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27* was implemented in the current fiscal year which recognized the initial establishment of a net pension asset at July 1, 2013. Due to the implementation of the new GASB standard, a restatement of \$691,454 decreased the County's net position and a restatement of \$5,965,748 decreased the Board of Education's net position in order to record the net opening balance of the pension liability and other debits/credits required in the government-wide financial statements under the new standards.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

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

**J. Prior Period Restatement and Adjustment (Continued)**

During the current fiscal year, it was determined that \$609,571 of capital assets had been received by the County through a capital grant from the federal government in fiscal years prior to July 1, 2014. To correct this, government-wide beginning net position for governmental activities was increased by this amount.

**REQUIRED SUPPLEMENTARY INFORMATION**

WASHINGTON COUNTY, TENNESSEE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN WASHINGTON COUNTY AND BOARD OF EDUCATION'S NET PENSION LIABILITY (ASSET)  
 AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS  
 Last Fiscal Year Ending June 30

	2014		
	Washington County	Board of Education	Total
<b>Total Pension Liability</b>			
Service Cost	\$ 1,278,833	680,820	1,959,653
Interest	3,914,142	2,083,797	5,997,939
Changes in Benefit Terms	-	-	-
Differences between Actual and Expected Experience	(639,949)	(340,693)	(980,642)
Change of Assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,733,894)	(923,084)	(2,656,978)
<b>Net Change in Total Pension Liability</b>	<b>2,819,132</b>	<b>1,500,840</b>	<b>4,319,972</b>
<b>Total Pension Liability - Beginning</b>	<b>51,776,672</b>	<b>27,564,678</b>	<b>79,341,350</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 54,595,804</b>	<b>29,065,518</b>	<b>83,661,322</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 2,286,066	1,217,047	3,503,113
Contributions - Employees	95	50	145
Net Investment Income	8,131,617	4,329,081	12,460,698
Benefit Payments, including Refunds of Employee Contributions	(1,733,894)	(923,084)	(2,656,978)
Administrative Expense	(24,771)	(13,187)	(37,958)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>8,659,113</b>	<b>4,609,907</b>	<b>13,269,020</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>48,799,152</b>	<b>25,979,516</b>	<b>74,778,668</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 57,458,265</b>	<b>30,589,423</b>	<b>88,047,688</b>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ (2,862,461)</b>	<b>(1,523,905)</b>	<b>(4,386,366)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>105.24%</b>	<b>105.24%</b>	<b>105.24%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 15,974,924</b>	<b>8,504,673</b>	<b>24,479,597</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll</b>	<b>17.92%</b>	<b>17.92%</b>	<b>17.92%</b>

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future fiscal years until 10 fiscal years of information is available.

**WASHINGTON COUNTY, TENNESSEE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF WASHINGTON COUNTY AND BOARD OF EDUCATION'S CONTRIBUTIONS BASED ON PARTICIPATION IN THE  
 PUBLIC EMPLOYEE PENSION PLAN OF TCRS  
 Last Fiscal Year Ending June 30**

	<b>2014</b>			<b>2015</b>		
	Washington County	Board of Education	Total	Washington County	Board of Education	Total
Actuarially Determined Contribution	\$ 2,286,066	1,217,047	3,503,113	2,137,282	1,137,839	3,275,121
Contributions in Relation to the Actuarially Determined Contribution	<u>2,286,066</u>	<u>1,217,047</u>	<u>3,503,113</u>	<u>2,137,282</u>	<u>1,137,839</u>	<u>3,275,121</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Covered-Employee Payroll	 \$ 15,974,924	 8,504,673	 24,479,597	 16,327,595	 8,692,426	 25,020,021
 Contributions as a Percentage of Covered-Employee Payroll	 14.31%	 14.31%	 14.31%	 13.09%	 13.09%	 13.09%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

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**Notes to the Schedule**

*Valuation date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	2 years
Asset valuation	10-year smoothed within a 20% corridor to market value
Inflation	3.00%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Investment Rate of Return	7.50%. Net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.50%

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF WASHINGTON COUNTY BOARD OF EDUCATION'S CONTRIBUTIONS**  
**TEACHER LEGACY PLAN OF TCRS**  
**Fiscal Year Ended June 30**

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution (ADC)	\$ 2,648,436	2,634,416
Contribution in Relation to the Actuarially Determined Contribution	<u>2,648,436</u>	<u>2,634,416</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>0</u>
Covered-Employee Payroll	\$ 29,824,732	29,141,770
Contributions as a Percentage of Covered-Employee Payroll	8.88%	9.04%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF WASHINGTON COUNTY BOARD OF EDUCATION'S PROPORTIONATE SHARE OF THE**  
**NET PENSION ASSET IN THE TEACHER LEGACY PLAN OF TCRS**  
**Fiscal Year Ending June 30**

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	<b>2014</b>
Board of Education's Proportion of the Net Pension Asset	0.759867%
Board of Education's Proportionate Share of the Net Pension Asset	\$ 123,475
Board of Education's Covered-Employee Payroll	\$ 29,824,732
Board of Education's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	100.8%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF WASHINGTON COUNTY BOARD OF EDUCATION'S CONTRIBUTIONS**  
**TEACHER RETIREMENT PLAN OF TCRS**  
**Fiscal Year Ended June 30**

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	2015
Actuarially Determined Contribution (ADC)	\$ 42,343
Contributions in Relation to the Actuarially Determined Contribution	67,748
Contribution Deficiency (Excess)	\$ (25,405)
Covered-Employee Payroll	\$ 1,693,700
Contributions as a Percentage of Covered-Employee Payroll	4.00%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF FUNDING PROGRESS - OPEB  
For the Fiscal Year Ended June 30, 2015**

(Dollar Amounts in Thousands)

**Washington County**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a) (UAAL) Unfunded AAL	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a % of Covered Payroll
July 1, 2014	\$ -	\$ 2,304	\$ 2,304	0.00%	\$ 14,862	15.5%
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**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) (AAL) Actuarial Accrued Liability -Entry Age	(b) - (a) (UAAL) Unfunded AAL	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a % of Covered Payroll
July 1, 2013	\$ -	\$ 7,163	\$ 7,163	0.00%	\$ 39,222	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%

Additional years will be reported as data becomes available.

See Independent Auditors' Report.

**SUPPLEMENTARY INFORMATION**

**WASHINGTON COUNTY, TENNESSEE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2015**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers - Fee Fund	Rural Debt Service Fund	
<b>ASSETS</b>					
Equity in Pooled Cash and Deposits	\$ 1,166,362	234,639	172,487	241,190	1,814,678
Cash and Cash Equivalents	-	-	309,344	-	309,344
Due from State of Tennessee	37,732	-	-	-	37,732
Due from Other Local Governments	17,588	-	-	-	17,588
Due from Others	20,838	-	-	-	20,838
Taxes Receivable	774,196	-	-	-	774,196
Allowance for Uncollectibles	(695)	-	-	-	(695)
<b>TOTAL ASSETS</b>	<b>\$ 2,016,021</b>	<b>234,639</b>	<b>481,831</b>	<b>241,190</b>	<b>2,973,681</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 540	6,094	-	-	6,634
Accrued Expenses	27,151	-	-	-	27,151
Due to Other Funds	-	-	481,831	-	481,831
<b>TOTAL LIABILITIES</b>	<b>27,691</b>	<b>6,094</b>	<b>481,831</b>	<b>0</b>	<b>515,616</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred - Current Property Taxes	738,893	-	-	-	738,893
Unavailable Revenue	33,994	-	-	-	33,994
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>772,887</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>772,887</b>
<b>FUND BALANCES</b>					
Restricted For:					
Public Safety	-	228,545	-	-	228,545
Debt Service	-	-	-	241,190	241,190
Committed For:					
Public Health and Welfare	1,215,443	-	-	-	1,215,443
<b>TOTAL FUND BALANCES</b>	<b>1,215,443</b>	<b>228,545</b>	<b>0</b>	<b>241,190</b>	<b>1,685,178</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,016,021</b>	<b>234,639</b>	<b>481,831</b>	<b>241,190</b>	<b>2,973,681</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, 2015**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers - Fee Fund	Rural Debt Service Fund	
<b>REVENUES</b>					
Taxes	\$ 944,432	-	-	-	944,432
Licenses and Permits	116	-	-	-	116
Fines, Forfeitures and Penalties	-	30,296	-	-	30,296
Charges for Current Services	127,536	-	-	-	127,536
Other Local Revenues	172,526	43,386	13,309	-	229,221
Revenue from State of Tennessee	99,957	-	-	-	99,957
Revenue from Other Governments and Citizens Groups	-	-	5,406,599	260,000	5,666,599
<b>TOTAL REVENUES</b>	<u>1,344,567</u>	<u>73,682</u>	<u>5,419,908</u>	<u>260,000</u>	<u>7,098,157</u>
<b>EXPENDITURES</b>					
General Government	-	52,058	25,691	-	77,749
Public Health and Welfare	1,326,129	-	-	-	1,326,129
Debt Service	-	-	-	255,850	255,850
<b>TOTAL EXPENDITURES</b>	<u>1,326,129</u>	<u>52,058</u>	<u>25,691</u>	<u>255,850</u>	<u>1,659,728</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>18,438</u>	<u>21,624</u>	<u>5,394,217</u>	<u>4,150</u>	<u>5,438,429</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to Other Funds	<u>(31,273)</u>	<u>-</u>	<u>(5,394,217)</u>	<u>-</u>	<u>(5,425,490)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(31,273)</u>	<u>0</u>	<u>(5,394,217)</u>	<u>0</u>	<u>(5,425,490)</u>
Net Change in Fund Balance	(12,835)	21,624	-	4,150	12,939
Fund Balances, July 1, 2014	<u>1,228,278</u>	<u>206,921</u>	<u>-</u>	<u>237,040</u>	<u>1,672,239</u>
Fund Balances, June 30, 2015	<u>\$ 1,215,443</u>	<u>228,545</u>	<u>0</u>	<u>241,190</u>	<u>1,685,178</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 933,245	937,632	944,432	6,800
Licenses and Permits	100	100	116	16
Charges for Current Services	100,000	100,000	127,535	27,535
Other Local Revenues	161,000	161,000	172,527	11,527
Revenue from State of Tennessee	88,000	88,000	99,957	11,957
<b>TOTAL REVENUES</b>	<b>1,282,345</b>	<b>1,286,732</b>	<b>1,344,567</b>	<b>57,835</b>
EXPENDITURES				
Sanitation Operations	1,474,730	1,443,457	1,166,057	277,400
Tire Center Operations	206,526	206,526	152,077	54,449
<b>TOTAL EXPENDITURES</b>	<b>1,681,256</b>	<b>1,649,983</b>	<b>1,318,134</b>	<b>331,849</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(398,911)	(363,251)	26,433	389,684
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	-	(31,273)	(31,273)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>(31,273)</b>	<b>(31,273)</b>	<b>0</b>
Net Change in Fund Balance	(398,911)	(394,524)	(4,840)	389,684
Fund Balance, July 1, 2014	1,190,839	1,190,839	1,190,839	-
<b>Fund Balance, June 30, 2015</b>	<b>\$ 791,928</b>	<b>796,315</b>	<b>1,185,999</b>	<b>389,684</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SOLID WASTE / SANITATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2015**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2015	Add: Encumbrances 6/30/2014	
TOTAL REVENUES	\$ 1,344,567	-	-	1,344,567
EXPENDITURES				
Sanitation Operations	1,166,057	29,444	37,439	1,174,052
Tire Center Operations	152,077	-	-	152,077
TOTAL EXPENDITURES	1,318,134	29,444	37,439	1,326,129
Excess (Deficiency) of Revenues over Expenditures	26,433	29,444	37,439	18,438
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(31,273)	-	-	(31,273)
TOTAL OTHER FINANCING SOURCES (USES)	(31,273)	0	0	(31,273)
Net Change in Fund Balance	(4,840)	29,444	37,439	(12,835)
Fund Balance, July 1, 2014	1,190,839	-	37,439	1,228,278
Fund Balance, June 30, 2015	<u>\$ 1,185,999</u>	<u>29,444</u>	<u>74,878</u>	<u>1,215,443</u>

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

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
DRUG FINES FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 23,000	23,000	30,296	7,296
Other Local Revenues	7,100	7,100	43,386	36,286
TOTAL REVENUES	<u>30,100</u>	<u>30,100</u>	<u>73,682</u>	<u>43,582</u>
EXPENDITURES				
General Government	65,800	98,200	52,058	46,142
TOTAL EXPENDITURES	<u>65,800</u>	<u>98,200</u>	<u>52,058</u>	<u>46,142</u>
Net Change in Fund Balance	(35,700)	(68,100)	21,624	89,724
Fund Balance, July 1, 2014	<u>206,921</u>	<u>206,921</u>	<u>206,921</u>	<u>-</u>
Fund Balance, June 30, 2015	<u>\$ 171,221</u>	<u>138,821</u>	<u>228,545</u>	<u>89,724</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
RURAL DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from Other Governments and Citizen Groups	\$ -	255,850	260,000	4,150
<b>TOTAL REVENUES</b>	<b>0</b>	<b>255,850</b>	<b>260,000</b>	<b>4,150</b>
<b>EXPENDITURES</b>				
Debt Service	-	255,850	255,850	-
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>255,850</b>	<b>255,850</b>	<b>0</b>
Net Change in Fund Balance	-	-	4,150	4,150
Fund Balance, July 1, 2014	237,040	237,040	237,040	-
Fund Balance, June 30, 2015	<u>\$ 237,040</u>	<u>237,040</u>	<u>241,190</u>	<u>4,150</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,891,994	10,337,541	10,433,648	96,107
Licenses and Permits	1,000	1,000	1,216	216
Other Local Revenues	10,000	10,000	15,728	5,728
<b>TOTAL REVENUES</b>	<b>10,902,994</b>	<b>10,348,541</b>	<b>10,450,592</b>	<b>102,051</b>
<b>EXPENDITURES</b>				
Principal on Bonds	4,200,000	4,010,000	4,010,000	-
Principal on Notes	590,000	590,000	590,000	-
Interest on Bonds	6,668,100	6,602,250	6,597,957	4,293
Interest on Notes	137,900	137,900	137,875	25
Trustee Commission and Debt Issuance Costs	210,000	210,000	202,819	7,181
Fees	10,000	10,000	8,198	1,802
<b>TOTAL EXPENDITURES</b>	<b>11,816,000</b>	<b>11,560,150</b>	<b>11,546,849</b>	<b>13,301</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(913,006)	(1,211,609)	(1,096,257)	115,352
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	596,981	336,981	963,754	626,773
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>596,981</b>	<b>336,981</b>	<b>963,754</b>	<b>626,773</b>
Net Change in Fund Balance	(316,025)	(874,628)	(132,503)	742,125
Fund Balance, July 1, 2014	7,233,518	7,233,518	7,233,518	-
Fund Balance, June 30, 2015	<u>\$ 6,917,493</u>	<u>6,358,890</u>	<u>7,101,015</u>	<u>742,125</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2015**

	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	\$ -	-	4,892,670	-	-	4,892,670
Equity in Pooled Cash and Deposits	-	-	-	219,023	169,375	388,398
Accounts Receivable	-	-	31,328	10,000	443	41,771
Taxes Receivable	11,493,088	-	-	-	-	11,493,088
Allowance for Uncollectibles	(10,311)	-	-	-	-	(10,311)
Sales Tax Receivable	2,146,217	4,001,946	-	-	-	6,148,163
<b>TOTAL ASSETS</b>	<b>\$ 13,628,994</b>	<b>4,001,946</b>	<b>4,923,998</b>	<b>229,023</b>	<b>169,818</b>	<b>22,953,779</b>
<b>LIABILITIES</b>						
Due to Other Governments	\$ 13,628,994	4,001,946	-	187,133	156,204	17,974,277
Due to State	-	-	1,118,409	-	-	1,118,409
Due to Litigants, Heirs and Others	-	-	3,805,589	41,890	13,614	3,861,093
<b>TOTAL LIABILITIES</b>	<b>\$ 13,628,994</b>	<b>4,001,946</b>	<b>4,923,998</b>	<b>229,023</b>	<b>169,818</b>	<b>22,953,779</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>Johnson City Schools Fund</b>				
<b>ASSETS</b>				
Taxes Receivable	\$ 11,211,550	281,538	-	11,493,088
Allowance for Uncollectibles	(10,984)	673	-	(10,311)
Sales Tax Receivable	1,990,985	155,232	-	2,146,217
<b>TOTAL ASSETS</b>	<b>\$ 13,191,551</b>	<b>437,443</b>	<b>0</b>	<b>13,628,994</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 13,191,551	437,443	-	13,628,994
<b>TOTAL LIABILITES</b>	<b>\$ 13,191,551</b>	<b>437,443</b>	<b>0</b>	<b>13,628,994</b>
<b>Cities Sales Tax Fund</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ -	28,256,626	28,256,626	-
Sales Tax Receivable	3,780,190	221,756	-	4,001,946
<b>TOTAL ASSETS</b>	<b>\$ 3,780,190</b>	<b>28,478,382</b>	<b>28,256,626</b>	<b>4,001,946</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 3,780,190	221,756	-	4,001,946
<b>TOTAL LIABILITES</b>	<b>\$ 3,780,190</b>	<b>221,756</b>	<b>0</b>	<b>4,001,946</b>
<b>Constitutional Officers</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 4,662,172	21,010,432	20,779,934	4,892,670
Accounts Receivable	24,701	6,627	-	31,328
<b>TOTAL ASSETS</b>	<b>\$ 4,686,873</b>	<b>21,017,059</b>	<b>20,779,934</b>	<b>4,923,998</b>
<b>LIABILITIES</b>				
Due to State	\$ 854,276	264,133	-	1,118,409
Due to Litigants, Heirs and Others	3,832,597	-	27,008	3,805,589
<b>TOTAL LIABILITES</b>	<b>\$ 4,686,873</b>	<b>264,133</b>	<b>27,008</b>	<b>4,923,998</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>Judicial Drug Task Force</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 1,000	2,198	3,198	-
Equity in Pooled Cash and Deposits	192,046	145,813	118,836	219,023
Accounts Receivable	5,075	6,545	1,620	10,000
<b>TOTAL ASSETS</b>	<b>\$ 198,121</b>	<b>154,556</b>	<b>123,654</b>	<b>229,023</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 197,527	-	10,394	187,133
Due to Litigants, Heirs and Others	594	41,296	-	41,890
<b>TOTAL LIABILITIES</b>	<b>\$ 198,121</b>	<b>41,296</b>	<b>10,394</b>	<b>229,023</b>
<b>District Attorney General</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 132,808	52,731	16,164	169,375
Accounts Receivable	1,590	443	1,590	443
<b>TOTAL ASSETS</b>	<b>\$ 134,398</b>	<b>53,174</b>	<b>17,754</b>	<b>169,818</b>
<b>LIABILITIES</b>				
Due to Litigants, Heirs and Others	\$ 749	13,614	749	13,614
Due to Other Governments	133,649	22,555	-	156,204
<b>TOTAL LIABILITIES</b>	<b>\$ 134,398</b>	<b>36,169</b>	<b>749</b>	<b>169,818</b>
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash on Hand and in Bank	\$ 4,663,172	21,012,630	20,783,132	4,892,670
Equity in Pooled Cash and Deposits	324,854	28,455,170	28,391,626	388,398
Accounts Receivable	31,366	13,615	3,210	41,771
Taxes Receivable	11,211,550	281,538	-	11,493,088
Allowance for Uncollectibles	(10,984)	673	-	(10,311)
Sales Tax Receivable	5,771,175	376,988	-	6,148,163
<b>TOTAL ASSETS</b>	<b>\$ 21,991,133</b>	<b>50,140,614</b>	<b>49,177,968</b>	<b>22,953,779</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 17,302,917	681,754	10,394	17,974,277
Due to State	854,276	264,133	-	1,118,409
Due to Litigants, Heirs and Others	3,833,940	54,910	27,757	3,861,093
<b>TOTAL LIABILITIES</b>	<b>\$ 21,991,133</b>	<b>1,000,797</b>	<b>38,151</b>	<b>22,953,779</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
COMPONENT UNIT - BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2015**

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>COMPONENT UNIT</b>					
<b>GOVERNMENTAL ACTIVITIES</b>					
Regular Instruction	\$ 36,985,240	-	3,002,916	1,870,437	(32,111,887)
Special Education	5,536,980	-	1,804,504	-	(3,732,476)
Vocational Education	2,142,576	-	120,820	-	(2,021,756)
Adult Education	7,582	5,073	-	-	(2,509)
Attendance	122,824	-	-	-	(122,824)
Health Services	760,594	-	-	-	(760,594)
Other Student Support	1,256,036	-	-	-	(1,256,036)
Board of Education	1,331,922	-	-	-	(1,331,922)
Office of the Director	543,515	-	-	-	(543,515)
Office of the Principal	3,224,240	-	-	-	(3,224,240)
Fiscal Services	218,344	-	-	-	(218,344)
Operation of Plant	4,639,040	100,547	-	-	(4,538,493)
Maintenance of Plant	1,773,447	-	-	-	(1,773,447)
Transportation	2,947,514	-	-	-	(2,947,514)
Central and Other	84,552	-	-	-	(84,552)
Food Service	3,481,289	1,015,680	2,239,394	-	(226,215)
Community Service	393,118	512,807	-	-	119,689
Early Childhood Development	211,886	-	-	-	(211,886)
Debt Service	260,000	-	-	-	(260,000)
Depreciation - All Unallocated	4,551,147	-	-	-	(4,551,147)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 70,471,846</b>	<b>1,634,107</b>	<b>7,167,634</b>	<b>1,870,437</b>	<b>(59,799,668)</b>
<b>GENERAL REVENUES</b>					
<b>Taxes</b>					
Property Taxes					\$ 12,658,773
In Lieu of Taxes					230,465
Sales Taxes					14,160,180
Business Taxes					385,164
Miscellaneous					41,060
Other Local Governments					32,667
State Aid					32,114,368
Pension Income					125,585
Gain on Sale and Disposal of Assets					32,407
Unrestricted Investment Earnings					37,558
<b>TOTAL GENERAL REVENUES</b>					<b>59,818,227</b>
<b>CHANGE IN NET POSITION</b>					
					18,559
Net Position - Beginning					90,967,236
Restatement - Pension					(10,362,145)
<b>Net Position - Ending</b>					<b>\$ 80,623,650</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 June 30, 2015**

	Washington County Board of Education			Total Washington County Board of Education
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	
<b>ASSETS</b>				
Equity in Pooled Cash and Deposits	\$ 3,182,038	-	107,628	3,289,666
Inventory - Food Service	-	-	225,212	225,212
Cash Shortage	1,060	-	-	1,060
Accounts Receivable				
Due from State of Tennessee	23,145	270,315	-	293,460
Due from Federal Government	24,693	-	29,452	54,145
Due from Other Funds	85,088	-	-	85,088
Sales Tax Receivable	2,449,537	-	-	2,449,537
Taxes Receivable	13,120,369	-	-	13,120,369
Allowance for Uncollectibles	(11,769)	-	-	(11,769)
<b>TOTAL ASSETS</b>	<b>\$ 18,874,161</b>	<b>270,315</b>	<b>362,292</b>	<b>19,506,768</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 606,660	-	-	606,660
Accrued Expenses	-	811	-	811
Due to Others	-	166,737	-	166,737
Due to Other Funds	-	85,088	-	85,088
<b>TOTAL LIABILITIES</b>	<b>606,660</b>	<b>252,636</b>	<b>-</b>	<b>859,296</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Current Property Taxes	12,531,928	-	-	12,531,928
Unavailable Revenue	576,672	-	-	576,672
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,108,600</b>	<b>0</b>	<b>0</b>	<b>13,108,600</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	225,212	225,212
Restricted for Education	1,129,888	17,679	137,080	1,284,647
Assigned for Education	105,158	-	-	105,158
Unassigned	3,923,855	-	-	3,923,855
<b>TOTAL FUND BALANCES</b>	<b>5,158,901</b>	<b>17,679</b>	<b>362,292</b>	<b>5,538,872</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 18,874,161</b>	<b>270,315</b>	<b>362,292</b>	<b>19,506,768</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, 2015**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 5,538,872
<p>Amounts reported for governmental activities of the Washington County Board of Education in the statement of net position are different because:</p>	
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 \$145,806,921 and the accumulated depreciation is \$60,502,170.	85,304,751
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.	576,671
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.	(4,112,126)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:	
Add: deferred outflows of resources related to pensions	4,139,768
Less: deferred inflows of resources related to pensions	<u>(12,471,666)</u>
	(8,331,898)
Net pension assets of the plan are not current financial resources and therefore are not reported in the governmental funds.	<u>1,647,380</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 80,623,650</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, 2015**

	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	\$ 27,521,273	-	-	27,521,273
Licenses and Permits	1,574	-	-	1,574
Fines, Forfeitures and Penalties	30,763	-	-	30,763
Charges for Current Services	517,880	-	1,015,680	1,533,560
Other Local Revenues	142,224	-	-	142,224
Other Local - Investment Income	37,558	-	-	37,558
Revenue from the Primary Government	1,214,229	-	-	1,214,229
Revenue from State of Tennessee	32,906,698	-	34,855	32,941,553
Revenue from Federal Government	207,702	3,974,081	2,204,539	6,386,322
<b>TOTAL REVENUES</b>	<b>62,579,901</b>	<b>3,974,081</b>	<b>3,255,074</b>	<b>69,809,056</b>
<b>EXPENDITURES</b>				
Regular Instruction	36,925,901	1,906,386	-	38,832,287
Special Education	4,479,206	1,468,535	-	5,947,741
Vocational Education	2,174,604	99,640	-	2,274,244
Adult Education	7,798	-	-	7,798
Attendance	126,175	-	-	126,175
Health Services	782,117	-	-	782,117
Other Student Services	1,261,914	66,552	-	1,328,466
Board of Education	1,329,012	-	-	1,329,012
Office of the Director	580,009	-	-	580,009
Office of the Principal	3,460,951	-	-	3,460,951
Fiscal Services	227,003	-	-	227,003
Operation of Plant	4,675,091	-	-	4,675,091
Maintenance of Plant	1,818,881	-	-	1,818,881
Transportation	2,604,651	428,717	-	3,033,368
Central and Other	85,091	-	-	85,091
Food Service	329,817	-	3,265,792	3,595,609
Community Service	400,287	-	-	400,287
Early Childhood Education	224,967	-	-	224,967
Debt Service	260,000	-	-	260,000
Capital Outlay	213,268	-	-	213,268
<b>TOTAL EXPENDITURES</b>	<b>61,966,743</b>	<b>3,969,830</b>	<b>3,265,792</b>	<b>69,202,365</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	613,158	4,251	(10,718)	606,691
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	32,862	32,862
Transfers to Other Funds	(32,862)	-	-	(32,862)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(32,862)</b>	<b>0</b>	<b>32,862</b>	<b>0</b>
Net Change in Fund Balances	580,296	4,251	22,144	606,691
Fund Balances, July 1, 2014	4,578,605	13,428	340,148	4,932,181
Fund Balances, June 30, 2015	<u>\$ 5,158,901</u>	<u>17,679</u>	<u>362,292</u>	<u>5,538,872</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, 2015**

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TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 606,691
<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 \$4,551,147 exceeds capital outlay of \$213,268.	(4,337,879)
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.	647,267
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 decreased by this amount for the current year.	(57,721)
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.	(518,100)
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 decreased by this amount for the current year.	673
Long-term pension retirement plan expenditures are reported in the governmental funds as incurred. However, in the statement of activities, the cost is expensed as earned. This is the amount of the change in pension retirement plan during the current period.	<u>3,677,627</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,558</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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 27,054,994	27,054,994	27,521,273	466,279
Licenses and Permits	1,840	1,840	1,574	(266)
Fines, Forfeitures and Penalties	80,000	80,000	30,763	(49,237)
Charges for Current Services	514,305	514,305	517,880	3,575
Other Local Revenues	74,500	74,500	179,782	105,282
Contribution from Primary Government	1,382,399	1,382,399	1,214,229	(168,170)
Revenue from State of Tennessee	32,584,537	32,584,738	32,906,698	321,960
Revenue from Federal Government	205,203	179,194	207,702	28,508
<b>TOTAL REVENUES</b>	<b>61,897,778</b>	<b>61,871,970</b>	<b>62,579,901</b>	<b>707,931</b>
<b>EXPENDITURES</b>				
Regular Instruction	37,451,550	37,604,215	36,868,046	736,169
Special Education	4,603,333	4,610,133	4,479,206	130,927
Vocational Education	2,194,211	2,167,749	2,158,016	9,733
Adult Education	4,243	11,558	7,798	3,760
Attendance	125,682	127,482	126,175	1,307
Health Services	859,887	811,787	791,617	20,170
Other Student Services	1,272,712	1,277,212	1,262,533	14,679
Board of Education	1,361,034	1,367,184	1,328,955	38,229
Office of the Director	603,364	598,364	580,009	18,355
Office of the Principal	3,524,699	3,481,699	3,460,951	20,748
Fiscal Services	203,541	228,898	227,003	1,895
Operation of Plant	4,751,549	4,785,149	4,675,091	110,058
Maintenance of Plant	1,911,468	1,883,167	1,818,466	64,701
Transportation	2,948,678	2,909,062	2,604,651	304,411
Central and Other	118,165	108,438	85,090	23,348
Food Service	322,215	329,820	329,817	3
Community Service	451,909	451,909	399,983	51,926
Early Childhood Education	245,902	243,507	224,583	18,924
Debt Service	260,000	260,000	260,000	-
Capital Outlay	-	175,979	270,404	(94,425)
<b>TOTAL EXPENDITURES</b>	<b>63,214,142</b>	<b>63,433,312</b>	<b>61,958,394</b>	<b>1,474,918</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,316,364)	(1,561,342)	621,507	2,182,849
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	(32,862)	(32,862)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>(32,862)</b>	<b>(32,862)</b>	<b>-</b>
Net Change in Fund Balance	(1,316,364)	(1,594,204)	588,645	2,182,849
Fund Balance, July 1, 2014	4,465,099	4,465,099	4,465,099	-
Fund Balance, June 30, 2015	\$ 3,148,735	2,870,895	5,053,744	2,182,849

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
 COMPONENT UNIT - BOARD OF EDUCATION  
 GENERAL PURPOSE SCHOOL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the Fiscal Year Ended June 30, 2015**

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

	Budget to GAAP Differences (1)			Actual GAAP Basis
	Actual Budgetary Basis	Less: Encumbrances 6/30/2015	Add: Encumbrances 6/30/2014	
TOTAL REVENUES	\$ 62,579,901	-	-	62,579,901
EXPENDITURES				
Regular Instruction	36,868,046	34,160	92,015	36,925,901
Special Education	4,479,206	-	-	4,479,206
Vocational Education	2,158,016	265	16,853	2,174,604
Adult Education	7,798	-	-	7,798
Attendance	126,175	-	-	126,175
Health Services	791,617	9,500	-	782,117
Other Student Services	1,262,533	619	-	1,261,914
Board of Education	1,328,955	-	57	1,329,012
Office of the Director	580,009	-	-	580,009
Office of the Principal	3,460,951	-	-	3,460,951
Fiscal Services	227,003	-	-	227,003
Operation of Plant	4,675,091	-	-	4,675,091
Maintenance of Plant	1,818,466	3,478	3,893	1,818,881
Transportation	2,604,651	-	-	2,604,651
Central and Other	85,091	-	-	85,091
Food Service	329,817	-	-	329,817
Community Service	399,983	-	304	400,287
Early Childhood Education	224,583	-	384	224,967
Debt Service	260,000	-	-	260,000
Capital Outlay	270,404	57,136	-	213,268
TOTAL EXPENDITURES	61,958,395	105,158	113,506	61,966,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	621,506	105,158	(113,506)	613,158
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(32,862)	-	-	(32,862)
TOTAL OTHER FINANCING SOURCES (USES)	(32,862)	0	0	(32,862)
Net Change in Fund Balance	588,644	105,158	(113,506)	580,296
Fund Balance, July 1, 2014	4,465,099	-	113,506	4,578,605
Fund Balance, June 30, 2015	\$ 5,053,743	105,158	0	5,158,901

(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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue From Federal Government	\$ 4,079,394	4,968,888	3,974,081	(994,807)
<b>TOTAL REVENUES</b>	<b>4,079,394</b>	<b>4,968,888</b>	<b>3,974,081</b>	<b>(994,807)</b>
<b>EXPENDITURES</b>				
Regular Instruction	2,056,516	2,684,455	1,903,263	781,192
Special Education	1,392,810	1,537,288	1,479,351	57,937
Vocational Education	81,252	96,198	96,198	-
Other Student Support	118,690	214,271	66,552	147,719
Transportation	430,126	436,676	428,717	7,959
<b>TOTAL EXPENDITURES</b>	<b>4,079,394</b>	<b>4,968,888</b>	<b>3,974,081</b>	<b>994,807</b>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance, July 1, 2014	-	-	-	-
Fund Balance, June 30, 2015	<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, 2015**

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

	Actual Budgetary Basis	Budget to GAAP Differences (1)		Actual GAAP Basis
		Less: Encumbrances 6/30/2015	Add: Encumbrances 6/30/2014	
TOTAL REVENUES	\$ 3,974,081	-	-	3,974,081
EXPENDITURES				
Regular Instruction	1,903,263	-	3,123	1,906,386
Special Education	1,479,351	11,089	273	1,468,535
Vocational Education	96,198	6,590	10,032	99,640
Other Student Support	66,552	-	-	66,552
Transportation	428,717	-	-	428,717
TOTAL EXPENDITURES	3,974,081	17,679	13,428	3,969,830
Excess (Deficiency) of Revenues Over Expenditures	-	17,679	(13,428)	4,251
Fund Balance, July 1, 2014	-	-	13,428	13,428
Fund Balance, June 30, 2015	\$ 0	17,679	0	17,679

(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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary and GAAP Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Current Services	\$ 1,154,150	1,154,150	1,015,680	(138,470)
Revenue from State of Tennessee	-	-	34,855	34,855
USDA Lunch	1,620,500	1,620,500	1,537,547	(82,953)
USDA Breakfast	537,500	537,500	452,858	(84,642)
Other USDA	-	-	214,134	214,134
<b>TOTAL REVENUES</b>	<b>3,312,150</b>	<b>3,312,150</b>	<b>3,255,074</b>	<b>(57,076)</b>
<b>EXPENDITURES</b>				
Supplies and Materials	136,800	136,800	226,091	(89,291)
Food Purchases	1,434,900	1,434,900	1,397,957	36,943
Salaries and Payroll Expenses	1,565,650	1,565,650	1,576,643	(10,993)
Utilities	6,300	6,300	6,218	82
Other Contracted Services	54,500	54,500	49,615	4,885
Miscellaneous Expenses and Repairs	97,000	97,000	9,268	87,732
Equipment	17,000	17,000	-	17,000
<b>TOTAL EXPENDITURES</b>	<b>3,312,150</b>	<b>3,312,150</b>	<b>3,265,792</b>	<b>46,358</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(10,718)	(10,718)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	32,862	32,862
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>32,862</b>	<b>32,862</b>
Net Change in Fund Balance	0	0	22,144	22,144
Fund Balance, July 1, 2014	340,148	340,148	340,148	-
Fund Balance, June 30, 2015	<u>\$ 340,148</u>	<u>340,148</u>	<u>362,292</u>	<u>22,144</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE**  
**For the Fiscal Year Ended June 30, 2015**

Description of Indebtedness	Creditor	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2014	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2015	Anticipated Source of Revenue
CAPITAL OUTLAY NOTES											
PAYABLE THROUGH DEBT SERVICE FUND											
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	<u>5,520,000</u>	<u>-</u>	<u>590,000</u>	<u>4,930,000</u>	Ad Valorem
TOTAL CAPITAL OUTLAY NOTES - PAYABLE THROUGH DEBT SERVICE FUND							<u>\$ 5,520,000</u>	<u>0</u>	<u>590,000</u>	<u>4,930,000</u>	

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE**  
**For the Fiscal Year Ended June 30, 2015**

Description of Indebtedness	Authority	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2014	Issued During Period	Paid and/or Matured During Period	Refunded	Outstanding 6/30/2015	Anticipated Source of Revenue
<b>GENERAL BONDED DEBT PAYABLE THROUGH COUNTY TRUSTEE</b>											
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	\$ 3,690,000	-	365,000	-	3,325,000	Ad Valorem
Justice Center Construction (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	19,615,000	-	250,000	-	19,365,000	Ad Valorem
School Bonds (2007) Construction	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) Tax Exempt	Section 9-21-901 to 9-21-909, T.C.A.	6,895,000	2.00%-4.00%	6/27/2011	4/1/2022	4,330,000	-	760,000	-	3,570,000	Ad Valorem
School Refunding (2011) Construction	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	-	255,000	-	2,615,000	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	1,520,000	-	240,000	-	1,280,000	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	-	190,000	-	2,440,000	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	-	130,000	-	1,255,000	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	-	2,010,000	-	5,775,000	Ad Valorem
<b>TOTAL GENERAL BONDED DEBT - PAYABLE THROUGH COUNTY TRUSTEE</b>						<b>\$ 149,500,000</b>	<b>0</b>	<b>4,200,000</b>	<b>0</b>	<b>145,300,000</b>	

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT AND OTHER NOTES PAYABLE**  
**For the Fiscal Year Ended June 30, 2015**

Description of Indebtedness	Creditor	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7/1/2014	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2015
CAPITAL LEASES									
PAYABLE THROUGH COUNTY TRUSTEE									
County-Wide Telephone System	Cisco Systems Capital Corporation	\$ 673,166	1.75%	8/1/2014	7/1/2018	\$ 554,117	-	132,066	422,051
TOTAL CAPITAL LEASES - PAYABLE THROUGH COUNTY TRUSTEE						<u>\$ 554,117</u>	<u>0</u>	<u>132,066</u>	<u>422,051</u>

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS BY YEAR**  
**For the Fiscal Year Ended June 30, 2015**

Fiscal Year Ending June 30	Capital Outlay Note		
	Principal	Interest	Total
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>\$ 4,930,000</u>	<u>646,238</u>	<u>5,576,238</u>

Fiscal Year Ending June 30	General Bonded Debt		
	Principal	Interest	Total
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	5,285,521	11,035,521
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	3,574,386	9,954,386
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>\$ 145,300,000</u>	<u>84,570,449</u>	<u>229,870,449</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS BY YEAR**  
**For the Fiscal Year Ended June 30, 2015**

Fiscal Year Ending June 30	Capital Leases		
	Principal	Interest	Total
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
<b>Total</b>	<b>\$ 422,051</b>	<b>11,796</b>	<b>433,847</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS**  
**SCHOOL REFUNDING BONDS 2007 ISSUE**  
**June 30, 2015**

<u>Fiscal Year Ending</u>	<u>Principa; Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 810,000	166,250	976,250
6/30/2017	1,170,000	125,750	1,295,750
6/30/2018	<u>1,345,000</u>	<u>67,250</u>	<u>1,412,250</u>
Total	<u>\$ 3,325,000</u>	<u>359,250</u>	<u>3,684,250</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 GENERAL BONDS 2007 ISSUE (JUSTICE CENTER CONSTRUCTION)  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 260,000	912,531	1,172,531
6/30/2017	275,000	899,531	1,174,531
6/30/2018	285,000	885,781	1,170,781
6/30/2019	730,000	871,531	1,601,531
6/30/2020	765,000	835,031	1,600,031
6/30/2021	800,000	804,431	1,604,431
6/30/2022	830,000	764,431	1,594,431
6/30/2023	880,000	722,931	1,602,931
6/30/2024	920,000	678,932	1,598,932
6/30/2025	965,000	632,932	1,597,932
6/30/2026	1,010,000	584,681	1,594,681
6/30/2027	1,065,000	534,181	1,599,181
6/30/2028	1,125,000	480,932	1,605,932
6/30/2029	1,175,000	427,494	1,602,494
6/30/2030	1,230,000	371,681	1,601,681
6/30/2031	1,285,000	313,256	1,598,256
6/30/2032	1,350,000	252,219	1,602,219
6/30/2033	1,410,000	193,156	1,603,156
6/30/2034	1,470,000	131,469	1,601,469
6/30/2035	1,535,000	67,157	1,602,157
<b>Total</b>	<b>\$ 19,365,000</b>	<b>11,364,288</b>	<b>30,729,288</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 SCHOOL CONSTRUCTION BONDS 2007 ISSUE  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ -	4,929,256	4,929,256
6/30/2017	-	4,929,256	4,929,256
6/30/2018	-	4,929,256	4,929,256
6/30/2019	3,420,000	4,929,256	8,349,256
6/30/2020	3,595,000	4,758,256	8,353,256
6/30/2021	3,735,000	4,614,456	8,349,456
6/30/2022	3,925,000	4,427,706	8,352,706
6/30/2023	4,120,000	4,231,456	8,351,456
6/30/2024	4,325,000	4,025,457	8,350,457
6/30/2025	4,540,000	3,809,207	8,349,207
6/30/2026	4,770,000	3,582,206	8,352,206
6/30/2027	5,005,000	3,343,706	8,348,706
6/30/2028	5,255,000	3,093,456	8,348,456
6/30/2029	5,505,000	2,843,844	8,348,844
6/30/2030	5,770,000	2,582,357	8,352,357
6/30/2031	6,045,000	2,308,281	8,353,281
6/30/2032	6,330,000	2,021,144	8,351,144
6/30/2033	6,605,000	1,744,206	8,349,206
6/30/2034	6,895,000	1,455,238	8,350,238
6/30/2035	7,195,000	1,153,581	8,348,581
6/30/2036	9,115,000	838,800	9,953,800
6/30/2037	9,525,000	428,625	9,953,625
<b>Total</b>	<b>\$ 105,675,000</b>	<b>70,979,006</b>	<b>176,654,006</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 SCHOOL REFUNDING TAX EXEMPT BONDS 2011 ISSUE  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 755,000	122,200	877,200
6/30/2017	755,000	92,000	847,000
6/30/2018	750,000	61,800	811,800
6/30/2019	335,000	39,300	374,300
6/30/2020	330,000	29,250	359,250
6/30/2021	325,000	19,350	344,350
6/30/2022	<u>320,000</u>	<u>9,600</u>	<u>329,600</u>
Total	<u>\$ 3,570,000</u>	<u>373,500</u>	<u>3,943,500</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 SCHOOL REFUNDING CONSTRUCTION BONDS 2011 ISSUE  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 260,000	87,420	347,420
6/30/2017	265,000	81,960	346,960
6/30/2018	270,000	75,203	345,203
6/30/2019	280,000	67,642	347,642
6/30/2020	285,000	58,543	343,543
6/30/2021	295,000	48,710	343,710
6/30/2022	305,000	37,942	342,942
6/30/2023	655,000	26,200	681,200
 Total	 \$ 2,615,000	 483,620	 3,098,620

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS**  
**SCHOOL BUS BONDS 2012 ISSUE**  
**June 30, 2015**

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 245,000	25,600	270,600
6/30/2017	250,000	20,700	270,700
6/30/2018	255,000	15,700	270,700
6/30/2019	260,000	10,600	270,600
6/30/2020	270,000	5,400	275,400
<b>Total</b>	<b>\$ 1,280,000</b>	<b>78,000</b>	<b>1,358,000</b>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 RURAL SCHOOL BONDS 2013 ISSUE  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 195,000	62,000	257,000
6/30/2017	200,000	58,050	258,050
6/30/2018	205,000	54,000	259,000
6/30/2019	210,000	49,850	259,850
6/30/2020	215,000	44,525	259,525
6/30/2021	220,000	38,000	258,000
6/30/2022	225,000	31,325	256,325
6/30/2023	230,000	25,075	255,075
6/30/2024	240,000	18,600	258,600
6/30/2025	245,000	11,325	256,325
6/30/2026	255,000	3,825	258,825
Total	<u>\$ 2,440,000</u>	<u>396,575</u>	<u>2,836,575</u>

See Independent Auditors' Report.

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS  
 GENERAL OBLIGATION SCHOOL BONDS 2013 ISSUE  
 June 30, 2015

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 125,000	35,160	160,160
6/30/2017	130,000	32,610	162,610
6/30/2018	130,000	29,848	159,848
6/30/2019	130,000	26,760	156,760
6/30/2020	135,000	23,279	158,279
6/30/2021	140,000	19,147	159,147
6/30/2022	145,000	14,516	159,516
6/30/2023	75,000	10,735	85,735
6/30/2024	80,000	7,790	87,790
6/30/2025	80,000	4,750	84,750
6/30/2026	85,000	1,615	86,615
Total	<u>\$ 1,255,000</u>	<u>206,210</u>	<u>1,461,210</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS**  
**SCHOOL CONSTRUCTION REFUNDING BONDS 2014 ISSUE**  
**June 30, 2015**

<u>Fiscal Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Requirements</u>
6/30/2016	\$ 2,090,000	182,550	2,272,550
6/30/2017	1,845,000	119,850	1,964,850
6/30/2018	<u>1,840,000</u>	<u>27,600</u>	<u>1,867,600</u>
Total	<u>\$ 5,775,000</u>	<u>330,000</u>	<u>6,105,000</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF TRANSFERS - ALL FUNDS  
For the Fiscal Year Ended June 30, 2015**

From Fund	To Fund	Purpose	Amount
<b>OPERATING TRANSFERS</b>			
<u>Primary Government</u>			
Constitutional Officers - Fees Fund	General	Excess fees and commissions	\$ 5,394,217
General	Debt Service	Debt Service Payments	123,981
General	Capital Projects	Capital Outlay Expenditures	431,307
Highway	Debt Service	Debt Service Payments	808,500
Sanitation	Debt Service	Debt Service Payments	<u>31,273</u>
TOTAL OPERATING TRANSFERS			<u>\$ 6,789,278</u>
<u>Component Unit</u>			
General Purpose School	School Food Service	Payroll Reimbursement	<u>\$ 32,862</u>
TOTAL OPERATING TRANSFERS			<u>\$ 32,862</u>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF SALARIES AND OFFICIAL BONDS OF PRINCIPAL OFFICIALS**  
**For the Fiscal Year Ended June 30, 2015**

	Authorization for Salary	Salary Paid During Period	Bond	Surety
COUNTY MAYOR	Section 8-24-102, T.C.A.	\$ 113,416	\$ 100,000	RLI Insurance Company
HIGHWAY SUPERINTENDENT	Section 54-7-106, T.C.A.	98,196	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.	81,153	2,500,000	RLI Insurance Company
ASSESSOR OF PROPERTY	Section 8-24-102, T.C.A.	81,153	50,000	Traveler's Casualty and Surety
COUNTY CLERK	Section 8-24-102, T.C.A.	81,153	100,000	RLI Insurance Company
CIRCUIT COURT CLERK	Section 8-24-102, T.C.A. Section 8-24-102(j)(2), T.C.A.	81,153 8,115	100,000	RLI Insurance Company
CLERK AND MASTER	Section 8-24-102, T.C.A.	81,153	50,000	Traveler's Casualty and Surety
REGISTER	Section 8-24-102, T.C.A.	81,153	100,000	RLI Insurance Company
SHERIFF	Section 8-24-102, T.C.A. Section 8-24-111, T.C.A.	98,196 9,820	100,000 -	RLI Insurance Company

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, 2015**

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	\$ 18,738,662	5,075,565	-	-	8,958,272	32,772,499	11,733,370	44,505,869
Taxes Prior Years								
Trustee	749,077	203,247	-	-	358,526	1,310,850	470,116	1,780,966
Clerk and Master	421,803	114,336	-	-	201,652	737,791	264,429	1,002,220
Interest and Penalty	325,200	88,217	-	-	155,735	569,152	203,909	773,061
Pick-Up Taxes	71,297	19,374	-	-	34,085	124,756	44,670	169,426
Tax Equivalent								
Federal	2,005	543	-	-	959	3,507	2,356	5,863
Local	337,400	114,591	-	-	161,300	613,291	211,307	824,598
Other	9,142	-	-	-	4,370	13,512	16,802	30,314
Excise Tax	36,246	9,818	-	-	17,328	63,392	22,696	86,088
Local Option Sales Tax	19,379	-	-	-	-	19,379	14,160,180	14,179,559
Interstate Telecommunications	5,512	-	-	-	-	5,512	6,274	11,786
Litigation Tax	450,748	-	-	-	246,286	697,034	-	697,034
Business Tax	616,781	167,227	-	-	295,135	1,079,143	385,164	1,464,307
Beer Tax	334,597	-	-	-	-	334,597	-	334,597
Other Statutory Local Tax	155,461	-	-	-	-	155,461	-	155,461
<b>TOTAL TAXES</b>	<b>22,273,310</b>	<b>5,792,918</b>	<b>0</b>	<b>0</b>	<b>10,433,648</b>	<b>38,499,876</b>	<b>27,521,273</b>	<b>66,021,149</b>
<b>LICENSES AND PERMITS</b>								
Marriage Licenses	2,504	581	-	-	1,216	4,301	1,574	5,875
Cable TV Franchise	452,780	-	-	-	-	452,780	-	452,780
Building Permits	118,411	-	-	-	-	118,411	-	118,411
Handgun Permits	3,747	-	-	-	-	3,747	-	3,747
<b>TOTAL LICENSES AND PERMITS</b>	<b>577,442</b>	<b>581</b>	<b>0</b>	<b>0</b>	<b>1,216</b>	<b>579,239</b>	<b>1,574</b>	<b>580,813</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, 2015**

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 PENALTIES</b>								
Circuit Court	19,879	6,921	-	-	-	26,800	30,763	57,563
Criminal Court	107,233	-	-	-	-	107,233	-	107,233
General Sessions Court	766,965	23,375	-	-	-	790,340	-	790,340
Chancery Court	4,457	-	-	-	-	4,457	-	4,457
Other Courts	38,121	-	-	-	-	38,121	-	38,121
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>936,655</b>	<b>30,296</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>966,951</b>	<b>30,763</b>	<b>997,714</b>
<b>CHARGES FOR CURRENT SERVICES</b>								
Breakfast and Lunch Payments	-	-	-	-	-	-	827,046	827,046
A la Carte Sales	-	-	-	-	-	-	188,634	188,634
Tuition and Fees	-	-	-	-	-	-	517,880	517,880
Other Employee Benefits	17,575	-	-	-	-	17,575	-	17,575
Other Charges	638,384	178,408	-	-	-	816,792	-	816,792
Work Release	13,066	-	-	-	-	13,066	-	13,066
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>669,025</b>	<b>178,408</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>847,433</b>	<b>1,533,560</b>	<b>2,380,993</b>
<b>OTHER LOCAL REVENUES</b>								
Investment Income	32,898	9,384	-	-	15,728	58,010	37,558	95,568
Sale of Property	722	179,284	-	-	-	180,006	-	180,006
Refunds	82,331	-	-	-	-	82,331	-	82,331
Damages from Individuals	-	-	-	-	-	-	295	295
Employee Benefit Charges	-	9,864	-	-	-	9,864	-	9,864
Rentals	1,500	-	-	-	-	1,500	5,641	7,141
Contributions	1,667	-	-	-	-	1,667	-	1,667
Fingerprinting Services	825	13,000	-	-	-	13,825	-	13,825
Proceeds-Confiscated Property	-	10,576	-	-	-	10,576	-	10,576

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

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	-	19,810	-	-	-	19,810	-	19,810
Other Local Revenue	200,347	-	-	-	-	200,347	331	200,678
Commissary Sales	16,561	-	-	-	-	16,561	-	16,561
Insurance Recovery	-	31,698	-	-	-	31,698	94,610	126,308
Sale of Equipment	21,799	-	-	-	-	21,799	41,347	63,146
Lease	-	129,953	-	-	-	129,953	-	129,953
Special Commissioner Fees	-	12,904	-	-	-	12,904	-	12,904
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>358,650</b>	<b>416,473</b>	<b>0</b>	<b>0</b>	<b>15,728</b>	<b>790,851</b>	<b>179,782</b>	<b>970,633</b>
<b>STATE OF TENNESSEE</b>								
Income Tax	648,572	-	-	-	-	648,572	-	648,572
Alcoholic Beverage	159,164	-	-	-	-	159,164	-	159,164
Mixed Drink	5,919	-	-	-	-	5,919	12,090	18,009
Vehicle Certificate of Title Fees	24,070	-	-	-	-	24,070	-	24,070
Litter Grant	18,984	-	-	-	-	18,984	-	18,984
Contracted Prisoner Board	2,268,433	-	-	-	-	2,268,433	-	2,268,433
Basic Education Program	-	-	-	-	-	-	30,502,000	30,502,000
Gasoline and Motor Fuel	-	2,290,280	-	-	-	2,290,280	-	2,290,280
Gasoline Inspection Fee	-	88,735	-	-	-	88,735	-	88,735
Mineral Severance Tax	-	14,287	-	-	-	14,287	-	14,287
Health Department	840,566	-	-	75,000	-	915,566	-	915,566
Driver Education	-	-	-	-	-	-	50,760	50,760
Law Enforcement Training	51,600	-	-	-	-	51,600	-	51,600
Career Ladder/Extended Contract	-	-	-	-	-	-	277,892	277,892
Other Health and Welfare	74,250	-	-	-	-	74,250	-	74,250
Juvenile Services	19,000	-	-	-	-	19,000	-	19,000

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

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	820	-	-	-	-	820	-	820
Tires/Solid Waste Grant	-	99,957	-	-	-	99,957	-	99,957
Early Childhood Education	-	-	-	-	-	-	160,483	160,483
TVA Replacement	-	-	-	-	-	-	1,173,993	1,173,993
Bridge Program	-	397,381	-	-	-	397,381	-	397,381
State Aid Program (Rural Roads)	-	451,199	-	-	-	451,199	-	451,199
Other Federal Through State	-	-	-	-	-	-	86,157	86,157
Other State Revenues	129,521	-	-	-	-	129,521	678,178	807,699
<b>TOTAL STATE OF TENNESSEE</b>	<b>4,240,899</b>	<b>3,341,839</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>7,657,738</b>	<b>32,941,553</b>	<b>40,599,291</b>
FEDERAL GOVERNMENT								
School Lunch Funds	-	-	-	-	-	-	1,537,547	1,537,547
School Breakfast Funds	-	-	-	-	-	-	452,858	452,858
USDA Commodities	-	-	-	-	-	-	214,134	214,134
R.O.T.C.	-	-	-	-	-	-	155,222	155,222
Title I Funds	-	-	-	-	-	-	1,421,726	1,421,726
Title II - A Funds	-	-	-	-	-	-	257,877	257,877
Preschool and IDEA	-	-	-	-	-	-	1,800,608	1,800,608
Education Handicapped Act - IDEA	-	-	-	-	-	-	18,697	18,697
Race to the Top	-	-	-	-	-	-	283,880	283,880
Program Improvement	-	-	-	-	-	-	121,512	121,512
State Discretionary	-	-	-	-	-	-	122,261	122,261
Prisoner Board	20,424	-	-	-	-	20,424	-	20,424
Homeland Security Grants	90,048	-	-	-	-	90,048	-	90,048
Federal Incentive	15,600	-	-	-	-	15,600	-	15,600
Community Development Block Grant	19,340	-	-	-	-	19,340	-	19,340
2001 Home Grant - THDA	67,874	-	-	-	-	67,874	-	67,874
JAG Grant	15,410	-	-	-	-	15,410	-	15,410
Other Federal Revenues	113,276	-	-	-	-	113,276	-	113,276
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>341,972</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>341,972</b>	<b>6,386,322</b>	<b>6,728,294</b>

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

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 CITIZEN GROUPS</b>								
Reappraisal Program - Johnson City	95,993	-	-	-	-	95,993	-	95,993
Donations from the Town of Jonesborough	12,000	-	-	-	-	12,000	-	12,000
Reimbursement - Local Governments	1,377,777	-	-	-	-	1,377,777	-	1,377,777
Contribution from Primary Government	-	-	-	-	-	-	1,214,229	1,214,229
Contribution from Component Unit	-	-	260,000	-	-	260,000	-	260,000
<b>TOTAL OTHER GOVERNMENTS AND CITIZENS GROUPS</b>	<u>1,485,770</u>	<u>0</u>	<u>260,000</u>	<u>0</u>	<u>0</u>	<u>1,745,770</u>	<u>1,214,229</u>	<u>2,959,999</u>
<b>EXCESS FEES AND COMMISSIONS</b>								
Commissions	-	2,520,092	-	-	-	2,520,092	-	2,520,092
Fees	-	2,886,507	-	-	-	2,886,507	-	2,886,507
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<u>0</u>	<u>5,406,599</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,406,599</u>	<u>0</u>	<u>5,406,599</u>
<b>TOTAL REVENUES</b>	<u>\$ 30,883,723</u>	<u>15,167,114</u>	<u>260,000</u>	<u>75,000</u>	<u>10,450,592</u>	<u>56,836,429</u>	<u>69,809,056</u>	<u>126,645,485</u>

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers	Total Special Revenue Funds
<b>TAXES</b>					
Current Property Taxes	\$ 4,245,327	830,238	-	-	5,075,565
Taxes Prior Years					
Trustee	169,846	33,401	-	-	203,247
Clerk and Master	95,608	18,728	-	-	114,336
Interest and Penalty	73,720	14,497	-	-	88,217
Pick-Up Taxes	16,214	3,160	-	-	19,374
Tax Equivalent					
Federal	454	89	-	-	543
Local and Other	99,236	15,355	-	-	114,591
Excise Tax	8,212	1,606	-	-	9,818
Business Tax	139,869	27,358	-	-	167,227
<b>TOTAL TAXES</b>	<b>4,848,486</b>	<b>944,432</b>	<b>0</b>	<b>0</b>	<b>5,792,918</b>
<b>LICENSES AND PERMITS</b>					
Marriage Licenses	465	116	-	-	581
<b>TOTAL LICENSES AND PERMITS</b>	<b>465</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>581</b>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Circuit Court	-	-	6,921	-	6,921
General Sessions Court	-	-	23,375	-	23,375
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>0</b>	<b>0</b>	<b>30,296</b>	<b>0</b>	<b>30,296</b>
<b>CHARGES FOR CURRENT SERVICES</b>					
Other Charges	50,872	127,536	-	-	178,408
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>50,872</b>	<b>127,536</b>	<b>0</b>	<b>0</b>	<b>178,408</b>
<b>OTHER LOCAL REVENUES</b>					
Investment Income	7,520	1,459	-	405	9,384
Sale of Property	8,748	170,536	-	-	179,284
Fingerprinting Services	-	-	13,000	-	13,000
Proceeds-Confiscated Property	-	-	10,576	-	10,576
Forfeitures and Seizures	-	-	19,810	-	19,810
Employee Benefit Charges	9,864	-	-	-	9,864
Insurance Recovery	31,167	531	-	-	31,698
Lease	129,953	-	-	-	129,953
Special Commissioner Fees	-	-	-	12,904	12,904
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>187,252</b>	<b>172,526</b>	<b>43,386</b>	<b>13,309</b>	<b>416,473</b>

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED REVENUES - SPECIAL REVENUE FUNDS  
 For the Fiscal Year Ended June 30, 2015

Source	Highway Fund	Solid Waste/ Sanitation Fund	Drug Fines Fund	Constitutional Officers	Total Special Revenue Funds
STATE OF TENNESSEE					
Gasoline and Motor Fuel	2,290,280	-	-	-	2,290,280
Gasoline Inspection Fee	88,735	-	-	-	88,735
Mineral Severance Tax	14,287	-	-	-	14,287
Bridge Program	397,381	-	-	-	397,381
State Aid Program (Rural Roads)	451,199	-	-	-	451,199
Tires/Solid Waste Grant	-	99,957	-	-	99,957
<b>TOTAL STATE OF TENNESSEE</b>	<b>3,241,882</b>	<b>99,957</b>	<b>0</b>	<b>0</b>	<b>3,341,839</b>
EXCESS FEES AND COMMISSIONS					
Commissions	-	-	-	2,520,092	2,520,092
Fees	-	-	-	2,886,507	2,886,507
<b>TOTAL EXCESS FEES AND COMMISSIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,406,599</b>	<b>5,406,599</b>
<b>TOTAL REVENUES</b>	<b>\$ 8,328,957</b>	<b>1,344,567</b>	<b>73,682</b>	<b>5,419,908</b>	<b>15,167,114</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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	\$ 11,733,370	-	-	11,733,370
Property Taxes Prior Years				
Trustee	470,116	-	-	470,116
Clerk and Master	264,429	-	-	264,429
Interest and Penalty	203,909	-	-	203,909
Pick-Up Taxes	44,670	-	-	44,670
Tax Equivalent				
Federal	2,356	-	-	2,356
Local	211,307	-	-	211,307
Other	16,802	-	-	16,802
Excise Tax	22,696	-	-	22,696
Local Option Sales Tax	14,160,180	-	-	14,160,180
Interstate Telecommunications	6,274	-	-	6,274
Business Tax	385,164	-	-	385,164
<b>TOTAL TAXES</b>	<b>27,521,273</b>	<b>0</b>	<b>0</b>	<b>27,521,273</b>
<b>LICENSES AND PERMITS</b>				
Marriage Licenses	1,574	-	-	1,574
<b>TOTAL LICENSES AND PERMITS</b>	<b>1,574</b>	<b>0</b>	<b>0</b>	<b>1,574</b>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Circuit Court	30,763	-	-	30,763
<b>TOTAL FINES, FORFEITURES AND PENALTIES</b>	<b>30,763</b>	<b>0</b>	<b>0</b>	<b>30,763</b>
<b>CHARGES FOR CURRENT SERVICES</b>				
Breakfast and Lunch Payments	-	-	827,046	827,046
A la Carte Sales	-	-	188,634	188,634
Tuition and Fees	517,880	-	-	517,880
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>517,880</b>	<b>0</b>	<b>1,015,680</b>	<b>1,533,560</b>
<b>OTHER LOCAL REVENUES</b>				
Investment Income	37,558	-	-	37,558
Damages from Individuals	295	-	-	295
Rentals	5,641	-	-	5,641
Insurance Recovery	94,610	-	-	94,610
Sale of Equipment	41,347	-	-	41,347
Other Local Revenue	331	-	-	331
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>179,782</b>	<b>0</b>	<b>0</b>	<b>179,782</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED REVENUES  
DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

Source	Washington County Board of Education			
	General Purpose School Fund	School Federal Projects Fund	School Food Service Fund	Total Component Unit
<b>STATE OF TENNESSEE</b>				
Basic Education Program	30,502,000	-	-	30,502,000
Early Childhood Education	160,483	-	-	160,483
Driver Education	50,760	-	-	50,760
Mixed Drink	12,090	-	-	12,090
TVA Replacement	1,173,993	-	-	1,173,993
Career Ladder	206,347	-	-	206,347
Extended Contract	71,545	-	-	71,545
Other Federal Through State	86,157	-	-	86,157
Other State Revenues	643,323	-	34,855	678,178
<b>TOTAL STATE OF TENNESSEE</b>	<b>32,906,698</b>	<b>0</b>	<b>34,855</b>	<b>32,941,553</b>
<b>FEDERAL GOVERNMENT</b>				
School Lunch Funds	-	-	1,537,547	1,537,547
School Breakfast Funds	-	-	452,858	452,858
USDA Commodities	-	-	214,134	214,134
R.O.T.C.	155,222	-	-	155,222
Title I Funds	-	1,409,981	-	1,409,981
Title II-A Funds	-	255,747	-	255,747
Preschool and IDEA	-	1,785,806	-	1,785,806
Education Handicapped Act - IDEA	18,698	-	-	18,698
Race to the Top	-	279,466	-	279,466
Program Improvement	-	120,820	-	120,820
State Discretionary	-	122,261	-	122,261
Indirect Costs	33,782	-	-	33,782
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>207,702</b>	<b>3,974,081</b>	<b>2,204,539</b>	<b>6,386,322</b>
<b>OTHER GOVERNMENTS AND CITIZEN GROUPS</b>				
Contribution from Primary Government	1,214,229	-	-	1,214,229
<b>TOTAL OTHER GOVERNMENTS AND CITIZEN GROUPS</b>	<b>1,214,229</b>	<b>0</b>	<b>0</b>	<b>1,214,229</b>
<b>TOTAL REVENUES</b>	<b>\$ 62,579,901</b>	<b>3,974,081</b>	<b>3,255,074</b>	<b>69,809,056</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, 2015**

<b>COUNTY GENERAL FUND</b>		
<b>COUNTY COMMISSION</b>		
Compensation	\$ 112,275	
Per Diem Allowance	1,200	
Social Security	6,301	
State Retirement	7,403	
Employee and Dependent Insurance	24,420	
Employer Medicare	1,499	
Contracts with Other Public Agencies	12,913	
Dues and Memberships	9,770	
Travel	20,554	
Duplication Supplies	<u>89</u>	
<b>TOTAL COUNTY COMMISSION</b>		196,424
 <b>BOARD OF EQUALIZATION</b>		
Fees	<u>7,070</u>	
<b>TOTAL BOARD OF EQUALIZATION</b>		7,070
 <b>COUNTY MAYOR</b>		
Administrative Salaries	163,203	
Social Security	9,977	
State Retirement	21,324	
Employee and Dependent Insurance	17,464	
Employer Medicare	2,333	
Communication	2,278	
Dues and Memberships	2,672	
Postal Charges	400	
Travel	4,369	
Duplicating Supplies	573	
Office Supplies	471	
Surety Bond	699	
Other Charges	<u>190</u>	
<b>TOTAL COUNTY MAYOR</b>		225,953
 <b>COUNTY ATTORNEY</b>		
Compensation	38,586	
In-Service Training	1,069	
Social Security	2,332	
State Retirement	5,051	
Employer Medicare	545	
Communication	3,801	
Dues and Memberships	525	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)  
 COUNTY ATTORNEY (CONTINUED)

Freight	107	
Legal Services	154,801	
Maintenance Agreements	620	
Postal Charges	628	
Travel	2,051	
Data Processing Supplies	216	
Office Supplies	578	
Periodicals	1,163	
Other Supplies and Materials	790	
Other Charges	83	
TOTAL COUNTY ATTORNEY	212,946	212,946

ELECTION COMMISSION

Personnel Salaries	301,628	
Election Commission	18,000	
Election Workers	77,590	
In-Service Training	3,375	
Social Security	17,552	
State Retirement	22,851	
Employee and Dependent Insurance	48,805	
Employer Medicare	4,147	
Communication	3,457	
Data Processing Services	13,400	
Dues and Memberships	300	
Freight Expenses	239	
Legal Notices	14,554	
Maintenance and Repair	15,448	
Postal Charges	16,294	
Printing, Stationery and Forms	10,210	
Rentals	4,451	
Travel	7,744	
Other Contracted Services	16,680	
Data Processing Supplies	7,542	
Duplicating Supplies	785	
Instructional Supplies and Materials	529	
Office Supplies	4,370	
Periodicals	129	
Other Supplies and Materials	1,775	
Other Charges	369	
TOTAL ELECTION COMMISSION	612,224	612,224

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)

REGISTER OF DEEDS

Personnel Salaries	317,909	
Social Security	18,824	
State Retirement	39,593	
Employee and Dependent Insurance	57,641	
Employer Medicare	4,402	
Communication	222	
Dues and Memberships	599	
Freight	336	
Maintenance and Repair	20,531	
Postal Charges	1,250	
Rentals	1,940	
Travel	227	
Other Contracted Services	97	
Data Processing Supplies	2,820	
Duplicating Supplies	1,009	
Office Supplies	8,407	
Periodicals	145	
Surety Bond	979	
Other Charges	126	
Other Capital Outlay	8,922	
	<u>          </u>	
TOTAL REGISTER OF DEEDS		485,979

PLANNING AND ZONING

Board and Committee Members Fees	4,016	
Social Security	249	
State Retirement	31	
Employer Medicare	58	
Contracts with Government Agencies	13,500	
	<u>          </u>	
TOTAL PLANNING AND ZONING		17,854

CODES COMPLIANCE

Salaries and Wages	248,540	
In-Service Training	550	
Social Security	14,616	
State Retirement	32,009	
Employee and Dependent Insurance	58,295	
Employer Medicare	3,418	
Communication	4,228	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

CODES COMPLIANCE (CONTINUED)

Data Processing Services	5,100	
Dues and Memberships	339	
Freight	263	
Legal Notices	1,175	
Maintenance Agreements	10,261	
Maintenance and Repair	1,527	
Postal Charges	1,000	
Rentals	13,468	
Travel	318	
Data Processing Supplies	13,960	
Duplicating Supplies	427	
Gasoline	3,915	
Office Supplies	8,102	
Periodicals	1,515	
Uniforms	325	
Other Charges	201	
TOTAL CODES COMPLIANCE	423,552	423,552

COUNTY BUILDING

Maintenance and Repair Services - Buildings	20,670	
Electricity	8,648	
Water and Sewer	594	
Other Capital Outlay	9,820	
TOTAL COUNTY BUILDING	39,732	39,732

OTHER GENERAL ADMINISTRATION

Personnel	153,376
Social Security	8,990
State Retirement	20,076
Employee and Dependent Insurance	35,504
Employer Medicare	2,103
Professional Services	155,340
Communication	52,282
Consultants	25,557
Data Processing Services	354
Freight Expense	288
Legal Fees	30,102
Legal Notices	70,328
Maintenance Agreements	37,951
Maintenance and Repair	55,168

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

OTHER GENERAL ADMINISTRATION (CONTINUED)

Pest Control	2,075	
Printing	4,200	
Rentals	155,174	
Travel	2,157	
Other Contracted Services	805	
Custodial Supplies	20,120	
Utilities	233,354	
Office Supplies	370	
Other Supplies and Materials	19,528	
Building and Contents Insurance	624,184	
Liability Insurance	53,030	
Trustee's Commission	485,435	
Workman's Compensation Insurance	182,235	
Tax Relief Program	254,257	
Other Charges	34,519	
	<u>          </u>	
TOTAL OTHER GENERAL ADMINISTRATION		2,718,862

PRESERVATION OF RECORDS

Salaries	53,060	
Social Security	3,175	
State Retirement	6,946	
Employee and Dependent Insurance	12,629	
Employer Medicare	645	
Data Processing Supplies	280	
Office Supplies	33	
	<u>          </u>	
TOTAL PRESERVATION OF RECORDS		76,768

ACCOUNTING AND BUDGETING

Salaries	164,615	
Social Security	9,645	
State Retirement	19,147	
Employee and Dependent Insurance	27,657	
Employer Medicare	2,354	
Communications	1,470	
Maintenance Agreements	7,874	
Postal Charges	4,949	
Data Processing Supplies	6,155	
Duplicating Supplies	359	
Office Supplies	2,577	
Surety Bond	699	
	<u>          </u>	
TOTAL ACCOUNTING AND BUDGETING		247,501

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

PURCHASING

Administrative Salaries	123,513	
Social Security	7,445	
State Retirement	16,168	
Employee and Dependent Insurance	13,568	
Employer Medicare	1,741	
Legal Notices	1,934	
Maintenance Agreements	7,988	
Postal Charges	200	
Data Processing Supplies	442	
Duplicating Supplies	315	
Office Supplies	1,314	
Surety Bonds	699	
	175,327	
TOTAL PURCHASING		175,327

PROPERTY ASSESSOR

Salaries	266,457	
Social Security	16,036	
State Retirement	34,879	
Employee and Dependent Insurance	44,301	
Employer Medicare	3,750	
Communications	1,013	
Data Processing Services	33,956	
Dues and Memberships	3,410	
Freight	25	
Legal Notices	136	
Maintenance Agreements	4,340	
Maintenance and Repair	274	
Postal Charges	2,495	
Rentals	881	
Travel	1,666	
Data Processing Supplies	355	
Duplicating Supplies	698	
Gasoline	5,128	
Office Supplies	2,398	
Other Charges	490	
	422,688	
TOTAL PROPERTY ASSESSOR		422,688

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

REAPPRAISAL PROGRAM

Salaries	205,001	
Social Security	11,939	
State Retirement	26,117	
Employee and Dependent Insurance	65,039	
Employer Medicare	2,792	
Audit Service - Property	37,905	
Data Processing Services	11,377	
Dues and Memberships	20	
Freight	28	
Legal Services	1,500	
Maintenance Agreements	392	
Maintenance and Repair	490	
Postal Charges	4,247	
Data Processing Supplies	3,438	
Duplicating Supplies	154	
Gasoline	2,237	
Office Supplies	4,204	
Motor Vehicles	20,000	
TOTAL REAPPRAISAL PROGRAM		396,880

COUNTY TRUSTEE

Salaries	263,714
Social Security	13,266
State Retirement	28,023
Employee and Dependent Insurance	27,407
Employer Medicare	3,680
Communication	1,278
Data Processing Services	1,673
Dues and Memberships	759
Freight	250
Legal Notices	1,642
Maintenance Agreements	8,061
Maintenance and Repair	106
Postal Charges	27,000
Rentals	26,213
Travel	908
Data Processing Supplies	1,086
Duplicating Supplies	597
Utilities	2,104

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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COUNTY GENERAL FUND (CONTINUED)		
COUNTY TRUSTEE (CONTINUED)		
Office Supplies	11,499	
Premiums on Corporate Surety Bonds	24,724	
Other Charges	408	
TOTAL COUNTY TRUSTEE	444,398	444,398
COUNTY CLERK		
Salaries	525,888	
Social Security	31,412	
State Retirement	67,205	
Employee and Dependent Insurance	107,854	
Employer Medicare	7,346	
Communications	1,796	
Dues and Memberships	774	
Freight	192	
Maintenance and Repair	31,204	
Postal Charges	32,000	
Printing, Stationary and Forms	430	
Rentals	27,652	
Travel	1,960	
Data Processing Supplies	5,828	
Duplicating Supplies	4,610	
Utilities	2,312	
Office Supplies	11,451	
Premium on Corporate Surety Bonds	1,224	
Other Charges	873	
TOTAL COUNTY CLERK	862,011	862,011
CIRCUIT COURT		
Salaries	1,170,107	
Overtime	5,243	
Social Security	69,448	
State Retirement	134,179	
Employee and Dependent Insurance	295,825	
Employer Medicare	16,242	
Communication	5,299	
Dues and Memberships	694	
Freight	179	

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)

CIRCUIT COURT (CONTINUED)

Maintenance and Repair	26,217	
Postal Charges	20,000	
Printing, Stationery and Forms	4,644	
Rentals	6,036	
Travel	712	
Data Processing Supplies	12,670	
Duplicating Supplies	5,468	
Office Supplies	10,894	
Periodicals	207	
Premiums on Corporate Surety Bonds	2,315	
Other Charges	492	
	<u>          </u>	
TOTAL CIRCUIT COURT		1,786,871

GENERAL SESSIONS JUDGE

Salaries	482,055	
Social Security	21,975	
State Retirement	62,296	
Employer and Dependent Insurance	27,096	
Employer Medicare	6,921	
Communication	223	
Dues and Memberships	3,243	
Freight	102	
Travel	7,148	
Office Supplies	445	
Periodicals	157	
Other Charges	787	
	<u>          </u>	
TOTAL GENERAL SESSIONS JUDGE		612,448

DRUG COURT

Contracts with Private Agencies	15,566	
	<u>          </u>	
TOTAL DRUG COURT		15,566

CHANCERY COURT

Salaries	469,305
Social Security	27,837
State Retirement	58,186
Employee and Dependent Insurance	90,712
Employer Medicare	6,510
Communication	847
Dues and Memberships	974

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)		
CHANCERY COURT (CONTINUED)		
Freight	368	
Maintenance and Repair	9,945	
Postal Charges	5,200	
Rentals	7,650	
Travel	2,356	
Data Processing Services	162	
Duplicating Supplies	769	
Office Supplies	8,325	
Periodicals	1,227	
Other Charges	<u>372</u>	
TOTAL CHANCERY COURT		690,745
DISTRICT ATTORNEY GENERAL		
Other Contracted Services	<u>6,667</u>	
TOTAL DISTRICT ATTORNEY GENERAL		6,667
JUDICIAL COURT		
Other Salaries	28,170	
Jury and Witness Fees	25,014	
Other Per Diem and Fees	5,972	
Social Security	1,725	
Employee and Dependent Insurance	1,878	
Employer Medicare	403	
Evaluation	7,100	
Legal Notices	77,080	
Other Contracted Services	8,200	
Office Supplies	<u>155</u>	
TOTAL JUDICIAL COURT		155,697
ENVIRONMENTAL COURT ADMINISTRATION		
Salaries	48,441	
Social Security	2,965	
State Retirement	6,341	
Employee and Dependent Insurance	2,798	
Employer Medicare	693	
Freight	21	
Data Processing Supplies	1,978	
Office Supplies	253	
Other Supplies and Materials	<u>1,928</u>	
TOTAL ENVIRONMENTAL COURT ADMINISTRATION		65,418

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

COURTROOM SECURITY

Salaries	406,785	
Social Security	24,313	
Employer Medicare	5,686	
Employee and Dependent Insurance	71,210	
State Retirement	48,508	
TOTAL COURTROOM SECURITY		556,502

SHERIFF'S DEPARTMENT

Salaries	4,018,131
State Salary Supplement	51,600
Employee Training	29,802
Social Security	240,278
State Retirement	522,904
Employee and Dependent Insurance	958,416
Employer Medicare	56,193
Communication	72,300
Contracts with Government Agencies	800
Dues and Memberships	4,681
Freight	3,813
Legal Notices, Record and Court Costs	84
Licenses	610
Maintenance and Repair	97,908
Medical and Dental Service	4,000
Postal Charges	4,820
Printing, Stationery and Forms	6,782
Rentals	36,791
Travel	23,738
Veterinary Services	3,100
Other Contracted Services	100,641
Animal Food and Supplies	2,795
Data Processing Supplies	34,767
Duplicating Supplies	900
Garage Supplies	13,379
Gasoline	259,827
Instructional Supplies and Materials	240
Law Enforcement Supplies	118,868
Lubricants	7,834
Office Supplies	4,967
Periodicals	4,254

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

SHERIFF'S DEPARTMENT (CONTINUED)

Tires and Tubes	29,187	
Uniforms	127,634	
Vehicle Parts	55,743	
Other Supplies and Materials	23,540	
Other Charges	5,843	
Law Enforcement Equipment	16,968	
Motor Vehicles	<u>237,093</u>	
TOTAL SHERIFF'S DEPARTMENT		7,181,231

SUBSTANCE ABUSE PROGRAM GRANT

Travel	<u>426</u>	
TOTAL SUBSTANCE ABUSE PROGRAM GRANT		426

JAIL

Salaries	3,615,144
In-Service Training	720
Social Security	215,463
Employer Medicare	50,256
State Retirement	408,714
Employee and Dependent Insurance	796,215
Communication	5,856
Contracts with Private Agencies	1,163,232
Dues and Memberships	300
Freight	3,156
Maintenance and Repair	263,483
Medical and Dental Services	13,316
Pest Control	5,500
Postal Charges	300
Printing, Stationery and Forms	2,072
Rentals	15,376
Transportation - Prisoners	5,949
Travel	5,230
Disposal Fees	9,858
Other Contracted Services	1,480
Custodial Supplies	64,755
Data Processing Supplies	45,071
Diesel Fuel	632
Food Preparation Supplies	9,251
Duplicating Supplies	4,415
Utilities	558,296

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

JAIL (CONTINUED)

Food Supplies	597,691	
Uniforms	33,610	
Law Enforcement Supplies	14,898	
Office Supplies	11,456	
Prisoners Clothing	31,669	
Other Supplies and Materials	29,283	
Other Charges	4,671	
	<u>          </u>	
TOTAL JAIL		7,987,318

JUVENILE SERVICES

Salaries	191,197	
Social Security	11,552	
Employer Medicare	2,702	
State Retirement	25,028	
Employee and Dependent Insurance	31,154	
Communication	1,950	
Contracts with Government Agencies	4,500	
Contracts with Public Agencies	156,357	
Dues and Memberships	986	
Freight	22	
Rentals	624	
Travel	4,693	
Duplicating Supplies	345	
Gasoline	235	
Office Supplies	5,596	
Postal Charges	3,500	
Maintenance and Repairs	1,369	
Other Charges	135	
	<u>          </u>	
TOTAL JUVENILE SERVICES		441,945

WORK RELEASE PROGRAM

Board and Committee Member Fees	6,240	
Social Security	380	
Employer Medicare	88	
Employee and Dependent Insurance	581	
State Retirement	66	
	<u>          </u>	
TOTAL WORK RELEASE PROGRAM		7,355

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)		
FEDERAL ASSET FORFEITURE		
Freight	188	
Law Enforcement Supplies	<u>23,281</u>	
TOTAL FEDERAL ASSET FORFEITURE		23,469
JAG GRANT		
In-Service Training	5,910	
Law Enforcement Supplies	<u>9,536</u>	
TOTAL JAG GRANT		15,446
OTHER PUBLIC SAFETY		
Salaries	6,120	
Social Security	380	
State Retirement	801	
Employer Medicare	88	
Other Charges	375	
Contributions	<u>645,000</u>	
TOTAL OTHER PUBLIC SAFETY		652,764
FIRE PROTECTION AND CONTROL		
Contributions	889,050	
Other Charges	<u>5,000</u>	
TOTAL FIRE PROTECTION AND CONTROL		894,050
CIVIL DEFENSE		
Matching Grant	<u>109,058</u>	
TOTAL CIVIL DEFENSE		109,058
HAZARDOUS MATERIALS		
Communication	1,715	
Liability Insurance	405	
Other Charges	<u>7,954</u>	
TOTAL HAZARDOUS MATERIALS		10,074
RESCUE SQUAD		
Contributions	<u>84,300</u>	
TOTAL RESCUE SQUAD		84,300
OTHER EMERGENCY MANAGEMENT		
Contributions to Other Governments	<u>90,598</u>	
TOTAL OTHER EMERGENCY MANAGEMENT		90,598

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)

COUNTY CORONER

Contracts with Private Agencies	7,500	
Other Charges	198,618	
TOTAL COUNTY CORONER		206,118

COUNTY HEALTH CENTER

Salaries	454,254	
Social Security	26,852	
State Retirement	52,636	
Employee and Dependent Insurance	101,980	
Employee Medicare	6,279	
Communication	18,666	
Contract with Governmental Agencies	17,354	
Freight	939	
Maintenance and Repair	40,676	
Pest Control	432	
Postal Charges	3,000	
Rentals	9,020	
Travel	6,716	
Other Contracted Services	35,630	
Custodial Supplies	12,894	
Drugs and Medical Supplies	77,116	
Utilities	64,867	
Office Supplies	8,978	
Periodicals	166	
Other Supplies and Materials	8,678	
Building and Contents Insurance	10,380	
Other Charges	21,293	
TOTAL COUNTY HEALTH CENTER		978,806

LOCAL HEALTH CENTER STATE GRANT

Salaries	590,362	
Social Security	35,032	
State Retirement	53,559	
Employee Insurance	124,022	
Medicare	8,194	
Travel	11,007	
Liability Insurance	5,645	
Other Charges	184	
TOTAL LOCAL HEALTH CENTER STATE GRANT		828,005

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)		
HEALTH CENTER TOBACCO GRANT		
Salaries	15,238	
Social Security	945	
Employer Medicare	221	
Freight	393	
Travel	2,069	
Other Contracted Services	11,664	
Office Supplies	919	
Other Supplies and Materials	33,526	
Other Charges	<u>19,880</u>	
TOTAL HEALTH CENTER TOBACCO GRANT		84,855
RABIES AND ANIMAL CONTROL		
Contributions	<u>229,750</u>	
TOTAL RABIES AND ANIMAL CONTROL		229,750
AMBULANCE SERVICE		
Contributions	<u>1,528,802</u>	
TOTAL AMBULANCE SERVICE		1,528,802
ALCOHOL AND DRUG PROGRAM		
Investigators	2,500	
Social Security	152	
State Retirement	327	
Employer Medicare	<u>35</u>	
TOTAL ALCOHOL AND DRUG PROGRAM		3,014
REGIONAL MENTAL HEALTH CENTER		
Contributions	<u>17,262</u>	
TOTAL REGIONAL MENTAL HEALTH CENTER		17,262
PUBLIC WELFARE		
Contributions	45,900	
Pauper Burials	<u>20,685</u>	
TOTAL PUBLIC WELFARE		66,585
AID TO DEPENDENT CHILDREN		
Contributions	<u>17,150</u>	
TOTAL AID TO DEPENDENT CHILDREN		17,150
SANITATION EDUCATION		
Salaries	29,978	
Social Security	1,773	
Employer Medicare	415	

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)		
SANITATION EDUCATION (CONTINUED)		
Employee and Dependent Insurance	4,748	
State Retirement	3,924	
Other Contracted Services	4,000	
Other Supplies and Materials	3,399	
TOTAL SANITATION EDUCATION		48,237
SENIOR CITIZEN'S ASSISTANCE		
Contributions	612,877	
TOTAL SENIOR CITIZEN'S ASSISTANCE		612,877
LIBRARIES		
Salaries	287,453	
Social Security	17,223	
State Retirement	22,490	
Employee and Dependent Insurance	52,543	
Employer Medicare	4,031	
Communication	4,548	
Contracts with Private Agencies	11,897	
Freight	629	
Maintenance and Repairs	3,711	
Pest Control	790	
Postal Charges	4,050	
Rentals	2,982	
Travel	373	
Custodial Supplies	2,605	
Data Processing Supplies	46,073	
Utilities	18,752	
Office Supplies	6,655	
Periodicals	2,674	
Other Supplies and Materials	5,132	
Other Charges	1,290	
Building and Contents Insurance	1,624	
Workman's Compensation Insurance	1,037	
Library Books	49,335	
TOTAL LIBRARIES		547,897
LIBRARIES (OTHER)		
Contributions	110,000	
Library Books	27,500	
TOTAL LIBRARIES (OTHER)		137,500

(Continued)

WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015

COUNTY GENERAL FUND (CONTINUED)		
SOCIAL, CULTURAL AND RECREATIONAL		
Contributions - Museum	19,000	
TOTAL SOCIAL, CULTURAL AND RECREATIONAL		19,000
AGRICULTURE EXTENSION SERVICE		
Salaries	188,972	
Social Security	11,286	
State Retirement	26,270	
Employee and Dependent Insurance	8,493	
Life Insurance	150	
Unemployment Compensation	220	
Employer Medicare	2,637	
Dues and Memberships	600	
Freight	99	
Maintenance and Repair	2,881	
Pest Control	550	
Rentals	5,523	
Travel	7,000	
Custodial Supplies	550	
Data Processing Supplies	3,882	
Utilities	5,398	
Office Supplies	1,396	
Other Supplies and Materials	5,042	
Building and Contents Insurance	443	
Workman's Compensation Insurance	284	
Other Charges	3,618	
TOTAL AGRICULTURE EXTENSION SERVICE		275,294
FOREST SERVICE		
Forest Resource Services	1,500	
TOTAL FOREST SERVICE		1,500
SOIL CONSERVATION		
Secretary	25,802	
Other Salary and Wages	20,844	
Social Security	2,828	
Employer Medicare	662	
Employee and Dependent Insurance	9,260	
State Retirement	4,650	
Contributions	15,985	
TOTAL SOIL CONSERVATION		80,031

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)		
STORM WATER MANAGEMENT		
Consultants	27,035	
Licenses	<u>3,460</u>	
TOTAL STORM WATER MANAGEMENT		30,495
AGRICULTURE AND NATURAL RESOURCES		
Salaries	10,489	
Social Security	650	
Employer Medicare	152	
Communication	442	
Utilities	1,420	
Other Supplies and Materials	<u>436</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		13,589
TOURISM		
Contributions	<u>6,971</u>	
TOTAL TOURISM		6,971
INDUSTRIAL DEVELOPMENT		
Contributions	<u>699,000</u>	
TOTAL INDUSTRIAL DEVELOPMENT		699,000
ECONOMIC AND COMMUNITY DEVELOPMENT		
Contributions	171,206	
Contracts with Government Agencies	319,195	
Other Charges	<u>19,340</u>	
TOTAL ECONOMIC AND COMMUNITY DEVELOPMENT		509,741
TRANSPORTATION - AIRPORT		
Contributions	<u>15,885</u>	
TOTAL TRANSPORTATION - AIRPORT		15,885
CONTRIBUTIONS TO OTHER AGENCIES		
Contributions	<u>53,469</u>	
TOTAL CONTRIBUTIONS TO OTHER AGENCIES		53,469
EMPLOYEE BENEFITS		
Employee and Dependent Insurance	291,502	
Life Insurance	60,326	
Unemployment	<u>7,244</u>	
TOTAL EMPLOYEE BENEFITS		359,072
DISASTER RELIEF - DRY CREEK FLOOD		
HUD - Other Contracted Services	<u>67,874</u>	
TOTAL DISASTER RELIEF - DRY CREEK FLOOD		67,874

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COUNTY GENERAL FUND (CONTINUED)

VETERANS' SERVICES

Salaries	2,513	
Social Security	156	
Employer Medicare	36	
Travel	78	
Office Supplies	105	
<b>TOTAL VETERANS' SERVICES</b>		<b>2,888</b>

PAYMENTS TO CITIES

Remittance of Revenues Collected	2,822	
<b>TOTAL PAYMENTS TO CITIES</b>		<b>2,822</b>

EDUCATION

Contributions to Education	1,214,229	
Other Supplies and Materials	170,031	
<b>TOTAL EDUCATION</b>		<b>1,384,260</b>

**TOTAL COUNTY GENERAL FUND**

**\$ 37,782,866**

SPECIAL REVENUE FUNDS

HIGHWAY FUND

ADMINISTRATION

Salaries	\$ 267,075	
In-Service Training	575	
Employee Benefits	79,524	
Communication	6,846	
Dues and Memberships	4,100	
Freight	214	
Licenses	259	
Maintenance and Repair	17,306	
Other Contracted Services	6,424	
Data Processing Supplies	9,265	
Postal Charges	245	
Travel	3,200	
Office Supplies	2,641	
Other Supplies	1,763	
Liability Insurance	37,610	
Utilities	7,838	
Printing, Stationary and Forms	255	
Workman's Compensation	190,076	
Premiums on Corporate Surety Bonds	100	
Other Charges	6,542	
<b>TOTAL ADMINISTRATION</b>		<b>641,858</b>

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)

HIGHWAY FUND (CONTINUED)

TRAFFIC CONTROL

Salaries	70,475	
Employee Benefits	39,605	
Freight	215	
Road Signs	18,086	
Small Tools	54	
Chemicals	3,910	
Other Supplies and Materials	407	
Other Charges	1,098	
	133,850	133,850
<b>TOTAL TRAFFIC CONTROL</b>		

HIGHWAY AND BRIDGE MAINTENANCE

Salaries	1,203,968	
Employee Benefits	550,543	
Communication	8,317	
Freight	378	
Maintenance and Repair	1,517	
Rentals	665	
Other Contracted Services	38,961	
Engineering Services	25,909	
Concrete and Crushed Stone	39,599	
Diesel Fuel	69,184	
Gasoline	85,726	
Utilities	9,559	
Equipment Parts	1,004	
Fertilizer, Lime and Seed	591	
General Construction Material	3,385	
Ice	315	
Metal Pipe	17,380	
Salt	80,045	
Small Tools	2,478	
Other Supplies and Materials	26,717	
Other Charges	3,837	
	2,170,078	2,170,078
<b>TOTAL HIGHWAY AND BRIDGE MAINTENANCE</b>		

OPERATION AND MAINTENANCE OF EQUIPMENT

Salaries	283,991	
Employee Benefits	119,523	
Communication	1,754	
Freight	5,916	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)		
HIGHWAY FUND (CONTINUED)		
OPERATION AND MAINTENANCE OF EQUIPMENT (CONTINUED)		
Maintenance and Repair	73,325	
Rentals	4,909	
Tow-In Services	2,200	
Other Contracted Services	2,178	
Electricity	6,484	
Equipment Parts	207,231	
Garage Supplies	11,236	
Lubricants	19,589	
Office Supplies	386	
Propane Gas	11,146	
Small Tools	3,248	
Tires and Tubes	23,562	
Vehicle Parts	512	
Other Supplies and Materials	34,365	
Other Charges	410	
	<hr/>	
TOTAL OPERATION AND MAINTENANCE OF EQUIPMENT		811,965
ASPHALT PLANT OPERATIONS		
Salaries	874,472	
Employee Benefits	437,359	
Overtime	992	
Communication	1,296	
Freight	21,929	
Maintenance and Repair - Equipment	1,009	
Rentals	1,563	
Other Contracted Services	10,986	
Asphalt	896,618	
Crushed Stone	239,934	
Diesel Fuel	229,108	
Electricity	37,521	
Equipment and Machinery Parts	11,212	
Fuel Oil	51,800	
Lubricants	2,433	
Natural Gas	567	
Sand	32,899	
Water and Sewer	1,620	
Other Supplies and Materials	7,632	
State Aid Projects	309,196	
	<hr/>	
TOTAL ASPHALT PLANT OPERATIONS		3,170,146

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)		
HIGHWAY FUND (CONTINUED)		
OTHER CHARGES		
Trustee's Commission	<u>120,016</u>	
TOTAL OTHER CHARGES		120,016
EMPLOYEE BENEFITS		
Employee Insurance	69,633	
Life Insurance	<u>16,909</u>	
TOTAL EMPLOYEE BENEFITS		86,542
CAPITAL OUTLAY		
Bridge Construction	401,276	
Motor Vehicles	67,050	
Other Equipment	<u>62,983</u>	
TOTAL CAPITAL OUTLAY		<u>531,309</u>
TOTAL HIGHWAY FUND		7,665,764
SOLID WASTE / SANITATION FUND		
SANITATION OPERATIONS		
Salaries	424,967	
Employee Benefits	79,452	
Employee and Dependent Insurance	114,793	
Life Insurance	478	
Handling Charges and Admin Costs	462	
Disposal Fees	299,171	
Trustee Commission	19,523	
Instructional Supplies and Materials	800	
Communication	5,752	
Dues and Memberships	100	
Freight	450	
Maintenance and Repair	61,664	
Rentals	6,392	
Travel	431	
Gasoline	6,508	
Lubricants	2,137	
Tires	16,738	
Diesel Fuel	45,157	
Utilities	10,902	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)		
SOLID WASTE / SANITATION FUND (CONTINUED)		
SANITATION OPERATIONS (CONTINUED)		
Supplies and Materials	34,661	
Building and Contents Insurance	135	
Postal Charges	449	
Workman's Compensation Insurance	19,146	
Other Charges	1,397	
Premiums on Corporate Surety Bonds	101	
Liability Insurance	4,495	
Solid Waste Equipment	17,791	
TOTAL SANITATION OPERATIONS	1,174,052	1,174,052
TIRE CENTER OPERATIONS		
Salaries	41,312	
Employee Benefits	2,999	
Retirement	2,608	
Employee and Dependent Insurance	6,338	
Communication	1,050	
Permits	111	
Travel	681	
Utilities	836	
Supplies and Materials	837	
Postal Charges	400	
Worker's Compensation Insurance	1,246	
Contracts with Private Agency	93,659	
TOTAL TIRE CENTER OPERATIONS	152,077	152,077
TOTAL SOLID WASTE / SANITATION FUND		1,326,129
DRUG FINES FUND		
Confidential Drug Enforcement Payments	2,500	
Freight	101	
Supplies	5,703	
Trustee's Commission	558	
Other Charges	10,801	
Data Processing Equipment	32,395	
TOTAL DRUG FINES FUND	52,058	52,058

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)		
CONSTITUTIONAL OFFICERS - FEES FUNDS		
Special Commissioner Fees	12,904	
Bank Charges	12,696	
Postage	91	
	<u>          </u>	
TOTAL CONSTITUTIONAL OFFICERS - FEES FUNDS		<u>25,691</u>
TOTAL SPECIAL REVENUE FUNDS		<u>\$ 9,043,951</u>
RURAL DEBT SERVICE FUND		
Principal on Bonds	\$ 190,000	
Interest on Bonds	65,850	
	<u>          </u>	
TOTAL RURAL DEBT SERVICE FUND		<u>\$ 255,850</u>
CAPITAL PROJECTS FUND		
General Government - Various General Projects	\$ 424,049	
General Government - Archives	93,192	
General Government - Administration of Justice	14,153	
General Government - Public Safety	186,455	
Education - Various Projects	986,657	
Public Health and Welfare - Building	11,089	
	<u>          </u>	
TOTAL CAPITAL PROJECTS FUND		<u>\$ 1,715,595</u>
DEBT SERVICE FUND		
Principal on Bonds	\$ 4,010,000	
Principal on Notes	590,000	
Interest on Bonds	6,597,957	
Interest on Notes	137,875	
Trustee Commission and Debt Issuance Costs	202,819	
Fees	8,198	
	<u>          </u>	
TOTAL DEBT SERVICE FUND		<u>\$ 11,546,849</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, 2015**

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

REGULAR INSTRUCTION

CLASSROOM

Teachers	\$ 19,947,549	
Career Ladder Program	114,000	
Career Ladder Extended Contract	37,320	
Homebound Teachers	18,250	
Educational Assistants	1,125,843	
Bonus	321,900	
Substitute Teachers	157,874	
Non-Certified Substitute Teachers	248,862	
Social Security	1,280,006	
State Retirement	1,926,495	
Life Insurance	15,000	
Medical Insurance	4,523,919	
Unemployment Compensation	26,641	
Employer Medicare	301,570	
Other Fringe Benefits	69,902	
Maintenance and Repair	299,917	
Other Contracted Services	3,123,670	
Instructional Supplies and Materials	199,952	
Textbooks	545,811	
Other Supplies and Materials	238,942	
Other Charges	478,954	
TOTAL CLASSROOM		35,002,377

ADMINISTRATION

Supervisors	229,031	
Career Ladder Program	9,000	
Librarians	711,058	
Instructional Computer Personnel	217,527	
Secretary and Clerical	137,616	
Bonus	19,800	
Social Security	73,526	
State Retirement	125,529	
Life Insurance	826	
Medical Insurance	147,180	
Employer Medicare	18,152	
Other Fringe Benefits	374	
Maintenance and Repair	18,777	
Travel	40,842	
Library Books	94,872	
In-Service Workshops	70,009	
Other Supplies and Materials	9,405	
TOTAL ADMINISTRATION		1,923,524

TOTAL REGULAR INSTRUCTION

36,925,901

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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

SPECIAL EDUCATION

CLASSROOM

Teachers	2,195,165	
Career Ladder Program	17,000	
Homebound Teachers	18,705	
Educational Assistants	189,009	
Speech Pathologist	172,833	
Bonus	43,800	
Other Salaries and Wages	104,182	
Substitute Teachers	10,000	
Non-Certified Substitute Teachers	40,000	
Social Security	159,673	
State Retirement	264,668	
Life Insurance	1,734	
Medical Insurance	335,975	
Employer Medicare	37,343	
Other Fringe Benefits	1,076	
Other Contracted Services	4,757	
Instructional Supplies and Materials	17,273	
Other Charges	3,339	
<b>TOTAL CLASSROOM</b>	<b>3,616,532</b>	<b>3,616,532</b>

ADMINISTRATION

Supervisor/Director	81,311	
Career Ladder Program	3,000	
Psychological Personnel	48,219	
Assessment Personnel	207,027	
Secretary	26,603	
Speech Pathologist	181,244	
Bonus	7,200	
Other Salaries and Wages	43,225	
Social Security	36,025	
State Retirement	56,615	
Life Insurance	303	
Medical Insurance	64,537	
Employer Medicare	8,425	
Other Fringe Benefits	170	
Maintenance and Repair	360	
Other Contracted Services	67,804	
Travel	24,497	
In-Service / Staff Development	1,572	
Other Supplies and Materials	4,537	
<b>TOTAL ADMINISTRATION</b>	<b>862,674</b>	<b>862,674</b>

TOTAL SPECIAL EDUCATION

4,479,206

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

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

VOCATIONAL EDUCATION

CLASSROOM

Teachers	1,437,095	
Career Ladder Program	4,000	
Educational Assistants	20,073	
Bonus	18,600	
Substitute Teachers	5,000	
Non-Certified Substitute Teachers	20,000	
Social Security	88,023	
State Retirement	135,537	
Life Insurance	870	
Medical Insurance	190,914	
Other Fringe Benefits	503	
Employer Medicare	19,849	
Instructional Supplies and Materials	<u>109,976</u>	
TOTAL CLASSROOM		2,050,440

ADMINISTRATION

Supervisor and Director	40,656	
Career Ladder Program	3,000	
Secretary	26,832	
Bonus	1,200	
Social Security	4,053	
State Retirement	7,615	
Life Insurance	44	
Medical Insurance	5,111	
Employer Medicare	948	
Other Fringe Benefits	17	
Travel	32,720	
Other Supplies and Materials	<u>1,968</u>	
TOTAL ADMINISTRATION		<u>124,164</u>

TOTAL VOCATIONAL EDUCATION

2,174,604

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
ADULT EDUCATION		
Teacher	4,500	
Social Security	94	
State Retirement	216	
Employer Medicare	22	
Instructional Supplies and Materials	2,966	
TOTAL ADULT EDUCATION	7,798	7,798
ATTENDANCE		
Supervisor and Director	64,510	
Career Ladder Program	1,000	
Secretary and Clerical	23,690	
Bonus	1,200	
Social Security	5,267	
State Retirement	9,157	
Life Insurance	44	
Medical Insurance	12,956	
Employer Medicare	1,232	
Other Fringe Benefits	17	
Travel	5,951	
Other Supplies and Materials	1,151	
TOTAL ATTENDANCE	126,175	126,175
HEALTH SERVICES		
Medical Personnel	172,432	
Bonus	10,300	
Other Salaries and Wages	294,223	
Social Security	27,755	
State Retirement	61,531	
Life Insurance	362	
Medical Insurance	99,462	
Employer Medicare	6,491	
Other Fringe Benefits	81	
Travel	4,603	
Other Contracted Services	85,454	
Other Supplies and Materials	10,064	
Other Charges	9,359	
TOTAL HEALTH SERVICES	782,117	782,117

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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

OTHER STUDENT SERVICES

Career Ladder Program	3,000	
Guidance Personnel	848,182	
Bonus	10,800	
Social Security	50,434	
State Retirement	78,160	
Life Insurance	486	
Medical Insurance	102,849	
Employer Medicare	11,795	
Other Fringe Benefits	292	
Contracts with Other Public Agencies	90,000	
Evaluation and Testing	59,816	
Other Supplies and Materials	6,100	
<b>TOTAL OTHER STUDENT SERVICES</b>	<b>1,261,914</b>	<b>1,261,914</b>

BOARD OF EDUCATION

Board and Committee Fees	26,098	
Social Security	1,618	
State Retirement	2,045	
Medical Insurance	33,492	
Employer Medicare	378	
Audit Services	54,950	
Dues and Memberships	16,229	
Legal Services	6,164	
Travel	19,982	
Other Contracted Services	4,000	
Liability Insurance	161,537	
Premiums on Corporate Surety Bonds	6,294	
Trustee Commission	536,737	
Workman's Compensation	446,059	
Other Charges	13,429	
<b>TOTAL BOARD OF EDUCATION</b>	<b>1,329,012</b>	<b>1,329,012</b>

OFFICE OF THE DIRECTOR

Director of Schools	116,615	
Career Ladder Program	1,000	
Secretary and Clerical	146,558	
Bonus	4,200	
Other Salaries and Wages	32,155	
Social Security	17,644	
State Retirement	39,582	
Life Insurance	157	
Medical Insurance	34,485	
Employer Medicare	4,189	
Other Fringe Benefits	17	
Communications	71,621	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OFFICE OF THE DIRECTOR (CONTINUED)		
Postal Charges	13,989	
Travel	7,835	
Other Contracted Services	84,967	
Office Supplies	4,995	
TOTAL OFFICE OF THE DIRECTOR	580,009	580,009
OFFICE OF THE PRINCIPAL		
Principals	904,052	
Career Ladder	20,000	
Assistant Principals	892,058	
Secretary and Clerical	606,514	
Bonus	38,400	
Other Salaries and Wages	97,928	
Social Security	148,486	
State Retirement	260,276	
Life Insurance	1,302	
Medical Insurance	304,613	
Employer Medicare	35,359	
Other Fringe Benefits	493	
Communications	20,000	
Travel	6,449	
Other Supplies and Materials	75,642	
Other Charges	49,379	
TOTAL OFFICE OF THE PRINCIPAL	3,460,951	3,460,951
FISCAL SERVICES		
Supervisor/Director	70,522	
Clerical Personnel	90,793	
Bonus	1,800	
Social Security	9,969	
State Retirement	20,973	
Life Insurance	60	
Medical Insurance	17,411	
Employer Medicare	2,332	
Travel	854	
Other Contracted Services	11,296	
Other Supplies and Materials	993	
TOTAL FISCAL SERVICES	227,003	227,003
OPERATION OF PLANT		
Custodial Personnel	646,682	
Bonus	22,200	
Other Salaries and Wages	152,729	
Social Security	47,718	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

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COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
OPERATION OF PLANT (CONTINUED)		
State Retirement	95,658	
Life Insurance	695	
Medical Insurance	107,351	
Employer Medicare	11,160	
Other Contracted Services	132,382	
Custodial Supplies	117,809	
Janitorial Services	703,907	
Disposal Fees	123,843	
Electricity	2,046,162	
Natural Gas	103,853	
Water and Sewer	259,947	
Other Supplies and Materials	69,877	
Boiler Insurance	20,140	
Other Charges	12,978	
TOTAL OPERATION OF PLANT	4,675,091	4,675,091
MAINTENANCE OF PLANT		
Supervisor/Director	63,733	
Maintenance Personnel	907,559	
Bonus	16,500	
Social Security	58,497	
State Retirement	113,790	
Life Insurance	481	
Medical Insurance	113,771	
Employer Medicare	13,681	
Communication	2,496	
Maintenance and Repair	47,700	
Other Supplies and Materials	463,415	
Other Charges	17,258	
TOTAL MAINTENANCE OF PLANT	1,818,881	1,818,881
TRANSPORTATION		
Supervisor/Director	50,024	
Mechanics	188,387	
Bus Drivers	922,641	
Bonus	28,950	
Social Security	69,447	
State Retirement	153,642	
Life Insurance	1,517	
Medical Insurance	335,113	
Employer Medicare	16,143	
Communication	713	

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DETAILED EXPENDITURES**  
**ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**For the Fiscal Year Ended June 30, 2015**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
TRANSPORTATION (CONTINUED)		
Other Contracted Services	4,933	
Gasoline	142,232	
Diesel	331,488	
Garage Supplies	29,792	
Tires and Tubes	46,039	
Vehicle Parts	149,687	
Other Supplies and Materials	4,733	
Vehicle and Equipment Insurance	113,288	
Other Charges	15,882	
TOTAL TRANSPORTATION		2,604,651
CENTRAL AND OTHER		
Supervisor/Director	40,000	
Clerical Personnel	21,024	
Bonus	600	
Social Security	1,115	
State Retirement	2,831	
Life Insurance	76	
Medical Insurance	10,223	
Employer Medicare	261	
Office Supplies	3,943	
Other Charges	5,017	
TOTAL CENTRAL AND OTHER		85,090
FOOD SERVICE		
Supervisor/Director	50,024	
Bonus	57,905	
Social Security	2,992	
State Retirement	6,548	
Life Insurance	1,647	
Medical Insurance	210,000	
Employer Medicare	685	
Other Fringe Benefits	16	
TOTAL FOOD SERVICE		329,817
COMMUNITY SERVICE		
Supervisor	31,366	
Secretaries	19,348	
Bonus	4,700	
Other Salaries and Wages	257,196	
Social Security	18,971	

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COMPUTER UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
GENERAL PURPOSE SCHOOL FUND (CONTINUED)		
COMMUNITY SERVICE (CONTINUED)		
State Retirement	16,153	
Medical Insurance	7,175	
Employer Medicare	4,451	
Travel	970	
Food Supplies	22,225	
Other Supplies and Materials	11,328	
Other Charges	6,404	
TOTAL COMMUNITY SERVICE		400,287
EARLY CHILDHOOD EDUCATION		
Teachers	127,000	
Educational Assistants	35,043	
Bonus	3,600	
Social Security	9,904	
State Retirement	15,134	
Medical Insurance	25,600	
Employer Medicare	2,316	
Travel	1,777	
Instructional Supplies and Materials	3,813	
Other Supplies and Materials	780	
TOTAL EARLY CHILDHOOD EDUCATION		224,967
DEBT SERVICE		
Contributions to Debt Service	260,000	
TOTAL DEBT SERVICE		260,000
CAPITAL OUTLAY		
Transportation Equipment	29,815	
Other Capital Outlay	183,453	
TOTAL CAPITAL OUTLAY		213,268
TOTAL GENERAL PURPOSE SCHOOL FUND		<u>61,966,742</u>
SCHOOL FEDERAL PROJECTS FUND		
REGULAR INSTRUCTION		
CLASSROOM		
Teachers	702,309	
Educational Assistants	91,819	
Other Salaries and Wages	147,146	
Substitute Teachers	4,128	
Social Security and Medicare	67,680	
State Retirement	90,705	
Medical Insurance	150,789	
Instructional Supplies and Materials	117,444	
Other Supplies and Materials	4,353	
TOTAL CLASSROOM		1,376,373

(Continued)

WASHINGTON COUNTY, TENNESSEE  
 SCHEDULE OF DETAILED EXPENDITURES  
 ALL GOVERNMENTAL FUND TYPES  
 AND DISCRETELY PRESENTED COMPONENT UNIT  
 For the Fiscal Year Ended June 30, 2015

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)  
 SCHOOL FEDERAL PROJECTS FUND (CONTINUED)

REGULAR INSTRUCTION (CONTINUED)

ADMINISTRATION

Other Salaries and Wages	337,496	
Certified Substitute Teachers	1,359	
Social Security and Medicare	25,124	
Medical Insurance	30,416	
State Retirement	23,472	
Travel	20,583	
In-Service Workshops	23,840	
Other Supplies and Materials	51,246	
Other Charges	196	
Indirect Cost	16,281	
	<u>16,281</u>	
TOTAL ADMINISTRATION		<u>530,013</u>

TOTAL REGULAR INSTRUCTION 1,906,386

SPECIAL EDUCATION

CLASSROOM

Teachers	78,897	
Educational Assistants	736,248	
Speech Pathologist	37,312	
Other Salaries and Wages	5,000	
Social Security and Medicare	57,160	
State Retirement	98,373	
Medical Insurance	237,792	
Instructional Supplies and Materials	19,082	
	<u>19,082</u>	
TOTAL CLASSROOM		1,269,864

ADMINISTRATION

Other Salaries and Wages	89,320	
Social Security and Medicare	6,775	
State Retirement	8,075	
Medical Insurance	12,732	
Other Contracted Services	21,156	
In-Service Workshops	28,442	
Other Supplies and Materials	12,557	
Other Charges	716	
Travel	4,096	
Indirect Cost	14,802	
	<u>14,802</u>	
TOTAL ADMINISTRATION		<u>198,671</u>

TOTAL SPECIAL EDUCATION 1,468,535

(Continued)

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF DETAILED EXPENDITURES  
ALL GOVERNMENTAL FUND TYPES  
AND DISCRETELY PRESENTED COMPONENT UNIT  
For the Fiscal Year Ended June 30, 2015**

COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION (CONTINUED)		
SCHOOL FEDERAL PROJECTS FUND (CONTINUED)		
VOCATIONAL EDUCATION		
Teachers	34,500	
Social Security and Medicare	2,639	
State Retirement	3,122	
Medical Insurance	4,659	
Instructional Supplies and Materials	41,547	
Other Supplies and Materials	10,031	
Other Charges	2,450	
Indirect Costs	692	
TOTAL VOCATIONAL EDUCATION		99,640
OTHER STUDENT SUPPORT		
Other Salaries and Wages	19,384	
Social Security and Medicare	1,483	
State Retirement	2,522	
Medical Insurance	1,984	
Travel	24,530	
Other Supplies and Materials	16,559	
In-Service Workshops	90	
TOTAL OTHER STUDENT SUPPORT		66,552
TRANSPORTATION		
Bus Drivers	298,042	
Social Security and Medicare	19,673	
State Retirement	37,947	
Medical Insurance	73,055	
TOTAL TRANSPORTATION		428,717
TOTAL SCHOOL FEDERAL PROJECTS FUND		3,969,830
SCHOOL FOOD SERVICE FUND		
Salaries and Payroll Expenses	1,576,643	
Food Purchases	1,397,957	
Supplies and Materials	226,091	
Utilities	6,218	
Other Contracted Services	49,615	
Miscellaneous Expenses and Repairs	9,268	
TOTAL SCHOOL FOOD SERVICE FUND		3,265,792
TOTAL COMPONENT UNIT - WASHINGTON COUNTY BOARD OF EDUCATION		\$ 69,202,364

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**COMBINED SCHEDULE OF ASSETS AND LIABILITIES**  
**June 30, 2015**

	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	\$ 44,057,086	-	-	-	-	-	-	-	44,057,086
Cash on Hand	400	1,100	1,050	1,350	-	200	100	5,050	9,250
Cash in Bank	-	862,405	148,050	43,253	254,422	699,597	460,416	-	2,468,143
Investments	-	-	636,140	44,621	779,148	1,264,712	-	-	2,724,621
Receivables	1,919	-	-	-	-	-	9,356	21,972	33,247
Due from State	8,684,546	-	-	-	-	-	-	-	8,684,546
<b>TOTAL ASSETS</b>	<b>\$ 52,743,951</b>	<b>863,505</b>	<b>785,240</b>	<b>89,224</b>	<b>1,033,570</b>	<b>1,964,509</b>	<b>469,872</b>	<b>27,022</b>	<b>57,976,893</b>
<b>LIABILITIES</b>									
<b>Due to State of Tennessee</b>									
Business and Gross Receipts Tax	\$ -	-	-	-	-	-	-	-	-
Marriage Licenses	-	5,771	-	-	-	-	-	-	5,771
Motor Vehicle Registration	-	342,964	-	-	-	-	-	-	342,964
Sales and Use Tax	-	351,204	-	-	-	-	-	-	351,204
Driver License	-	2,058	-	-	-	-	-	-	2,058
Motor Vehicle Titles	-	20,166	-	-	-	-	-	-	20,166
Manufactured Home Installation Permit	-	148	-	-	-	-	-	-	148
Realty Transfer and Mortgage Transfer Tax	-	-	-	-	-	-	386,358	-	386,358
County Officials Retirement Tax	-	-	-	-	-	-	9,740	-	9,740
<b>Due to Litigants, Heirs and Others</b>									
Donor Awareness	-	337	-	-	-	-	-	-	337
County Clerk	-	1,100	-	-	-	-	-	-	1,100
Notary Seals and Commissions	-	245	-	-	-	-	-	-	245
Helping Schools	-	31	-	-	-	-	-	-	31
Court Funds and Costs	-	-	36,632	2,174	230,996	422,036	-	-	691,838
Deposits	-	-	636,140	44,621	779,148	1,264,712	-	-	2,724,621

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**COMBINED SCHEDULE OF ASSETS AND LIABILITIES**  
**June 30, 2015**

	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
<b>LIABILITIES (CONTINUED)</b>									
Due to Litigants, Heirs and Others (Continued)									
Delinquent Property Taxes	-	-	-	-	-	277,701	-	-	277,701
Publications	-	-	-	-	-	60	-	-	60
Cash Bonds	-	-	11,500	43,900	23,500	-	-	-	78,900
Escrow and Refunds	-	-	-	-	-	-	3,734	-	3,734
Drug Program	-	-	-	-	-	-	-	5,050	5,050
Vendors	-	-	-	-	-	-	-	21,972	21,972
Due to Johnson City Schools	2,146,217	-	-	-	-	-	-	-	2,146,217
Due to Sales Tax Fund	4,001,946	-	-	-	-	-	-	-	4,001,946
Due to General Purpose School Fund	2,449,537	-	-	-	-	-	-	-	2,449,537
<b>FUNDS</b>									
General	17,955,969	-	-	-	-	-	-	-	17,955,969
Solid Waste / Sanitation	1,219,221	-	-	-	-	-	-	-	1,219,221
Highway	5,646,377	-	-	-	-	-	-	-	5,646,377
General Purpose School	8,055,329	-	-	-	-	-	-	-	8,055,329
School Federal Projects	212,406	-	-	-	-	-	-	-	212,406
School Food Service	119,316	-	-	-	-	-	-	-	119,316
Debt Service	6,516,434	-	-	-	-	-	-	-	6,516,434
Rural Debt Service	241,190	-	-	-	-	-	-	-	241,190
Capital Projects	3,376,715	-	-	-	-	-	-	-	3,376,715
Drug Fines	237,114	-	-	-	-	-	-	-	237,114
District Attorney	169,375	-	-	-	-	-	-	-	169,375
Judicial District Drug	219,166	-	-	-	-	-	-	-	219,166
Washington County Insurance	4,752	-	-	-	-	-	-	-	4,752
Commission Account	172,887	139,481	100,968	(1,471)	(74)	-	70,040	-	481,831
<b>TOTAL LIABILITIES</b>	<b>\$ 52,743,951</b>	<b>863,505</b>	<b>785,240</b>	<b>89,224</b>	<b>1,033,570</b>	<b>1,964,509</b>	<b>469,872</b>	<b>27,022</b>	<b>57,976,893</b>

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES**  
**For the Fiscal Year Ended June 30, 2015**

RECEIPTS	Trustee	County Clerk	Circuit Court Clerk	General Sessions Court Clerk	Law Court Clerk	Clerk and Master	Register	Sheriff	Total (Memorandum Only)
Fund Accounts	\$ 181,284,729	-	-	-	-	-	-	-	181,284,729
State of Tennessee	-	7,435,404	121,181	765,472	25,069	21,460	2,835,136	-	11,203,722
Litigants, Heirs and Others	-	7,032	228,155	2,219,180	659,705	2,435,964	7,561	131,181	5,688,778
County Revenue Clearing Account	-	673,039	66,290	1,219,401	94,069	2,033,912	-	31,221	4,117,932
Fee and Commission Account	1,967,215	1,127,083	210,937	732,575	252,730	531,336	585,128	-	5,407,004
<b>TOTAL RECEIPTS</b>	<b>183,251,944</b>	<b>9,242,558</b>	<b>626,563</b>	<b>4,936,628</b>	<b>1,031,573</b>	<b>5,022,672</b>	<b>3,427,825</b>	<b>162,402</b>	<b>207,702,165</b>
<b>DISBURSEMENTS</b>	<b>187,529,494</b>	<b>9,116,995</b>	<b>1,647,123</b>	<b>4,193,791</b>	<b>845,642</b>	<b>4,954,943</b>	<b>3,200,153</b>	<b>167,283</b>	<b>211,655,424</b>
Excess of Receipts Over (Under) Disbursements	(4,277,550)	125,563	(1,020,560)	742,837	185,931	67,729	227,672	(4,881)	(3,953,259)
Transfers from Sessions and Law to Circuit Court	-	-	984,975	(732,245)	(252,730)	-	-	-	-
Cash Balance, July 1, 2014	48,335,036	737,942	820,825	78,632	1,100,369	1,896,780	232,844	9,931	53,212,359
Cash Balance, June 30, 2015	<u>\$ 44,057,486</u>	<u>863,505</u>	<u>785,240</u>	<u>89,224</u>	<u>1,033,570</u>	<u>1,964,509</u>	<u>460,516</u>	<u>5,050</u>	<u>49,259,100</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, 2015

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	\$ 5,337	75,473	683,708	954	765,472
County Revenue Clearing Account	17,125	428,786	771,742	1,748	1,219,401
Litigants, Heirs and Others	78,600	1,755,106	325,159	60,315	2,219,180
Fee and Commission Account	7,778	293,440	415,690	15,667	732,575
<b>TOTAL RECEIPTS</b>	<b>108,840</b>	<b>2,552,805</b>	<b>2,196,299</b>	<b>78,684</b>	<b>4,936,628</b>
<b>DISBURSEMENTS</b>	<b>101,062</b>	<b>2,258,817</b>	<b>1,772,431</b>	<b>61,481</b>	<b>4,193,791</b>
Excess of Receipts Over (Under) Disbursements	7,778	293,988	423,868	17,203	742,837
Transfers from Sessions to Circuit Court	(7,773)	(293,440)	(415,365)	(15,667)	(732,245)
Cash Balance, July 1, 2014	55	892	34,582	43,103	78,632
Cash Balance, June 30, 2015	\$ 60	1,440	43,085	44,639	89,224

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 CLERK AND MASTER  
 For the Fiscal Year Ended June 30, 2015**

	Clerk & Master - Jonesborough	Clerk & Master - Johnson City	Total Clerk & Master
RECEIPTS			
State of Tennessee	\$ 8,835	12,625	21,460
Washington County	515,518	1,518,394	2,033,912
Litigants, Heirs and Others	1,233,649	1,202,315	2,435,964
Fee and Commission Account	<u>142,460</u>	<u>388,876</u>	<u>531,336</u>
TOTAL RECEIPTS	1,900,462	3,122,210	5,022,672
DISBURSEMENTS	<u>1,571,350</u>	<u>3,383,593</u>	<u>4,954,943</u>
Excess of Receipts Over (Under) Disbursements	329,112	(261,383)	67,729
Transfers from Jonesborough to Johnson City	(142,460)	142,460	-
Cash Balance, July 1, 2014	<u>514,324</u>	<u>1,382,456</u>	<u>1,896,780</u>
Cash Balance, June 30, 2015	<u>\$ 700,976</u>	<u>1,263,533</u>	<u>1,964,509</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
Business and Gross Receipts Tax	\$ -	554	-	-	554	-
Marriage Licenses	4,268	42,390	-	595	40,292	5,771
Motor Vehicle Registration	265,461	3,485,532	-	-	3,408,029	342,964
Manufactured Home Installation Permits	-	222	-	-	74	148
Sales and Use Tax	335,796	3,673,751	-	183,688	3,474,655	351,204
Driver License	1,578	26,240	-	5,184	20,576	2,058
Motor Vehicle Titles	18,183	206,715	-	-	204,732	20,166
<b>TOTAL STATE OF TENNESSEE</b>	<b>625,286</b>	<b>7,435,404</b>	<b>0</b>	<b>189,467</b>	<b>7,148,912</b>	<b>722,311</b>
<b>WASHINGTON COUNTY</b>						
Business Tax and Marriage Licenses	-	10,220	-	511	9,709	-
Beer Tax	-	333,202	-	16,660	316,542	-
Building Permits	-	124,643	-	6,232	118,411	-
Archive and Records Management Fee	-	195,840	-	-	195,840	-
Data Processing Fee	-	9,134	-	-	9,134	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>673,039</b>	<b>0</b>	<b>23,403</b>	<b>649,636</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Notary Seals and Commissions	100	1,945	-	-	1,800	245
Donor Awareness	235	4,529	-	-	4,427	337
Helping Schools	93	558	-	-	620	31
Due to County Clerk	1,100	-	-	-	-	1,100
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,528</b>	<b>7,032</b>	<b>0</b>	<b>0</b>	<b>6,847</b>	<b>1,713</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	111,128	914,213	212,870	-	1,098,730	139,481
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>111,128</b>	<b>914,213</b>	<b>212,870</b>	<b>0</b>	<b>1,098,730</b>	<b>139,481</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 737,942</b>	<b>9,029,688</b>	<b>212,870</b>	<b>212,870</b>	<b>8,904,125</b>	<b>863,505</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	83,782	-	3,212	80,570	-
Department of Safety	-	2,545	-	127	2,418	-
Tennessee Bureau of Investigations	-	9,855	-	493	9,362	-
Public Defender	-	15,638	-	782	14,856	-
Attorney General	-	9,361	-	469	8,892	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>121,181</b>	<b>0</b>	<b>5,083</b>	<b>116,098</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	7,648	-	516	7,132	-
Special Litigation Tax	-	459	-	31	428	-
Litigation Tax / Jail	-	6,053	-	409	5,644	-
Litigation Tax / Court House Security	-	5,642	-	381	5,261	-
County Fines	-	6,268	-	313	5,955	-
Drug Fines	-	6,943	-	347	6,596	-
Drug Court Fund	-	1,720	-	86	1,634	-
County Officer's Cost	-	13,328	-	666	12,662	-
Jail Fees	-	9,153	-	458	8,695	-
Other Collections	-	3,746	-	50	3,696	-
Archive and Records Management Fee	-	917	-	46	871	-
Data Processing Fee	-	2,253	-	-	2,253	-
Court Security Fee	-	2,160	-	108	2,052	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>66,290</b>	<b>0</b>	<b>3,411</b>	<b>62,879</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	37,711	199,074	-	-	200,153	36,632
Cash Bonds	15,000	9,300	-	-	12,800	11,500
Deposits	665,047	-	-	-	28,907	636,140
Alimony/Child Support	-	350	-	-	350	-
Constable's Cost	-	17	-	1	16	-
Fines and Arrest Fees - Jonesborough	-	686	-	34	652	-
Fines and Arrest Fees - Johnson City	-	12,508	-	625	11,883	-
Drug Fines - Johnson City	-	6,220	-	311	5,909	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>717,758</b>	<b>228,155</b>	<b>0</b>	<b>971</b>	<b>260,670</b>	<b>684,272</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	103,067	1,186,447	9,465	-	1,198,011	100,968
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>103,067</b>	<b>1,186,447</b>	<b>9,465</b>	<b>0</b>	<b>1,198,011</b>	<b>100,968</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 820,825</b>	<b>1,602,073</b>	<b>9,465</b>	<b>9,465</b>	<b>1,637,658</b>	<b>785,240</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	2,441	-	85	2,356	-
Department of Safety	-	2,221	-	111	2,110	-
Tennessee Bureau of Investigations	-	161	-	8	153	-
Public Defender	-	444	-	22	422	-
Attorney General	-	70	-	4	66	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>5,337</b>	<b>0</b>	<b>230</b>	<b>5,107</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	767	-	51	716	-
Special Litigation Tax	-	649	-	33	616	-
Litigation Tax / Jail	-	450	-	30	420	-
Litigation Tax / Courtroom Security	-	350	-	22	328	-
Booking Fees	-	120	-	6	114	-
County Fines	-	1,180	-	58	1,122	-
Drug Fines	-	296	-	15	281	-
Drug Court Fund	-	164	-	7	157	-
County Officer's Cost	-	2,140	-	107	2,033	-
Jail Fees	-	10,789	-	539	10,250	-
Archive and Records Management Fee	-	5	-	-	5	-
Other Collections	-	16	-	1	15	-
Data Processing Fee	-	95	-	-	95	-
Court Security Fee	-	104	-	5	99	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>17,125</b>	<b>0</b>	<b>874</b>	<b>16,251</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	-	77,876	-	-	77,876	-
Constable's Cost	-	20	-	1	19	-
Fines and Arrest Fees - Jonesborough	-	704	-	35	669	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>0</b>	<b>78,600</b>	<b>0</b>	<b>36</b>	<b>78,564</b>	<b>0</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	55	6,638	1,140	-	7,773	60
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>55</b>	<b>6,638</b>	<b>1,140</b>	<b>0</b>	<b>7,773</b>	<b>60</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 55</b>	<b>107,700</b>	<b>1,140</b>	<b>1,140</b>	<b>107,695</b>	<b>60</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	75,473	-	5,094	70,379	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>75,473</b>	<b>0</b>	<b>5,094</b>	<b>70,379</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	54,202	-	3,659	50,543	-
Special Litigation Tax	-	84,953	-	4,396	80,557	-
Litigation Tax / Jail	-	106,164	-	7,166	98,998	-
Litigation Tax / Courtroom Security	-	106,105	-	7,162	98,943	-
County Officer's Cost	-	36,433	-	1,822	34,611	-
Archive and Records Management Fee	-	21,215	-	1,061	20,154	-
Environmental Court	-	100	-	5	95	-
Contempt Court	-	50	-	2	48	-
Data Processing Fee	-	18,790	-	-	18,790	-
Court Security Fee	-	774	-	39	735	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>428,786</b>	<b>0</b>	<b>25,312</b>	<b>403,474</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	812	1,726,866	-	-	1,726,318	1,360
Constable's Cost	-	28,240	-	1,412	26,828	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>812</b>	<b>1,755,106</b>	<b>0</b>	<b>1,412</b>	<b>1,753,146</b>	<b>1,360</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	80	261,622	31,818	-	293,440	80
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>80</b>	<b>261,622</b>	<b>31,818</b>	<b>0</b>	<b>293,440</b>	<b>80</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 892</b>	<b>2,520,987</b>	<b>31,818</b>	<b>31,818</b>	<b>2,520,439</b>	<b>1,440</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
CONSTITUTIONAL OFFICERS  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
GENERAL SESSIONS COURT CLERK - STATE COURT - JOHNSON CITY  
For the Fiscal Year Ended June 30, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	397,352	-	17,166	380,186	-
Wildlife Resources	-	2,828	-	146	2,682	-
Department of Safety	-	125,462	-	6,273	119,189	-
Tennessee Bureau of Investigation	-	41,245	-	2,062	39,183	-
Public Defender	-	83,999	-	4,200	79,799	-
Attorney General	-	29,480	-	1,474	28,006	-
Alcohol	-	341	-	17	324	-
AOC Private Attorney Fee	-	3,001	-	150	2,851	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>683,708</b>	<b>0</b>	<b>31,488</b>	<b>652,220</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	119,052	-	8,036	111,016	-
Special Litigation Tax	-	96,259	-	4,956	91,303	-
Litigation Tax / Jail	-	105,257	-	7,105	98,152	-
Litigation Tax / Courtroom Security	-	101,363	-	6,842	94,521	-
Booking Fees	-	38,833	-	1,942	36,891	-
County Fines	-	48,964	-	2,448	46,516	-
Drug Fines	-	25,044	-	1,252	23,792	-
Drug Court Fund	-	14,483	-	724	13,759	-
County Officer's Cost	-	48,055	-	2,403	45,652	-
Jail Fees	-	123,637	-	6,182	117,455	-
Archive and Records Management Fee	-	18,834	-	941	17,893	-
Data Processing Fee	-	18,690	-	-	18,690	-
Criminal Littering Fee	-	55	-	3	52	-
Court Security Fee	-	5,420	-	271	5,149	-
Other Collections	-	7,746	-	387	7,359	-
Contempt of Court Fee	-	50	-	3	47	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>771,742</b>	<b>0</b>	<b>43,495</b>	<b>728,247</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	3,391	93,460	-	-	96,037	814
Cash Bonds	33,145	110,606	-	-	99,851	43,900
Constable's Cost	-	91	-	5	86	-
ETSU Police Department	-	536	-	27	509	-
Fines and Arrest Fees - Jonesborough	-	7,855	-	393	7,462	-
Fines and Arrest Fees - Johnson City	-	112,611	-	5,630	106,981	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>36,536</b>	<b>325,159</b>	<b>0</b>	<b>6,055</b>	<b>310,926</b>	<b>44,714</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(1,954)	334,652	81,038	-	415,365	(1,629)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(1,954)</b>	<b>334,652</b>	<b>81,038</b>	<b>0</b>	<b>415,365</b>	<b>(1,629)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 34,582</b>	<b>2,115,261</b>	<b>81,038</b>	<b>81,038</b>	<b>2,106,758</b>	<b>43,085</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, 2015

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
STATE OF TENNESSEE						
State Litigation Tax	\$ -	204	-	10	194	-
Attorney General	-	750	-	38	712	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>954</b>	<b>0</b>	<b>48</b>	<b>906</b>	<b>0</b>
WASHINGTON COUNTY						
County Fines	-	130	-	7	123	-
County Officer's Cost	-	1,618	-	81	1,537	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>1,748</b>	<b>0</b>	<b>88</b>	<b>1,660</b>	<b>0</b>
LITIGANTS, HEIRS AND OTHERS						
Court Funds and Costs	-	54,889	-	-	54,889	-
Deposits	43,085	4,633	-	-	3,097	44,621
Juvenile Jail Fees	-	770	-	38	732	-
Fines and Arrest Fees - Jonesborough	-	23	-	1	22	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>43,085</b>	<b>60,315</b>	<b>0</b>	<b>39</b>	<b>58,740</b>	<b>44,621</b>
FEE AND COMMISSION ACCOUNT						
Fees and Commissions	18	15,492	175	0	15,667	18
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>18</b>	<b>15,492</b>	<b>175</b>	<b>0</b>	<b>15,667</b>	<b>18</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 43,103</b>	<b>78,509</b>	<b>175</b>	<b>175</b>	<b>76,973</b>	<b>44,639</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	25,069	-	1,692	23,377	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>25,069</b>	<b>0</b>	<b>1,692</b>	<b>23,377</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	12,369	-	835	11,534	-
Special Litigation Tax	-	2,106	-	142	1,964	-
Litigation Tax / Jail	-	26,271	-	1,773	24,498	-
Litigation Court	-	26,275	-	1,774	24,501	-
Court Security	-	320	-	16	304	-
County Officer's Cost	-	16,004	-	800	15,204	-
Archive and Records Management Fee	-	5,260	-	263	4,997	-
Data Processing Fee	-	5,464	-	-	5,464	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>94,069</b>	<b>0</b>	<b>5,603</b>	<b>88,466</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	268,590	636,663	-	-	674,257	230,996
Cash Bonds	10,000	15,500	-	-	2,000	23,500
Deposits	821,853	-	-	-	42,705	779,148
Alimony/Child Support	-	5,754	-	-	5,754	-
Constable's Cost	-	1,788	-	89	1,699	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,100,443</b>	<b>659,705</b>	<b>0</b>	<b>89</b>	<b>726,415</b>	<b>1,033,644</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	(74)	245,346	7,384	-	252,730	(74)
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>(74)</b>	<b>245,346</b>	<b>7,384</b>	<b>0</b>	<b>252,730</b>	<b>(74)</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,100,369</b>	<b>1,024,189</b>	<b>7,384</b>	<b>7,384</b>	<b>1,090,988</b>	<b>1,033,570</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
Litigation Tax	\$ -	8,835	-	596	8,239	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>8,835</b>	<b>0</b>	<b>596</b>	<b>8,239</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	4,377	-	295	4,082	-
Special Litigation Tax	-	748	-	50	698	-
Litigation Tax / Jail	-	9,325	-	629	8,696	-
Litigation Tax / Court Security	-	9,325	-	629	8,696	-
County Officer's Cost	-	684	-	34	650	-
Sheriff Delinquent Tax Summons	-	4,538	-	227	4,311	-
Non-Resident Notice	-	5,067	-	-	5,067	-
Notice of Sale	-	3,828	-	-	3,828	-
Archive and Records Management Fee	-	1,920	-	96	1,824	-
Delinquent Taxes	-	320,521	-	16,026	304,495	-
Delinquent Taxes - Penalty and Interest	-	135,837	-	6,792	129,045	-
Delinquent Taxes - Court Costs	-	8,025	-	-	8,025	-
Delinquent Taxes - Summons	-	9,728	-	486	9,242	-
Data Processing Fee	-	1,577	-	-	1,577	-
Court Security Fee	-	18	-	-	18	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>0</b>	<b>515,518</b>	<b>0</b>	<b>25,264</b>	<b>490,254</b>	<b>0</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	65,087	838,322	-	-	650,181	253,228
Deposits	448,877	150,065	-	-	151,254	447,688
Publications	360	13,980	-	-	14,280	60
Alimony/ Child Support	-	8,102	-	-	8,102	-
Constables, Legal Process	-	12,450	-	-	12,450	-
Attorney's Fees and Commissions - Delinquent Tax	-	53,197	-	-	53,197	-
City Delinquent Taxes	-	87,097	-	4,386	82,711	-
City Delinquent Taxes - Penalty and Interest	-	48,519	-	2,426	46,093	-
City Delinquent Tax - Court Costs	-	2,310	-	-	2,310	-
City Delinquent Tax - Summons	-	1,793	-	90	1,703	-
Jonesborough Delinquent Taxes	-	12,674	-	635	12,039	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	4,450	-	223	4,227	-
Jonesborough Delinquent Taxes - Court Costs	-	375	-	-	375	-
Jonesborough Delinquent Taxes - Summons	-	315	-	16	299	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>514,324</b>	<b>1,233,649</b>	<b>0</b>	<b>7,776</b>	<b>1,039,221</b>	<b>700,976</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	108,824	33,636	-	142,460	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>0</b>	<b>108,824</b>	<b>33,636</b>	<b>0</b>	<b>142,460</b>	<b>0</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 514,324</b>	<b>1,866,826</b>	<b>33,636</b>	<b>33,636</b>	<b>1,680,174</b>	<b>700,976</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, 2015**

Account	Balance 7/1/2014	Receipts	Transfers		Disbursements	Balance 6/30/2015
			To	From		
<b>STATE OF TENNESSEE</b>						
State Litigation Tax	\$ -	12,625	-	852	11,773	-
<b>TOTAL STATE OF TENNESSEE</b>	<b>0</b>	<b>12,625</b>	<b>0</b>	<b>852</b>	<b>11,773</b>	<b>0</b>
<b>WASHINGTON COUNTY</b>						
County Litigation Tax	-	6,215	-	418	5,797	-
Special Litigation Tax	-	1,059	-	71	988	-
Litigation Tax / Jail	-	13,226	-	893	12,333	-
Litigation Tax / Court Security	-	13,253	-	895	12,358	-
Archive Fee	-	2,895	-	145	2,750	-
County Officer's Cost	-	2,706	-	135	2,571	-
Delinquent Taxes	98,897	955,563	-	47,778	737,349	269,333
Delinquent Taxes - Penalty and Interest	-	463,097	-	23,155	439,942	-
Delinquent Tax - Court Costs	-	48,587	-	-	48,587	-
Delinquent Tax - Summons	-	9,075	-	553	8,522	-
Data Processing Fee	-	2,475	-	-	2,475	-
Court Security Fee	-	243	-	-	243	-
<b>TOTAL WASHINGTON COUNTY</b>	<b>98,897</b>	<b>1,518,394</b>	<b>0</b>	<b>74,043</b>	<b>1,273,915</b>	<b>269,333</b>
<b>LITIGANTS, HEIRS AND OTHERS</b>						
Court Funds and Costs	718,618	100,371	-	-	650,181	168,808
Deposits	556,573	411,705	-	-	151,254	817,024
Alimony/ Child Support	-	29,521	-	-	29,521	-
Constables, Legal Process	-	3,458	-	-	3,458	-
Attorney's Fees and Commissions - Delinquent Tax	-	-	-	-	-	-
City Delinquent Taxes	8,368	383,445	-	19,172	364,273	8,368
City Delinquent Taxes - Penalty and Interest	-	231,077	-	11,554	219,523	-
City Delinquent Taxes - Court Costs	-	7,058	-	-	7,058	-
City Delinquent Taxes - Summons	-	1,433	-	71	1,362	-
Jonesborough Delinquent Taxes	-	22,184	-	1,113	21,071	-
Jonesborough Delinquent Taxes - Penalty and Interest	-	10,071	-	503	9,568	-
Jonesborough Delinquent Taxes - Court Costs	-	555	-	-	555	-
Publications	-	1,437	-	-	1,437	-
<b>TOTAL LITIGANTS, HEIRS AND OTHERS</b>	<b>1,283,559</b>	<b>1,202,315</b>	<b>0</b>	<b>32,413</b>	<b>1,459,261</b>	<b>994,200</b>
<b>FEE AND COMMISSION ACCOUNT</b>						
Fees and Commissions	-	281,568	107,308	-	388,876	-
<b>TOTAL FEE AND COMMISSION ACCOUNT</b>	<b>0</b>	<b>281,568</b>	<b>107,308</b>	<b>0</b>	<b>388,876</b>	<b>0</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 1,382,456</b>	<b>3,014,902</b>	<b>107,308</b>	<b>107,308</b>	<b>3,133,825</b>	<b>1,263,533</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE  
 CONSTITUTIONAL OFFICERS  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 REGISTER  
 For the Fiscal Year Ended June 30, 2015**

Account	Balance 7/1/2014	Receipts	Transfer		Disbursements	Balance 6/30/2015
			To	From		
STATE OF TENNESSEE						
Realty Transfer and Mortgage Tax	\$ 223,359	2,831,027	-	68,043	2,599,985	386,358
County Officials' Retirement Tax	5,631	4,109	-	-	-	9,740
<b>TOTAL STATE OF TENNESSEE</b>	<b>228,990</b>	<b>2,835,136</b>	<b>0</b>	<b>68,043</b>	<b>2,599,985</b>	<b>396,098</b>
LITIGANTS, HEIRS AND OTHERS	3,754	7,561	-	-	7,581	3,734
FEES AND COMMISSION ACCOUNT	2,831	517,085	68,043	-	517,919	70,040
<b>TOTAL ALL ACCOUNTS</b>	<b>\$ 235,575</b>	<b>3,359,782</b>	<b>68,043</b>	<b>68,043</b>	<b>3,125,485</b>	<b>469,872</b>

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES**  
**SHERIFF**  
**For the Fiscal Year Ended June 30, 2015**

Cash Balance, 7/1/2014		\$ 9,931
<b>RECEIPTS</b>		
Officers Costs	31,221	
Cash Bonds - Various Courts	104,365	
Fingerprinting	848	
Handgun Permits	2,205	
Sexual Offender Registry Fees	4,973	
Reimbursement	3,190	
Incentives	15,600	
<b>TOTAL RECEIPTS</b>	<b>162,402</b>	
<b>DISBURSEMENTS</b>		
<b>BY CHECK</b>		
Officers Costs Reported to County	31,221	
Cash Bonds - Various Courts	104,365	
Payments for Inmates	6,489	
Handgun Permits	2,205	
Incentives	15,600	
Fingerprinting	825	
Sexual Offender Registry	4,973	
<b>BY CASH</b>		
Drug Buy	<u>1,605</u>	
<b>TOTAL DISBURSEMENTS</b>	<u><b>167,283</b></u>	
Receipts Over (Under) Disbursements		<u>(4,881)</u>
Cash Balance, 6/30/2015		<u><u>\$ 5,050</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, 2015**

	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	\$ -	913,923	201,472	618,404	245,346	390,392	516,970	-	2,886,507
Interest Earned	-	290	-	-	-	-	115	-	405
Commissions	1,967,215	212,870	9,465	114,171	7,384	140,944	68,043	-	2,520,092
<b>TOTAL REVENUE</b>	<b>1,967,215</b>	<b>1,127,083</b>	<b>210,937</b>	<b>732,575</b>	<b>252,730</b>	<b>531,336</b>	<b>585,128</b>	<b>0</b>	<b>5,407,004</b>
<b>OTHER SOURCES</b>									
<b>OPERATING TRANSFERS</b>									
General Sessions - Jonesborough	-	-	7,773	-	-	-	-	-	7,773
General Sessions - Civil Court - Johnson City	-	-	293,440	-	-	-	-	-	1,328,444
General Sessions - State Court - Johnson City	-	-	415,365	-	-	-	-	-	415,365
General Sessions - Juvenile Court Law Court	-	-	15,667	-	-	-	-	-	15,667
	-	-	252,730	-	-	-	-	-	252,730
<b>TOTAL REVENUE AND OTHER SOURCES</b>	<b>1,967,215</b>	<b>1,127,083</b>	<b>1,195,912</b>	<b>732,575</b>	<b>252,730</b>	<b>531,336</b>	<b>585,128</b>	<b>0</b>	<b>7,426,983</b>
<b>EXPENDITURES AND OTHER USES</b>									
<b>EXPENDITURES</b>									
Bank Charges	-	-	12,696	-	-	-	-	-	12,696
Postage	-	-	-	-	-	-	91	-	91
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>12,696</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>91</b>	<b>0</b>	<b>12,787</b>

**WASHINGTON COUNTY, TENNESSEE**  
**CONSTITUTIONAL OFFICERS**  
**COMBINED SCHEDULE OF CHANGES IN FEE AND COMMISSION ACCOUNTS**  
**For the Fiscal Year Ended June 30, 2015**

	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)	-	-	12,696	-	-	-	91	-	12,787
OTHER USES									
Fees and Commissions to County General Fund	1,967,215	1,127,083	1,183,216	330	-	531,336	585,037	-	5,394,217
OPERATING TRANSFERS									
Fees and Commissions to Circuit Court	-	-	-	732,245	252,730	-	-	-	984,975
TOTAL EXPENDITURES AND OTHER USES	<u>1,967,215</u>	<u>1,127,083</u>	<u>1,195,912</u>	<u>732,575</u>	<u>252,730</u>	<u>531,336</u>	<u>585,128</u>	<u>0</u>	<u>6,391,979</u>
Excess Fees, June 30, 2015									
Add: Due to County General Fund - Excess Fees	172,887	139,481	99,423	-	-	-	70,040	-	481,831
Due to General Sessions - State Court - Johnson City	-	-	1,629	-	-	-	-	-	1,629
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	-	-	(60)	-	-	-	-	-	(60)
Less: Due from Circuit Court Clerk	-	-	-	(1,471)	(74)	-	-	-	(1,545)
Cash Balance, June 30, 2015	<u>\$ 172,887</u>	<u>139,481</u>	<u>100,968</u>	<u>(1,471)</u>	<u>(74)</u>	<u>0</u>	<u>70,040</u>	<u>0</u>	<u>481,831</u>

**WASHINGTON COUNTY, TENNESSEE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2015**

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance		Expenditures	*	*** Balance June 30, 2015
				July 1, 2014	Awards			
<b>PRIMARY GOVERNMENT</b>								
16.600	N/A	Federal Boarding of Prisoners ****	U.S. Marshalls	\$ 234,949	1,490,678	1,375,880	0	120,151
<b>PASS-THROUGH STATE OF TENNESSEE</b>								
16.738	2013-DJBX-0677	JAG Communication Improvement Project	U.S. Department of Justice	-	15,410	15,410	-	-
16.738	**	Byrne Formula Grant Program	U.S. Department of Justice	1,620	47,940	49,165	-	2,845
<b>TOTAL DEPARTMENT OF JUSTICE</b>				<u>1,620</u>	<u>63,350</u>	<u>64,575</u>	<u>0</u>	<u>2,845</u>
97.067	34101-000-000-9243	Office of Domestic Preparedness State Homeland Security Grant Program	U.S. Department of Homeland Security	23,841	113,531	90,048	-	358
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>				<u>23,841</u>	<u>113,531</u>	<u>90,048</u>	<u>0</u>	<u>358</u>
12.Unknown	**	Department of Defense Section 1033 Excess Property Program	U.S. Department of Defense	-	771,267	771,267	-	-
<b>TOTAL DEPARTMENT OF DEFENSE</b>				<u>0</u>	<u>771,267</u>	<u>771,267</u>	<u>0</u>	<u>0</u>
20.600	Z-14-GHS417	Teen Driver Safety: Teens Exercising "Xemplary" Travel	Tennessee Department of Transportation	4,425	7,932	3,507	-	-
20.600	Z-14-GHS415	Network Coordinator	Tennessee Department of Transportation	1,136	480	480	(1,136)	-
20.600	PT-13-51	Network Coordinator	Tennessee Department of Transportation	7,976	3,146	3,146	(7,976)	-
				<u>13,537</u>	<u>11,558</u>	<u>7,133</u>	<u>(9,112)</u>	<u>0</u>
20.607	Z-13-GHS431	A Safer Approach to Teen Driver Safety	Tennessee Department of Transportation	-	4,675	14,325	-	9,650
20.607	Z-15-GHS429	Preventing Alcohol-Related Traffic Tragedies	Tennessee Department of Transportation	-	2,985	4,023	-	1,038
20.607	Z-14-GHS416	Rural Alcohol Traffic Enforcement Strategies	Tennessee Department of Transportation	-	43,296	43,296	-	-
20.607	Z-13-GHS380	High Visibility Law Enforcement	Tennessee Department of Transportation	-	-	4,967	-	4,967
20.607	Z-14-GHS414	High Visibility Law Enforcement	Tennessee Department of Transportation	883	4,094	4,094	(883)	-
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>				<u>883</u>	<u>55,050</u>	<u>70,705</u>	<u>(883)</u>	<u>15,655</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>				<u>14,420</u>	<u>66,608</u>	<u>77,838</u>	<u>(9,995)</u>	<u>15,655</u>
14.228	GG-10-32769-00	Water Line Extension CDGB	Tennessee Department of Economic and Community Development	-	19,340	19,340	-	-
14.239	**	THDA Disaster Recovery Program Home Investment Partnership Program	U.S. Department of Housing and Urban Development	-	67,874	67,874	-	-
45.310	30504-00114-119	Library Services and Technology Act	Tennessee State Library and Archives	3,285	3,285	-	-	-
93.913	34360-18314	Local Health Services	Tennessee Department of Health	-	363,028	363,028	-	-
<b>TOTAL PASS-THROUGH STATE OF TENNESSEE</b>				<u>43,166</u>	<u>1,468,283</u>	<u>1,453,970</u>	<u>(9,995)</u>	<u>18,858</u>
<b>PASS-THROUGH OTHER AGENCIES</b>								
16.738	**	Appalachian High Intensity Drug Trafficking Area	U.S. Department of Justice from Appalachian High Intensity Drug Trafficking Area	4,362	17,254	13,727	-	835
<b>TOTAL PRIMARY GOVERNMENT</b>				<u>47,528</u>	<u>1,485,537</u>	<u>1,467,697</u>	<u>(9,995)</u>	<u>19,693</u>

(Continued)

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2015**

CFDA Number	Pass-through Entity Identifying Number	Program Name	Grantor Agency	Balance	Awards	Expenditures	* Adjustments	*** Balance
				July 1, 2014				June 30, 2015
<b>COMPONENT UNIT - BOARD OF EDUCATION</b>								
<b>PASS-THROUGH STATE OF TENNESSEE</b>								
84.173	N/A	Preschool Incentive Funds	U.S. Department of Education	320	40,308	44,934	-	4,946
84.027	N/A	IDEA - Part B	U.S. Department of Education	129,034	1,851,904	1,740,872	-	18,002
84.027	N/A	IDEA - Part B - Education of the Handicapped	U.S. Department of Education	-	18,698	18,698	-	-
84.027	N/A	IDEA - Part B - State Discretionary	U.S. Department of Education	5,581	110,261	122,261	-	17,581
				<u>134,935</u>	<u>2,021,171</u>	<u>1,926,765</u>	<u>0</u>	<u>40,529</u>
84.010	N/A	Title I Funds	U.S. Department of Education	138,245	1,356,307	1,409,981	-	191,919
84.395	N/A	ARRA - Race to the Top	U.S. Department of Education	10,000	289,466	279,466	-	-
84.048	N/A	Carl Perkins - Program Improvement	U.S. Department of Education	2,743	101,292	120,820	-	22,271
84.367	N/A	Title II-A Funds	U.S. Department of Education	2,780	245,709	255,747	-	12,818
				<u>153,768</u>	<u>1,992,774</u>	<u>2,066,014</u>	<u>0</u>	<u>227,008</u>
10.555	N/A	Commodity Supplemental Feeding	U.S. Department of Agriculture	-	214,134	214,134	-	-
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	11,976	455,129	452,859	-	9,706
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	23,231	1,541,032	1,537,547	-	19,746
				<u>35,207</u>	<u>2,210,295</u>	<u>2,204,540</u>	<u>0</u>	<u>29,452</u>
<b>TOTAL COMPONENT UNIT</b>				<u>323,910</u>	<u>6,224,240</u>	<u>6,197,319</u>	<u>0</u>	<u>296,989</u>
<b>TOTAL FEDERAL GRANTS</b>				<u>\$ 371,438</u>	<u>7,709,777</u>	<u>7,665,016</u>	<u>(9,995)</u>	<u>316,682</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, 2015**

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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.

**NOTE 3: SURPLUS MILITARY PROPERTY**

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

See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2015**

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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.

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See Independent Auditors' Report.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2015**

Grant Number	Program Name	Grantor Agency	Balance July 1, 2014	Cash Receipts	Expenditures	* Adjustments	*** Balance June 30, 2015
<b>PRIMARY GOVERNMENT</b>							
<u>GENERAL FUND</u>							
N/A	State Boarding of Prisoners	Tennessee Department of Correction	\$ 315,869	2,054,171	2,268,433	-	530,131
#Z-09-212808-00	Litter Grant	Tennessee Department of Transportation	10,834	25,750	18,984	-	4,068
**	Juvenile Grant	Tennessee Commission of Children & Youth	3,510	10,305	10,000	-	3,205
**	Juvenile Grant - State Supplement	Tennessee Commission of Children & Youth	9,000	13,500	9,000	-	4,500
#Z-10-219833-00	Health Department	Tennessee Department of Health	170,325	507,687	477,538	-	140,176
**	Library Services & Technology Act	Tennessee State Library & Archives	-	1,613	1,613	-	-
<b>TOTAL GENERAL FUND</b>			<u>509,538</u>	<u>2,613,026</u>	<u>2,785,568</u>	<u>0</u>	<u>682,080</u>
<u>HIGHWAY FUND</u>							
**	Bridge Program	Tennessee Department of Transportation	-	397,381	397,381	-	-
**	Rural Road Program	Tennessee Department of Transportation	-	451,199	451,199	-	-
<b>TOTAL HIGHWAY FUND</b>			<u>0</u>	<u>848,580</u>	<u>848,580</u>	<u>0</u>	<u>0</u>
<u>SANITATION FUND</u>							
Z-08-020276-00	Waste Tire Contract	Tennessee Department of Environment and Conservation	18,443	18,443	-	-	-
<b>TOTAL SANITATION FUND</b>			<u>18,443</u>	<u>18,443</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PRIMARY GOVERNMENT</b>			<u>527,981</u>	<u>3,480,049</u>	<u>3,634,148</u>	<u>0</u>	<u>682,080</u>
<b>COMPONENT UNIT</b>							
<u>GENERAL PURPOSE SCHOOL FUND</u>							
GG-08-22128-00	Transition School to Work	Tennessee Department of Agriculture	18,990	124,773	126,777	(4,092)	16,902
<b>TOTAL GENERAL PURPOSE SCHOOL FUND</b>			<u>18,990</u>	<u>124,773</u>	<u>126,777</u>	<u>(4,092)</u>	<u>16,902</u>
<u>SCHOOL FOOD SERVICE</u>							
**	State Administrative Expenses for Child Nutrition	Tennessee Department of Education	-	34,855	34,855	-	-
<b>TOTAL SCHOOL FOOD SERVICE</b>			<u>0</u>	<u>34,855</u>	<u>34,855</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPONENT UNIT</b>			<u>18,990</u>	<u>159,628</u>	<u>161,632</u>	<u>0</u>	<u>16,902</u>
<b>TOTAL STATE GRANTS</b>			<u>\$ 546,971</u>	<u>3,639,677</u>	<u>3,795,780</u>	<u>0</u>	<u>698,982</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 III**

**STATISTICAL SECTION  
(UNAUDITED)**

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

Schedule 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 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	43,270,484
Restricted	167,986	175,741	210,752	238,327	279,334	185,073	192,689	11,549,974	17,522,004	16,014,780
Unrestricted	<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>	<u>(112,761,421)</u>
Total Governmental Activities Net Position	<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>	<u>(53,476,157)</u>

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

	Fiscal Year										Schedule 2
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>EXPENSES</b>											
<b>Governmental Activities</b>											
General Government	\$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	5,198,822	
Finance	-	-	-	-	-	2,544,864	2,580,133	2,603,951	2,564,200	2,369,480	*
Administration of Justice	-	-	-	-	-	3,497,335	3,621,848	3,826,432	3,803,354	3,744,198	*
Public Safety	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	18,566,191	
Highways	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	8,377,451	
Library	455,090	616,323	546,008	617,653	491,958	-	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	983,279	935,650	870,939	893,752	1,354,837	*
Public Health and Welfare	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	5,037,422	
Agricultural and Natural Resources	-	-	-	-	-	384,050	403,045	438,009	421,188	372,411	*
Other Operations	-	-	-	-	-	1,314,448	875,695	1,606,024	747,336	1,717,722	*
Education	-	-	-	-	-	270,000	66,761	161,881	4,849,517	2,370,917	*
Interest on Long-Term Debt	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	6,222,995	
<b>Total Governmental Activities Expenses</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>55,332,446</b>	
<b>PROGRAM REVENUES</b>											
<b>Governmental Activities</b>											
<b>Charges for Services</b>											
General Government	\$ 4,718,310	5,120,716	5,411,978	4,937,531	4,734,732	417,850	235,856	20,786	25,927	196,996	
Administration of Justice	-	-	-	-	-	4,452,695	4,557,262	4,474,341	4,627,424	4,660,639	*
Public Safety	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	3,876,258	
Highways	353,773	660,051	309,895	405,397	836,028	448,373	731,490	318,552	521,231	190,689	
Library	22,333	33,576	30,872	24,885	22,770	-	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	8,375	242,239	256,477	264,290	264,588	*
Public Health and Welfare	309,965	327,289	365,413	301,626	415,749	420,630	426,175	329,242	300,883	298,072	
<b>Operating Grants and Contributions</b>											
General Government	1,335,830	2,883,486	1,172,956	939,356	1,249,185	263,400	256,892	238,790	230,340	148,791	
Administration of Justice	-	-	-	-	-	36,164	35,164	30,373	33,659	34,164	*
Public Safety	366,013	328,365	453,549	869,319	309,173	189,515	200,836	269,205	310,950	399,183	
Highways	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	2,379,014	
Library	7,000	21,037	15,985	36,729	30,408	-	-	-	-	-	**
Social, Cultural and Recreational	-	-	-	-	-	113,432	-	6,976	19,172	1,154	*
Public Health and Welfare	310,367	303,938	267,659	223,586	164,564	1,157,535	1,165,292	1,044,139	994,092	1,015,523	
<b>Capital Grants and Contributions</b>											
General Government	1,323,847	445,285	1,008,787	589,451	1,464,807	904,614	529,243	172,115	210,908	109,847	
Public Safety	-	-	-	-	108,100	10,559	14,720	708,641	16,054	784,994	
Highways	1,532,077	1,639,002	450,474	1,189,000	939,857	780,480	261,312	-	1,097	284,999	
Library	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>\$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>	<b>14,644,911</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>NET (EXPENSE)/REVENUE</b>										
Total Governmental Activities Net Expense	<u>\$ (20,945,854)</u>	<u>(40,285,726)</u>	<u>(70,681,845)</u>	<u>(46,854,438)</u>	<u>(38,620,687)</u>	<u>(38,533,116)</u>	<u>(38,112,321)</u>	<u>(38,661,659)</u>	<u>(44,590,344)</u>	<u>(40,687,535)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities										
Taxes										
Property Taxes	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	35,594,480
In Lieu of Taxes	382,971	407,086	505,020	506,007	543,610	580,622	625,719	613,067	596,142	630,309
Sales Taxes	-	-	-	-	-	-	-	1,011,548	-	-
Business Taxes	762,766	865,347	989,286	978,029	1,049,064	1,077,522	1,100,085	1,879,540	987,940	1,079,144
Motor Fuel and Inspection Fee	-	-	-	-	-	-	-	-	-	-
Miscellaneous	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	2,477,345
Other Local Governments	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	1,670,665
State Aid	417,082	515,918	724,903	766,454	668,585	78,043	194,656	52,796	293,447	565,917
Federal Aid	14,343	7,078	-	-	-	7,305	-	-	-	403,381
Gain (Loss) on Sale and Disposal of Assets	80,820	12,570	18,859	25,840	1,491,702	(26,642)	(55,616)	-	56,294	24,294
Unrestricted Investment Earnings	719,272	3,535,084	4,578,378	696,149	234,165	85,853	46,654	44,239	55,808	57,605
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	-	-	-	-	-	-	-	-	-	-
	<u>21,113,283</u>	<u>27,421,796</u>	<u>13,875,210</u>	<u>30,447,108</u>	<u>37,957,491</u>	<u>41,209,250</u>	<u>41,274,527</u>	<u>40,921,037</u>	<u>40,729,148</u>	<u>42,503,140</u>
<b>CHANGE IN NET POSITION</b>										
Total Governmental Activities	<u>\$ 167,429</u>	<u>(12,863,930)</u>	<u>(56,806,635)</u>	<u>(16,407,330)</u>	<u>(663,196)</u>	<u>2,676,134</u>	<u>3,162,206</u>	<u>2,259,378</u>	<u>(3,861,196)</u>	<u>1,815,605</u>

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

Schedule 3

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Restricted	\$ -	-	-	-	-	185,073	192,689	246,894	381,934	336,034
Committed	-	-	-	-	-	1,074,741	1,521,594	1,624,729	1,625,590	2,010,134
Assigned	-	-	-	-	-	320,672	252,626	242,764	284,829	355,039
Unassigned	-	-	-	-	-	12,816,210	15,988,550	16,450,146	17,318,952	14,849,884
Reserved	1,120,759	382,222	414,557	548,548	595,895	-	-	-	-	-
Unreserved	12,653,265	10,964,710	12,940,961	12,662,133	13,422,536	-	-	-	-	-
<b>Total General Fund</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>17,551,091</b>
<b>All Other Governmental Funds</b>										
Restricted										
Highways	\$ -	-	-	-	-	-	-	4,700,309	5,325,614	5,180,307
Debt Service	-	-	-	-	-	-	-	6,405,525	7,470,558	7,342,205
Public Safety	-	-	-	-	-	-	-	197,246	206,921	228,545
Committed										
Highway Fund	-	-	-	-	-	8,111	8,111	-	-	-
Public Health and Welfare	-	-	-	-	-	894,381	1,093,416	1,250,141	1,228,278	1,215,443
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	-	2,927,689
Reserved	16,929	57,968	84,431	27,929	95,228	-	-	-	-	-
Unreserved										
Highway Fund	2,565,827	2,592,663	2,732,866	2,734,471	3,828,397	-	-	-	-	-
Debt Service Fund	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	2,037,948	1,126,211	1,019,023	1,106,642	1,230,406	-	-	-	-	-
<b>Total All Other Governmental Funds</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>	<b>16,894,189</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)**

	Fiscal Year										Schedule 4
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>REVENUES</b>											
Taxes	\$ 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	38,499,876	
Licenses and Permits	438,950	457,549	479,878	461,441	468,330	470,975	495,487	552,117	569,907	579,239	
Fines, Forfeitures and Penalties	479,370	554,028	704,110	870,337	881,800	959,209	973,459	1,049,380	942,459	966,951	
Charges for Current Services	867,791	1,123,136	793,938	1,053,232	1,816,447	970,763	1,549,971	927,575	938,606	847,433	
Other Local Revenues	1,577,698	4,602,293	5,506,319	1,911,102	1,033,664	977,206	811,291	862,523	851,021	790,851	
Investment Income	-	-	-	-	142,586	30,326	-	13,623	-	-	
Revenue from State of Tennessee	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	7,657,738	
Revenue from Federal Government	1,607,853	682,143	1,146,897	759,267	1,547,527	1,127,712	1,133,676	1,201,492	470,657	341,972	
Revenue from Other Governments and Citizens Groups	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	7,152,369	
Excess Fees and Commissions	4,801,904	-	-	-	-	-	-	-	-	-	
<b>Total Revenues</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>56,836,429</b>	
<b>EXPENDITURES</b>											
General Government	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	5,612,354	
Finance	-	-	-	-	-	2,544,864	2,573,410	2,600,650	2,560,244	2,548,805	
Administration of Justice	-	-	-	-	-	3,498,568	3,545,146	3,786,673	3,842,678	3,904,067	
Public Safety	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	17,890,607	
Highways	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	7,665,764	
Library	448,402	473,774	533,725	474,110	472,346	-	-	-	-	-	
Public Health and Welfare	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	5,139,684	
Social, Cultural and Recreational	-	-	-	-	-	957,385	876,769	869,803	839,846	1,317,274	
Agriculture and Natural Resources	-	-	-	-	-	384,050	397,948	435,305	417,339	400,909	
Other Operations	-	-	-	-	-	1,314,448	875,695	1,606,024	747,336	1,717,722	
Debt Service	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	11,802,699	
Education	-	-	-	-	-	270,000	66,761	161,881	4,030,270	2,370,917	
Capital Outlay	1,990,077	17,027,023	48,394,518	23,346,563	4,796,873	-	-	-	-	-	
<b>Total Expenditures</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>	<b>60,370,802</b>	
Excess (Deficiency) of Revenues Over Expenditures	(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)	(3,534,373)	
<b>OTHER FINANCING SOURCES (USES)</b>											
Bond Proceeds	-	126,085,000	-	-	-	-	-	1,760,000	4,015,000	-	
Note Proceeds	760,000	3,735,000	-	152,000	5,196,100	270,000	-	-	5,520,000	-	
Capital Lease Proceeds	-	-	-	-	-	-	-	-	673,166	-	
Refunding Bond Issued	-	4,275,000	-	-	-	9,765,000	-	-	7,785,000	-	
Premium on Bonds Issued	-	4,262,687	-	-	-	414,755	-	81,474	788,090	-	
Payment to Refund Bond Escrow Agent	-	(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	(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)	(6,789,278)	
Transfers from Other Funds	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	6,789,278	
<b>Total Other Financing Sources (Uses)</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>-</b>	
<b>Net Change In Fund Balances</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>(3,534,373)</b>	
Debt Service as a Percentage of Noncapital Expenditures	15.88%	21.39%	23.94%	22.42%	26.68%	37.00%	18.50%	17.70%	26.37%	19.55%	

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

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

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

Fiscal Year Ended June 30	Tax Year	Direct Tax Rate									Schedule 5
			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	
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
2015	2014	1.98	9,488,978,600	2,696,956,745	484,019,595	145,210,621	177,226,213	77,359,242	10,150,224,408	2,919,526,608	28.76

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.

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

	Schedule 6									
	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>County Direct Rates</b>										
General	\$ 0.63	0.63	0.82	0.83	0.65	0.65	0.71	0.65	0.65	0.68
Upkeep (Highway)	0.14	0.14	0.19	0.19	0.15	0.15	0.15	0.15	0.15	0.15
General Purpose School	0.82	0.82	0.82	0.88	0.68	0.68	0.69	0.74	0.77	0.80
Debt Service	0.23	0.36	0.47	0.50	0.39	0.39	0.32	0.33	0.31	0.32
Solid Waste/Sanitation	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03
<b>Total Direct Rate</b>	<b>\$ 1.87</b>	<b>2.00</b>	<b>2.35</b>	<b>2.45</b>	<b>1.91</b>	<b>1.91</b>	<b>1.91</b>	<b>1.91</b>	<b>1.91</b>	<b>1.98</b>
<b>City Rates</b>										
City of Johnson City	\$ 1.93	1.93	1.93	1.93	1.54	1.54	1.57	1.57	1.58	1.62
<b>Town Rates</b>										
Town of Jonesborough	\$ 1.54	1.54	1.54	1.54	1.18	1.18	1.28	1.28	1.28	1.31

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

Taxpayer	2015			Schedule 7 2006		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
	Johnson City Venture	\$ 23,575,686	1	0.81%	18,473,422	2
Sprint United Management	22,777,687	2	0.78%	33,187,341	1	1.63%
Wal-Mart / Sam's Club	21,633,665	3	0.74%	5,819,022	9	0.29%
American Water Heater	15,278,942	4	0.52%	10,325,052	3	0.51%
Johnson City United, LP / JC Crossing, LLC	12,375,135	5	0.42%	6,967,155	8	0.34%
Atmos Energy Corp.	10,429,495	6	0.36%	9,784,770	4	0.48%
The Haven at Knob Creek, LLC	10,441,720	7	0.36%	-	-	-
Lowe's Home Center Inc.	8,895,711	9	0.30%	-	-	-
SOFHA Real Estate Partners II, LLC	8,894,400	8	0.30%	-	-	-
Bank of Tennessee	7,471,759	10	0.26%	-	-	-
Superior Metals	-	-	-	8,667,145	5	0.42%
Bosch Braking Systems	-	-	-	8,239,993	6	0.40%
Harris Tarkett	-	-	-	7,176,802	7	0.35%
Institutional Jobbers, Co.	-	-	-	5,663,253	10	0.28%
	<u>\$ 141,774,200</u>		<u>4.85%</u>	<u>114,303,955</u>		<u>5.61%</u>

See Independent Auditors' Report.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Subsequent Tax Levy Adjustments	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Schedule 8 Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
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%	2,194,521	56,477,781	98.6%
2015	57,800,792	95,427	57,896,219	55,149,235	95.3%	-	55,149,235	95.3%

**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>
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
2015	145,300,000	4,930,000	422,051	150,652,051	3.74%	1,206.21

<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.

See Independent Auditors' Report.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income <sup>2</sup>	Schedule 10	
					Percentage of Assessed Value <sup>1</sup> of Taxable Property	Per Capita <sup>2</sup>
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
2015	145,300,000	7,342,205	137,957,795	3.43%	4.73%	1,104.57

<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, 2015**

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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
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%
2015	124,897	4,026,916,000	32,242	6.4%

<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:** 2006 - 2007: First Tennessee Development District  
2008 - 2015: Tennessee Department of Labor & Workforce Development

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

<u>EMPLOYER</u>	2015			Schedule 13 2006		
	<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	16.10%	3,541	1	6.43%
East Tennessee State University	2,370	2	4.43%	1,990	2	3.62%
James H. Quillen VA Medical Center	2,188	3	4.09%	1,259	5	2.29%
Citi Group	1,700	4	3.18%	1,700	3	3.09%
Washington County Schools	1,200	5	2.24%	1,275	4	2.32%
Advanced Call Center Technologies	1,179	6	2.20%	600	10	1.09%
AO Smith Water Products Company	1,076	7	2.01%	1,194	6	2.17%
Frontier Health	1,016	8	1.90%	-		0.00%
Johnson City Schools	832	9	1.56%	851	8	1.55%
Kelly Services, Inc.	650	10	1.22%	-		0.00%
Cingular Wireless	-		0.00%	1,000	7	1.82%
City of Johnson City	-		0.00%	843	9	1.53%
	<u>20,821</u>		<u>38.93%</u>	<u>14,253</u>		<u>25.91%</u>

Source: Economic Development Council and First Tennessee Development District.

Note: The total county employment used for 2015 is based on the June 2015 labor force estimates from the Tennessee Department of Labor and Workforce Development.

See Independent Auditors' Report.

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

Schedule 14

<u>FUNCTION</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	170	160	166	143	143	155	155	146	146	140
Public Safety	195	183	176	202	203	211	211	215	220	217
Highways	96	96	94	89	91	82	83	83	83	82
Library	9	9	9	9	12	9	9	13	9	8
Sanitation	22	14	16	14	14	14	14	13	13	14
<b>Total</b>	<u>492</u>	<u>462</u>	<u>461</u>	<u>457</u>	<u>463</u>	<u>471</u>	<u>472</u>	<u>470</u>	<u>471</u>	<u>461</u>

Source: Washington County Payroll Records

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

Schedule 15

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Jail Bookings	8,736	8,495	8,191	8,357	8,736	8,919	7,642	7,095	7,146	6,939
Average Daily Population	465	488	521	528	510	562	616	589	581	554
Physical Arrests	3,558	3,552	3,270	3,335	3,740	3,920	3,958	3,845	3,553	3,587
Warrants Processed	9,913	18,550	18,013	18,432	17,676	15,888	16,477	15,825	15,886	15,768
Warrants Served	5,987	13,386	12,852	13,513	13,234	12,199	12,118	13,138	11,757	11,341
Civil Papers Processed	10,163	*	*	*	*	*	*	*	*	*
Civil Papers Served	7,580	*	*	*	*	*	*	*	*	*
<b><u>Highway</u></b>										
Streets Maintained (miles)	762.50	766.02	767.69	769.13	769.82	769.82	760.71	788.96	788.96	789.96
Streets Resurfaced (miles)	*	21.63	12.50	10.03	32.13	34.17	21.94	31.34	36.89	31.44
<b><u>Library</u></b>										
Volumes in Circulation	113,042	98,200	136,472	158,686	166,009	146,255	146,255	153,895	167,468	139,918
<b><u>Sanitation</u></b>										
Refuse Collected (tons/day)	54.01	52.81	55.91	53.84	57.32	54.67	51.21	54.89	35.60	37.82
Recyclables Collected (tons/day)	11.46	12.01	12.85	13.23	17.25	15.34	11.23	13.47	12.92	11.78

\* 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>Function/Program</u></b>										
<b><u>Sheriff's Department</u></b>										
Correction Facility Capacity	352	352	352	578	578	578	578	578	578	620
Stations	1	1	1	1	1	1	1	1	1	1
Zones	5	5	5	5	5	5	5	5	5	5
Patrol Units	31	32	34	35	36	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	370	372	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	80,876	75,167	88,541	99,561	87,467	88,856	88,474	91,753	90,617	81,529
<b><u>Sanitation</u></b>										
Collection Trucks	4	4	4	4	4	4	4	4	4	4

Source: Various County Departments.

See Independent Auditors' Report.

**SECTION IV**

**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, 2015, 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 18, 2015.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 2015-001.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: 2015-002, 2015-003, 2007-005 and 2006-004.

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

### **Compliance and Other Matters**

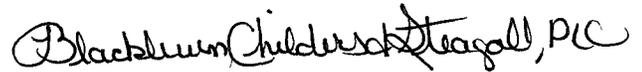
As part of obtaining reasonable assurance about whether Washington County, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 2015-001 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 18, 2015

**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, 2015. 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

### ***Basis for Qualified Opinion***

As described in the accompanying schedule of findings and questioned costs, Washington County, Tennessee did not comply with the requirements regarding CFDA 12.UKNOWN U.S. Department of Defense: Section 1033 Excess Property Program as described in finding number 2015-001 for records management and activities unallowed.

### ***Qualified Opinion on CFDA 12.UKNOWN - U.S. Department of Defense: Section 1033 Excess Property Program***

In our opinion, because of the significance of the matter discussed in the basis for Qualified Opinion paragraph, Washington County, TN did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the U.S. Department of Defense: Section 1033 Excess Property Program for the year ended June 30, 2015.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the fiscal year ended June 30, 2015.

### **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.

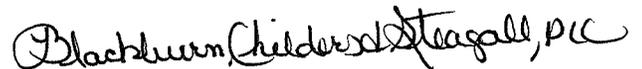
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a material weakness.

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

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 18, 2015

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF DISPOSITION OF PRIOR YEAR FINDINGS**  
**June 30, 2015**

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**Financial Statement Findings Implemented**

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2014-001	Deficiencies in Recording Current Bond Refunding and Capital Lease	Corrected
2014-002	Food Service Budget and Expense Management	Corrected
2014-003	Community Use of School Facilities	Corrected

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

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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. Five significant deficiencies and one material weakness disclosed during the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. There was one instance of noncompliance material to the financial statements of Washington County, Tennessee that was disclosed during the audit.
4. There was one material weakness 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 a qualified opinion on U.S. Department of Defense, Section 1033 Excess Property Program and an unmodified opinion on all other major federal programs.
6. There was one audit finding relative to the major federal award programs that is 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>
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
Department of Defense: Section 1033 Excess Property Program	12.UNKNOWN
National School Lunch Program	10.555
National School Breakfast Program	10.553

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, 2015**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Current Year Audit Findings – Material Weaknesses**

**Office of the Sheriff**

**2015-001 U.S. Department of Defense: section 1033 Excess Property Program– CFDA 12.Unknown**

**Condition:** Deficiencies were noted in regards to items received as surplus federal military property.

**Criteria:** During the year, Washington County received surplus federal military property items through the State of Tennessee, Department of General Services under the federal Department of Defense Section 1033 Excess Property Program. The State and the Department of Defense established guidelines for participants that receive property through the program. These guidelines provide directives as to the use, accountability, reporting, and disposal of property received through this program. The County had the following deficiencies in complying with these guidelines and the property was not properly recorded in the accounting records.

- A. Per Section 7.28 of the A-133 guide, conditionally loaned equipment is required to be included on the schedule of federal awards. It would also be reasonable to assume that this equipment will be used by Washington County, TN for the remaining useful life of the equipment, barring a national emergency under which it could be called back. As such, it should be capitalized at an estimated fair market value and depreciated for the estimated useful life.
- B. While the County did have an inventory list of property items that had been received through the program, we noted that this list did not include the location of the property. Program guidelines require the maintenance of an inventory of all property received, which should include information concerning the location of all property items. Without proper identification of items and control of inventory, there is no means to determine the status of program property.
- C. We performed a physical observation of program property and noted items did not appear to have been placed into service. Program guidelines state that property received is to be placed into service within one year of receipt, used only for law enforcement or counter-drug activities for at least one year and may not be obtained for the purpose of sale or possible future use.
- D. A complete, executed contract for the fiscal year was not provided.

**Effect:** A material prior period adjustment was necessary to record the conditionally loaned and other equipment. When Section 1033 Excess Property guidelines are not followed, the State could suspend or terminate Washington County's participation in the program and initiate corrective action for failure to meet program guidelines.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

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

**Current Year Audit Findings – Material Weaknesses (Continued)**

**2015-001 U.S. Department of Defense: section 1033 Excess Property Program– CFDA 12.Unknown (Continued)**

**Recommendation:** We recommend maintaining adequate inventory records of all program property. We recommend this list be submitted to the Purchasing Department and the Finance Department at least semi-annually for proper recording in the asset records of the County. Management should ensure that program property is being used in accordance with program guidelines and that all grant contracts are reviewed for compliance and that copies of executed contracts are maintained.

**Management's Comments:** We will begin immediately maintaining complete inventory records that include proper descriptions, reasonable fair market values, estimated useful life, location and use. We will submit those to the Washington County Finance Department on a semi-annual basis. We will review all items that have not yet been put into service and will initiate the return of those items. A completely executed contract for the 15/16 fiscal year has been obtained.

**Current Year Audit Findings – Significant Deficiencies**

**County Mayor**

**2015-002 Deficiencies in Recording of Transfers between Funds**

**Condition:** Deficiencies were noted in regards to proper accounting and budgeting for transfers between funds.

**Criteria:** When a transfer is recorded in one fund, it should be recorded at an equal amount in the transfers account within the other fund.

**Effect:** Within the General fund, several checks were written directly to vendors on behalf of the Board of Education. These checks were coded as transfers. As a result, operating transfers on the General Purpose School Fund's books were not recorded properly and total transfers did not tie between the two funds.

**Recommendation:** Controls should be in place to ensure the recording of transfers occurs correctly and that checks written to vendors are never coded as transfers out.

**Management's Comments:** We have reviewed the limited transactions that gave rise to this finding and have adjusted our policies with respect to payments to the Board of Education vendors. We will also implement procedures to periodically reconcile all interfund due to/due from accounts.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

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

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

**Board of Education**

**2015-003 Cash Shortage**

**Condition:** A deposit bag went missing and circumvented internal controls surrounding School Age Child Care collections at Ridgeview School.

**Criteria:** A fundamental concept in a good system of internal control is the segregation of duties.

**Effect:** An opportunity did exist that resulted in alleged fraud.

**Recommendation:** We recommend that the Board of Education review internal control procedures surrounding cash collections and proper depositing of money to ensure that controls are in place to prevent reoccurrence of this manner.

**Management's Comments:** Management is aware of the circumstances involving the alleged fraud. The employee was reprimanded and released from their position for not following proper internal controls for cash collections and proper depositing of money. Management will continue to focus on maintaining a good system of internal controls involving cash collections and deposits.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

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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 2015 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:** County management acknowledges the statutory requirements under TCA 5-12-107 and 5-12-109. The fiscal year 2016 budgets were adopted in accordance with these statutory timelines.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

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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:** County management recognizes the need for in-house accounting expertise to prepare the government-wide adjustments and has taken steps to acquire that expertise. It is anticipated that the internal processes will be in place in fiscal 2016 to permit County staff to prepare the appropriate government-wide adjustments.

**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:** A delay in the selection and acquisition of a new enterprise financial management system prevented us from resolving this finding in fiscal 2015. We have finalized our selection and will be implementing a new enterprise financial management system in the second half of fiscal 2016 and fully expect to eliminate this finding in the current fiscal year.

**WASHINGTON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT**

<b>Federal Agency</b>	<b>Finding Number</b>	<b>Federal CFDA Number</b>	<b>Criteria</b>	<b>Explanation</b>	<b>Amount Questioned</b>
U.S. Department of Defense: Passed-through State Department of General Services: Section 1033 Excess Property Program	2015-001	12.UNKNOWN	Circular A-133 Compliance Supplement, Part 3, Sections: A, B, and F and Section 1033 Excess Property Program Guidelines	Internal Control and Noncompliance: See Finding 2015-001	\$ 8,615